

**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***

***ORDINARY 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 Ordinary and Extraordinary 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 year: 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.

According to article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, if this is not already provided by other provisions set out in law, the board of directors shall, within the term for publication of the notice calling 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.

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

**Proposed allocation of profit for the year: related and consequent resolutions.**

Dear Shareholders,

The financial statements of Hera S.p.A. as at 31 December 2020 submitted for your approval closed with a positive result of EUR 217,017,464.38 and therefore, if you agree, you are asked to approve the following resolution:

*“The Shareholders’ Meeting of HERA S.p.A.:*

- *having examined the financial statements as at 31 December 2020, which closed with a profit of EUR 217,017,464.38;*
- *having acknowledged the management report of the Board of Directors;*
- *having acknowledged the report of the Board of Statutory Auditors;*
- *having acknowledged the report of the Independent Auditors;*

***hereby resolves***

a. *to allocate the profit for the year 1 January 2020 – 31 December 2020, of EUR 217,017,464.38 as follows:*

- an amount of EUR 10,850,873.22 to the legal reserve; and*
- to distribute a total dividend of a gross amount of EUR 0.11 for each outstanding ordinary share (excluding treasury shares in the company's portfolio) on the day of payment of that dividend; and*
- an amount of EUR 42,317,329.21 to the extraordinary reserve.*

*Therefore, the total payable dividend amounts to EUR 163,849,261.95 corresponding to EUR 0.11 for each outstanding ordinary share (therefore excluding treasury shares in the company's portfolio);*

- b. *to pay the dividend from 7 July 2021 with dividend no. 19 to shareholders registered on 5 July 2021, a dividend that will be paid to the shares on account on 6 July 2021;*
- c. *to authorise the Board of Directors, and on its behalf, the Chairman, to ascertain in due course, in relation to the final number of outstanding shares, the precise amount of the distributed profit and, thus, the precise amount of the extraordinary reserve.”*

Bologna, 24 March 2021

***The Executive Chairman of the Board of Directors***

(Mr. Tomaso Tommasi di Vignano)