

HERA S.P.A.

Registered Office in Bologna at Viale Carlo Berti Pichat no. 2/4

Share capital Euro 1,489,538,745.00

Registered with the Bologna Register of Companies

Registration number 04245520376

DIRECTORS' REPORT

ITEM 2 ON THE AGENDA

EXTRAORDINARY PART

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

called in a single call on 28 April 2021 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 Extraordinary and Ordinary Shareholders' Meeting at the Company's Head Office - *Viale Berti Pichat 2/4, Bologna* - on 28 April 2021 at 10.00 to discuss and decide on the items on the following:

agenda

Extraordinary Part

1. Amendment of article 3 of the Articles of Association: related and consequent resolutions.
2. Amendment of Article 20 of the Articles of Association: related and consequent resolutions.

Ordinary Part

1. Financial statements as at 31 December 2020 of Hera S.p.A.: related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2020. 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. Renewal of the authorisation to purchase treasury shares and disposal procedure thereof: related and consequent resolutions.

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

Amendment of Article 20 of the Articles of Association: related and consequent resolutions.

The Board of Directors of HERA S.p.A. (hereinafter “**HERA**” or the “**Company**”), has invited you to attend this Extraordinary Shareholders' Meeting to submit to your attention the proposed resolution concerning the amendment of article 20 of the Articles of Association (hereinafter “**Articles of Association**” or “**Articles**”).

This report is prepared in accordance with the provisions of article 72 of the Regulations adopted pursuant to Consob Resolution no. 11971 of 14 May 1999, as subsequently amended (hereinafter “**Issuers' Regulations**”) and Annex 3A, Schedule 3, attached to the Issuers' Regulations.

Hera’s Board of Directors of Hera proposes the amendment of Article 20 of the Articles of Association, in order to add, to paragraph 20.2, that meetings of Board of Directors may not only be called by registered post, but also by e-mail, telegram, fax or other appropriate means of communication.

Given that technology is now an essential part of our daily lives, above all for companies, updating the manner in which meetings may be called, and above all making it possible to send the call notice by e-mail, will allow us to avoid using paper, thus confirming even in this case, the “*green*” approach of Hera.

Finally, the positive aspects of sending the call notice by e-mail cannot be ignored: on one hand, a large number of addressees may be quickly reached and, on the other, this method saves time.

The amendment submitted for the approval of this Shareholders' Meeting as indicated above is illustrated in the following synoptic table that compares the article of the Articles of Association for which the amendment is proposed, in the current and in the proposed text.

CURRENT TEXT	NEW TEXT
ART. 20 CALL FOR A BOARD OF DIRECTORS MEETING	ART. 20 CALL FOR A BOARD OF DIRECTORS MEETING
20.1 The Board meets, at its registered office or elsewhere, even abroad provided the place of the meeting is in the European Union, at once every quarter or whenever the Chairman deems it necessary or if a meeting is requested by at least one third of the members of the board or by the Board of Statutory Auditors.	20.1 The Board meets, at its registered office or elsewhere, even abroad provided the place of the meeting is in the European Union, at once every quarter or whenever the Chairman deems it necessary or if a meeting is requested by at least one third of the members of the board or by the Board of Statutory Auditors.
20.2 The Board Meeting is called by the Chairman pursuant to A call notice sent by registered post to each Director and Statutory Auditor at least 5 (five) days prior to the date of the meeting or, in the case of an urgent meeting, even by telegram or fax sent at least	20.2 The Board is called by the Chairman pursuant to a call notice sent by registered post, e-mail, telegram, fax or other appropriate means of communication , to each Director and Statutory Auditor at least 5 (five) days prior to the date of the meeting

CURRENT TEXT	NEW TEXT
24 (twenty-four) hours before the meeting.	or, in case of urgent meetings, even by telegram or fax sent at least 24 (twenty-four) hours before the date of the meeting.
20.3 If the Chairman is absent or prevented from attending the meeting, it shall be called by the Deputy-Chairman in accordance with the provisions of article 19 above.	20.3 If the Chairman is absent or prevented from attending the meeting, it shall be called by the Deputy-Chairman in accordance with the provisions of article 19 above.

The amendment proposals do not entitle shareholders who do not approve the amendments to withdrawal pursuant to section 2437 of the Italian Civil Code.

Resolution proposal

Given the above, the Board of Directors invites you to pass the following resolutions:

“Extraordinary Shareholders' Meeting of HERA S.p.A.:

- *having heard the Chairman's presentation;*
- *having acknowledged the report of the Board of Directors and the proposal made therein;*

hereby resolves

(i) to amend article 20 of the Articles of Association as indicated by the text hereunder, with a comparison of the proposed amendments

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(ii) to confer all-encompassing powers to the Chairman to arrange, even through representatives if necessary, whatever may be required, necessary or useful to pass the above resolution, including the authority to:

- *sign and publish any document, deed and/or declaration that may be required or necessary for this purpose, including any notice that may be required by current regulations, including applicable regulations;*
- *more generally to arrange anything that may be required, necessary and useful for the passing of the above resolution, making any non-substantial changes that may be requested by the competent authorities, above all for registration with the Register of Companies”.*

Bologna, 24 March 2021

The Executive Chairman of the Board of Directors
(Mr. Tomaso Tommasi di Vignano)