

Contract for Performance of the Function of a Supervisory Board Member

concluded by and between

ČEZ, a. s.

and

Lubomír Lízal

Contract for Performance of the Function of a Supervisory Board Member

ČEZ, a. s., the company with the registered office located in Prague 4, Duhová 1444/2, registered in the commercial register maintained by the Municipal Court in Prague, Section B, Entry 1581, represented by Dr. Martin Roman, the Chairman of the Board, and by Ing. Daniel Beneš, MBA, Deputy Chairman of the Board

/Hereinafter referred to as “**the Company**“/

For one party

and

Lubomír Lízal, born on 03/06/1969, residing at Ke Škole 1398/1, 149 00 Praha 4,

Who was on 22/11/2010 elected by the general meeting as a member of the Company's supervisory board and accepted this office,

/Hereinafter referred to as “**the SB Member**“/

For the other party

Have agreed on the following conditions for the performance of the function of the Company's SB Member:

1. Subject of the Contract

- 1.1. The subject hereof is constituted by a detailed specification of the conditions for the performance of the function of an SB Member, and by adjustment of the mutual rights and obligations between the Contracting Parties.
- 1.2. The rights and obligations related to the performance of the function arise from the legal regulations, the Company's Articles of Association, the rules of procedure of the supervisory board of ČEZ, a. s., SB resolutions, and from this Contract.

The SB Member shall be obliged to perform his/her function with due care of a prudent person.

- 1.3. This Contract is concluded for the term of the performance of the function of the SB Member, which is regulated by the Company's Articles of Association.

2. Termination of Performance of the Function

- 2.1. In the event of termination of the function of the SB Member, the SB Member shall be obliged to take such steps and measures, which, if not taken, would do harm to the Company.

The performance of the function is to be terminated in accordance with the legal regulations and the Company's Articles of Association.

- 2.2. Within thirty days upon the termination of the performance of the function, the SB Member is to return to the Company:

- All documents and papers provided thereto in direct connection with the performance of the function, all duplicates, extracts, copies of these documents and papers, unless they have already been discarded, as well as media for recording and transferring data owned by the Company,
- Other objects, which are used, or related to the performance of the function.

2.3. The SB Member is to return the private car (see Article 4 below) to the Company within one month as of the end of the month therein the performance of the function was terminated.

The SB Member is to hand over the above-mentioned objects to the SB secretary, or to the authorized employee of the Company.

3. Rewards and Reimbursements

- 3.1.** On the basis of the decision of the general meeting, the SB Member shall be entitled to a fixed monthly reward amounting to CZK 52,500 (in words: "fifty-two thousand five hundred Czech crowns").
- 3.2.** The rewards, or the proportionate part thereof specified in section 3.1., Article 3 hereof, shall be paid to the SB Member upon the expiry of a calendar month, on the payday designated for payment of wages to the Company's employees. The basis for payment of the rewards shall be a written document signed by the chairman and deputy chairman of the supervisory board (in the event of absence of either of them, by another SB Member), and by the chairman or deputy chairman of the board, submitted to the relevant department of the Company.
- 3.3.** Should the SB Member go on domestic or foreign business trips in accordance with the rules of procedure of the supervisory board of ČEZ, a. s., or carry out study, promotional or other special activity in the interests of the Company, he/she shall be entitled to reimbursements for the expenses incurred thereby, as specified in Annexe No. 1 hereto, under the conditions set by the rules of procedure of the supervisory board of ČEZ, a. s., and by the relevant managing document of the Company.
- 3.4.** The SB Member shall be entitled to reimbursements for other expenses, usually related to the performance of the function. The amounts of reimbursements are to be governed by the legal regulations, or by the internal managing documents of the Company.
- 3.5.** Should this Contract stipulate rewards for a certain period of time (months, accounting year), and the SB Member has performed his/her function only during a part of this period, he/she shall be entitled to a proportionate part of the reward. Should his/her function be terminated by recalling during a given period of time, the body, which has recalled him/her, may decide otherwise.
- 3.6.** In the event of a temporary inability to perform the function due to illness or long-term absence, the SB Member shall be entitled to a reward for a given period of time, if he/she submits his/her written opinion on the discussed items to the chairman of SB until the instant of discussion thereof, at the latest, unless the audit committee decides otherwise. In the Event of a temporary inability to perform the function, the supervisory board shall decide on recognition of the reward. Long-term absence means non-participation and non-submission of a written opinion during two sequential months, at the minimum.

