

**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 3 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 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.

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.

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 24 March 2021 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, 24 March 2021

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

(Mr. Tomaso Tommasi di Vignano)