

HERA S.P.A.

Registered Office in Bologna at V.le Carlo Berti Pichat 2/4

Share capital Euro 1,489,538,745.00

Registered with the Bologna Register of Companies

Registration number 04245520376

DIRECTORS' REPORT

ITEM 3 ON THE AGENDA

ORDINARY PART

of the Ordinary and Extraordinary Shareholders' Meeting of HERA S.P.A.

called in a single call on 28 April 2022 at 10 a.m.

Dear Shareholders,

The Board of Directors of HERA S.p.A., has asked you to attend the single call of this Ordinary and Extraordinary Shareholders' Meeting at the Company's Head Office - *Viale Berti Pichat 2/4, Bologna* - on 28 April 2022 at 10.00am to discuss and decide on the items on the following:

agenda

Extraordinary Part of the Shareholders' Meeting

1. Amendment of article 17 of the Articles of Association in compliance with the new provisions contained in the Corporate Governance Code: related and consequent resolutions.

Ordinary Part of the Shareholders' Meeting

1. Financial statements as at 31 December 2021 of Hera S.p.A.: related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2021 Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.

Presentation of the Sustainability Report – the Non-Financial Consolidated Statement prepared pursuant to Legislative Decree no. 254/2016.

2. Proposed allocation of profit for the period: related and consequent resolutions.
3. Report on the remuneration policy and fees paid: resolutions relating to Section I – Remuneration policy.
4. Report on the remuneration policy and fees paid: resolutions relating to Section II – Fees paid.
5. Conferral of the mandate for the legal audit of the accounts for the financial years 2024 – 2032: related and consequent resolutions.
6. Renewal of the authorisation to purchase treasury shares and disposal procedure thereof: related and consequent resolutions.

According to article 125-ter of Legislative Decree no. 58 of 24 February 1998, if this is not already provided by other legal provisions, the board of directors shall, within the term for publication of the call notice of the meeting, make available to the public at the registered office, on the company's website, and in any other way provided for by Consob with regulations, a report on the items on the agenda.

Third item on the agenda of the Ordinary Part of the Shareholders' Meeting.

Report on the remuneration policy and fees paid: resolutions relating to Section I – Remuneration policy.

Dear Shareholders,

Section I of the Report on the remuneration policy and the fees paid, prepared in compliance with the provisions of art. 5 of the Corporate Governance Code, adopted by HERA S.p.A. pursuant to resolution of 11 November 2020, and art. 123- *ter* of Legislative Decree 58/1998 (hereinafter “TUF” - Consolidated Law on Financial Intermediation) and art. 84- *quater* of the implementing regulation of the TUF adopted by Consob pursuant to resolution 11971 of 14 May 1999 (hereinafter “**Issuers Regulation**”) as amended by Consob pursuant to resolution no. 21623 of 10 December 2020, describes and explains the policy on remuneration proposed by the Company, as well as the procedures used for the introduction and implementation of this policy.

Given the above, pursuant to art. 123- *ter* paragraph 3-*ter* of the TUF, the Shareholders' Meeting is called to decide on the first section of the Report with a binding resolution.

For more detailed information on this resolution, please read the Report on the remuneration policy and the fees paid, approved by the Board of Directors on 23 March 2022 and made available to the public as set out in law.

Given the above, we invite you to pass the following resolution:

“The Shareholders' Meeting of Hera S.p.A., in accordance with applicable law,

hereby resolves

to approve Section I of the report on the remuneration policy and fees paid of Hera Group.

Bologna, 23 March 2022

The Executive Chairman of the Board of Directors

(Mr. Tomaso Tommasi di Vignano)