4. Material Conditions

- 4.1.** The Contracting Parties agree upon the possibility of hiring a private car for the performance of the function of a SB Member. The conditions for hiring and using the car are to be arranged with the SB Member in a separate contract, should the SB Member require car hire.

If the SB Member does not hire a private car from the Company, he/she may use his/her own car to perform the function. The expenses related to the use thereof are to be paid to the SB Member by the Company in accordance with the legal regulations.

The Contracting Parties arrange a possibility of hiring and using other objects necessary for the performance of the function. However, such objects shall not be provided to the SB Member, if they have already been provided thereto in connection with the performance of another function in the Company, or in connection with the employment relationship towards the Company.

- 4.2.** When terminating the performance of the function, together with the returned car and the other objects provided, the SB Member is to return complete documentation regarding these objects, as well.

5. Non-Competition

- 5.1.** The SB Member must not:
- a) Do business in the sphere which is the same as, or similar to, the Company's business sphere, or establish business relationships with the Company,
 - b) Mediate or procure deals with the Company for other persons,
 - c) Participate in a business activity of another company as an unlimited liability partner, or as a controlling person of another person with the same or similar subject of business activity,
 - d) Carry out activity as a statutory body, or member of the statutory or another body of another legal entity with the same or similar subject of business activity, unless it is a concern.
- 5.2.** The SB Member is aware of the fact that any violation of the ban on competition may be the reason for recalling from office.

6. Protection of Some Facts

- 6.1.** The SB Member undertakes, for the period of the performance of the function and for two years upon the termination thereof, not to unlawfully communicate to another person, or disclose facts, which are considered the subject of business secrets by the Company, or which are of confidential character, whose disclosure to third parties may cause damage to the Company. This restriction is also applicable to media for data recording and transfer, which contain such facts. The SB Member undertakes to handle information, which is classified pursuant to Act No. 412/2005 Coll., on protection of classified information and on security eligibility, in the valid wording thereof and the implementing regulations thereof, in accordance with these legal regulations.
- 6.2.** Any violation of the obligations specified in section 6.1. hereof may be the reason for recalling the SB Member from office. This does not affect the Company's entitlement to claim damages, should the Company reasonably consider that these damages were incurred thereby in causal connection with violation of this obligation by the SB Member.

7. Obligations of the Company

7.1. The Company undertakes to:

- a) Pay the SB Member a reward to the extent and under the conditions set by Article 3 hereof,
- b) Provide material conditions for the SB Member to the extent specified in Article 4 hereof,
- c) Provide the SB Member with data or other documents for the performance of the function on request via the special departments,
- d) Familiarize the SB Member with classified information pursuant to Act No. 412/2005 Coll., in the valid wording thereof and the implementing regulations thereof, if required for the performance of the function, provided that the SB Member is a person authorized to handle classified information,
- e) Familiarize the SB Member with facts constituting the subject of business secrets, if required for the performance of the function,
- f) Familiarize the SB Member with safety regulations on an ongoing basis, if required for the performance of the function.

7.2. The Company shall deduct advances for income tax on dependent activity from taxable income of the SB Member, and make deductions of statutory insurance in accordance with the legal regulations currently in force.

8. Royalty

8.1. The SB Member shall be entitled to royalty as a share on the Company's profit, if payment thereof is approved by the general meeting.

9. Other Provisions

9.1. The Company undertakes to take out liability insurance for damage caused by the SB Member to the Company or third parties while performing the function of the SB member or in relation therewith, with a renowned insurance company designated by the board, namely at the expense of the Company up to the maximum amount of insurance benefit up to CZK 1,200 million.

9.2. The Company undertakes, forthwith, at the expense of the Company, to take out capital life insurance in favour of the SB Member with a renowned insurance company designated by the board under the conditions approved by the general meeting. When terminating the performance of the function, or if the Company decides to withdraw from the contract of capital life insurance as the policyholder, this contract shall be transferred to the SB Member free of charge.

