

# Board of Directors' Position on the Counterproposals of Shareholders—natural Persons—concerning Item 3 on the General Meeting Agenda

The Company received counterproposals of shareholders concerning item 3 of the General Meeting agenda—Decision on the Profit Distribution of ČEZ, a. s., on the following dates:

- a) Tomáš Chýle (received on June 12, 2022 at 9:44 a.m.);
- b) Pavel Jech (received on June 14, 2022 at 10:34 a.m.);
- c) Martin Mareček (received on June 15, 2022 at 10:38 a.m.);
- d) Radim Procházka (received on June 15, 2022 at 11:16 a.m.);
- e) Jan Hejkal (received on June 16, 2022 at 11:50 a.m.) —The submission of this shareholder also includes a counterproposal to item 6 of the General Meeting agenda, on which the Board of Directors has adopted a separate position;
- f) Lucie Drastilová (received on June 16, 2022 at 8:43 p.m.).

In terms of the content of the resolution proposed by the above shareholders (hereinafter referred to as “**Shareholders**”) in their counterproposals, these counterproposals are similar, differing only in minor details in the specific wording of the draft resolution, and on this basis they can be divided into two groups.

## Counterproposals of Shareholders 1

The shareholders Tomáš Chýle and Jan Hejkal (hereinafter referred to as “**Shareholders 1**”) in their counterproposals jointly propose to adopt the following resolution under this agenda item:

“Draft resolution (1):

The General Meeting of ČEZ, a. s., approves the distribution of the Company’s 2021 profit amounting to CZK 4,406,893,805.66 and a portion of retained earnings amounting to CZK 19,264,655,590.34 as follows:

Share in profit to be distributed to shareholders (the “dividend”) ..... CZK 23,671,549,396.00

The dividend is CZK 44 per share before tax.

The record date for entitlement to the dividend is July 4, 2022. Entities that will be shareholders of the Company as at the record date for entitlement to the dividend will be entitled to the dividend.

The above-mentioned amount of the dividend is calculated from the total number of Company shares issued. The dividend allocated to treasury shares held by the Company as at the record date for entitlement to the dividend will not be paid. The amount corresponding to the dividend on treasury shares held by the Company as at the record date for entitlement to the dividend will be transferred to the retained earnings account.

The dividend is payable on August 1, 2022. The dividend will be paid through Česká spořitelna, a.s., company reg. No. 45244782, having its registered office at Olbrachtova 1929/62, Praha 4,

postcode 140 00, in the manner presented to this General Meeting and published on the Company's website at [www.cez.cz](http://www.cez.cz) under the "Investors" link, in the subsection concerning the 2022 General Meeting in the "General Meetings" section. The dividend payment ends on July 31, 2026.

The Company shall pay the dividend to shareholders—natural persons permanently residing in the Czech Republic, who have a CZK account recorded with the Central Securities Depository (CSD), to this registered CZK account of the shareholder."

As both Shareholders 1 propose to adopt a resolution of the same wording, this counterproposal shall be voted on only once, in the order according to Article 13, Sec. 15 of the Company's Articles of Association, the time when the counterproposal of the first of the Shareholders 1 was delivered to the Company being decisive.

#### Counterproposals of Shareholders 2

The Shareholders Pavel Jech, Martin Mareček, Radim Procházka and Lucie Drastilová (hereinafter referred to as "**Shareholders 2**") in their counterproposals jointly propose to adopt the following resolution under this agenda item:

"Draft resolution (1):

The General Meeting of ČEZ, a. s., approves the distribution of the Company's 2021 profit amounting to CZK 4,406,893,805.66 and a portion of retained earnings amounting to CZK 19,264,655,590.34 as follows:

Share in profit to be distributed to shareholders (the "dividend") ..... CZK 23,671,549,396.00

The dividend is CZK 44 per share before tax.

The record date for entitlement to the dividend is July 4, 2022. Entities that will be shareholders of the Company as at the record date for entitlement to the dividend will be entitled to the dividend.

The above-mentioned amount of the dividend is calculated from the total number of Company shares issued. The dividend allocated to treasury shares held by the Company as at the record date for entitlement to the dividend will not be paid. The amount corresponding to the dividend on treasury shares held by the Company as at the record date for entitlement to the dividend will be transferred to the retained earnings account.

The dividend is payable on August 1, 2022. The dividend will be paid through Česká spořitelna, a.s., company reg. No. 45244782, having its registered office at Olbrachtova 1929/62, Praha 4, postcode 140 00, in the manner presented to this General Meeting and published on the Company's website at [www.cez.cz](http://www.cez.cz) under the "Investors" link, in the subsection concerning the 2022 General Meeting in the "General Meetings" section. The dividend payment ends on July 31, 2026.