9.3. The SB Member is aware of the fact that insurance premiums paid by the Company for capital life insurance are deemed receipts from dependent activity, and are subject to income tax and payments to be made in accordance with the legal regulations currently in force. The SB Member agrees that advance for tax on this income should be deducted in the month therein the Company shall pay this insurance premium to the insurance company. If it is impossible to deduct income tax, the SB Member undertakes to pay the Company advance for tax deducted from his/her income resulting from capital insurance paid. The conditions and term for payment of advance for income tax shall be specified in a separate agreement. The SB Member undertakes to conclude this

agreement with the Company within 30 calendar days from the date of payment of insurance premium, at the latest.

- 9.4. The Company undertakes to provide the SB Member with information, papers and documents concerning the Company's activity, in accordance with Section 197, Article 2 of the Commercial Code and the adopted system of providing data and information to the supervisory board of ČEZ, a. s.
- 9.5. Any violation of sections 2.1., 2.2., 2.3., 5.1. and 6.1. hereof shall be deemed a major violation of the conditions hereof.
- 9.6. The conditions not regulated hereby are to be governed by the Commercial Code, the Company's Articles of Association, and the rules of procedure of the supervisory board of ČEZ, a. s.
- 9.7. Should at any time (also upon the termination of the function of an SB Member) the SB Member get a legitimate impression that his/her right to protection of personality, civic honour, professional reputation or human dignity was infringed by using the press, radio, television or other mass media in connection with the performance of the function of a SB Member, or in connection with the termination of the function, or should criminal prosecution be instituted against the SB Member, he/she may request the Company that it reimburse for the expenses incurred to ensure protection from such infringement, and pay the costs of legal representation. In this case the Company undertakes to reimburse the SB Member for the expenses related to ensuring protection from such infringement, including payment for the costs of legal representation, unless it is at variance with the legal regulations. Should the SB Member be lawfully convicted of a criminal offence committed thereby, he/she shall reimburse the Company for the expenses incurred thereby to pay for his/her legal representation.

10. Final Provisions

- 10.1. This Contract shall become valid on the date of signing hereof, and effective on the date of approval hereof by the Company's general meeting.
- 10.2. This Contract may be amended or completed only in written form.
- 10.3. This Contract shall lose validity on the date of the termination of the function, with the exception of the provisions of Article 2 and section 6.1. hereof.
- 10.4. The Parties conclude this Contract in good faith, voluntarily, seriously and in full awareness of the text hereof, which they confirm by attaching their signatures hereto.

In Prague, dated 27/01/2011

SB Member:

signature

Lubomír Lízal

On behalf of the Company:

signature

Martin Roman
The Chairman of the Board

signature

Daniel Beneš
Deputy Chairman of the Board

**To the Contract of Performance of the Function of a Supervisory Board Member
concluded on 27/01/2011**

**REIMBURSEMENTS FOR EXPENSES INCURRED BY THE
SUPERVISORY BOARD MEMBER**

Travel expenses while on business trips:

- Subsistence allowance amounting to 2 times as opposed to the rates set by the Act No. 262/2006 Coll., the Labour Code, in the valid wording thereof, other expenses at the proven amount, and insurance premiums; only on foreign business trips pocket money amounting to 2 times as opposed to the maximum amount set by the Act No. 262/2006 Coll., the Labour Code, in the valid wording thereof.
- Entitlement to a business class air ticket.

Fare by private car (hired or own)

- At the amount set by the Act No. 262/2006 Coll., the Labour Code, in the valid wording thereof, and by the Act No. 586/1992 Coll., on income tax, in the valid wording thereof.

Company car

- Upper middle class category car.
- The car shall be properly insured against all risks for the whole period of use thereof by the Supervisory Board Member,
- The Company shall fully pay the expenses incurred for fuel, repairs and maintenance of the car, with the exception of fuel while using the car for private purposes.

In Prague, dated 27/01/2011

SB Member:

signature

Lubomír Lízal

On behalf of the Company:

signature

Martin Roman
The Chairman of the Board

signature

Daniel Beneš, MBA
Deputy Chairman of the Board