The Company shall automatically pay the dividend to shareholders—natural persons permanently residing in the Czech Republic, who have a CZK account registered with the Central Securities Depository (CSD) records, to this CZK account."

As all Shareholders 2 propose to adopt a resolution of the same wording, this counterproposal shall be voted on only once, in the order according to Article 13, Sec. 15 of the Company's Articles of Association, the time when the counterproposal of the first of the Shareholders 2 was delivered to the Company being decisive.

#### Joint position of the Board of Directors

Although the counterproposals of Shareholders 1 and Shareholders 2 differ in the details of the wording of the proposed resolution, they are materially similar. Similarly, the rationale of the counterproposals of all Shareholders are materially similar, even verbatim to a certain extent. The essence of the counterproposals is the Shareholders' proposal that the Company should pay the dividend to all shareholders—natural persons—with permanent residence in the Czech Republic who have a CZK bank

account entered in the Central Securities Depository (hereinafter referred to as “CSD”) automatically to this account, i.e. not on the basis of an individual request of a given shareholder with the required documents. The purpose of the proposed amendment is therefore, in the view of the submitting shareholders, to simplify the process of dividend payment to shareholders. The Company’s Board of Directors is not aware of the reason why the submitting shareholders are proceeding individually and not submitting a single joint proposal, and the Board of Directors is not aware of the reason why the counterproposals of Shareholders 1 and Shareholders 2 differ in the actual text of the resolution, and has therefore decided to respect the differences in the proposals submitted and to allow a vote on both options, i.e. on both the counterproposal of Shareholders 1 and the counterproposal of Shareholders 2.

In view of the similarity in the wording of the two counterproposals and the reasoning, the Company’s Board of Directors presents the following common position on all Shareholders’ counterproposals:

The Company follows the legal regulations in setting up the dividend payment process, in particular the provisions of Sec. 120(2)(b) of Act No. 256/2004 Coll., on capital market undertakings. In accordance with this provision, the Company ensures the payment of dividends through Česká spořitelna, a. s., company reg. No. 45244782, having its registered office at Olbrachtova 1929/62, Praha 4, postcode 140 00 (hereinafter referred to as “**Česká spořitelna**”). The specific conditions that a shareholder must meet in order to be paid a dividend through Česká spořitelna are always published together with the Board of Directors’ proposal for the distribution of profits and are publicly available to shareholders. These conditions are set in such a way as to ensure that the Company is able to ensure that all obligations related to the payment of dividends are met when the dividend is paid. This implies, among other things, that the shareholder must provide Česká spořitelna (either directly or through an administrator—a CDCP participant) with a declaration by the ultimate owner of beneficial ownership of the dividend income and a current confirmation of the ultimate owner’s tax residency when applying for a dividend payment. If the Company did not require this up-to-date information from shareholders, it would be exposed to a significant tax risk of the assessment of the difference in the withholding tax by the tax authorities due to the application of the wrong withholding tax rate. Such a course of action would be contrary to the duty of care owed by the Board of Directors members. The Company cannot automatically rely on the data recorded in the CSD for the payment of dividends, as this data is not regularly updated, which may lead to a discrepancy between the information recorded in the CSD and the actual tax residence of the relevant shareholder.

The requirement for an ad hoc shareholder declaration is a practice that is commonly used by certain other issuers.

The Company further considers that the dividend application process is not unduly burdensome for shareholders. In addition, in the proposal for the distribution of profits submitted to this year’s General Meeting for approval, the Board of Directors proposed to modify the process so that shareholders can use commonly used electronic means to apply for dividend payments, which will make the dividend payment process easier for shareholders.

With respect to the shareholders’ request for non-disclosure of their personal data, the Company states that this request can only be partially granted. The Company shall anonymize personal data on the shareholder’s date of birth, residence, and signature (if any). The personal data on the shareholder’s name and surname shall be processed in accordance with the conditions set out in the document “Information on the Processing of Personal Data in Connection with the General Meeting of ČEZ, a. s.” published on the Company’s website at the same time as the notice of the General Meeting.

**Furthermore, the Board of Directors, having discussed the Shareholders’ counterproposals to item 3 of the General Meeting agenda, has concluded that these counterproposals are not contrary to the law, have been delivered to the Company in accordance with the law and the Company’s Articles of Association, and for these reasons shall be included for voting under item 3 of the Company’s General Meeting agenda (see above for the order). However, in view of the above, the Board of Directors does not recommend approval of these counterproposals.**