

# **Contract for performing the role of Supervisory Board member**

Entered into between

**ČEZ, a. s.**

**and**

**Prof. Ing. Michal Mejstřík, CSc.**

# Contract for performing the role of Supervisory Board member

**ČEZ, a. s.**, a company with its registered office in Prague 4, Duhová 1444/2, postal code: 140 53, ID No.: 45274649, Registered in the Commercial Register administered by the Municipal Court in Prague, Section B, File 1581, represented by Ing. Daniel Beneš, MBA, Chairman of the Board and Ing. Martin Novák, MBA, the Vice-Chairman of the Board,

/hereinafter referred to as the “**Company**”/

*on behalf o of one party*

and

**Prof. Ing. Michal Mejstřík, CSc.**, born on June 6th, 1952, residing at Krajníková 107, 252 29 Dobřichovice,

who was appointed by the Supervisory Board on October 25th, 2013, effective as of October 26th, 2013, as Supervisory Board member of the Company for the period until the next General Meeting, and who accepted this role

/hereinafter referred to as the “**SB member**”/

*on behalf of the other party,*

*hereinafter collectively also referred to as the “Contractual parties”*

have hereby agreed on the following conditions to perform the role of Supervisory Board member for the Company:

## 1. Subject of the Contract

- 1.1.** The subject of this Contract includes a detailed specification of the conditions for performing the role of SB member and regulation of mutual rights and obligations between the Contractual parties.
- 1.2.** The rights and obligations of the Contractual parties related to performing the role of SB member arise from legal regulations, from the Articles of Association of the Company, from the Rules of Procedure of the Supervisory Board of ČEZ, a. s, and from this Contract.

The SB member is obliged to perform his/her role with due professional care.

The SB member will regularly perform his/her role at the following address: Prague 4, Duhová 2/1444, postal code 140 53, and if the due performance of the role requires it, s/he will undertake domestic travels and travels abroad outside the place where the role of SB member is typically performed.

- 1.3.** This contract is concluded for the term of performing the role of SB member.

## 2. Remuneration, compensation and other benefits

- 2.1.** The Company pledges to pay the SB member remuneration for performing the role and a share in profit (royalty) to an amount and under the conditions set in Appendix 1 to this Contract “Rules for the remuneration and the provision of other benefits to the

Supervisory Board members”, (hereinafter referred to as “Appendix 1”), except for the instances in which the law does not permit the provision of such remuneration.

- 2.2. Should the SB member undertake domestic travel or travel abroad in relation to performing the role of the SB member, outside the place where the member’s role is typically performed (hereinafter also referred to as “business trips”), or study, promotional or other professional activities on behalf of the Company, s/he is entitled to receive remuneration of travel expenses to the amount and under the conditions stipulated in Appendix 1 to this Contract.
- 2.3. Without affecting Section 2.2 of this Contract, the SB member is entitled to receive remuneration of other potential rationally exerted expenses related to performing the role, within the scope approved by the General Meeting of the Company.

### **3. Material conditions and other benefits**

- 3.1. Upon his/her request, the Company pledges to provide the SB member with a car to perform the role of SB member, and also to use it for private purposes, under the conditions stipulated in Appendix 1 to this Contract.  
  
If the SB member does not make use of the possibility to be provided with a car from the Company, s/he may use his/her own car to perform the role. The costs related to the use thereof are reimbursed by the Company to the Supervisory Board member under the conditions stipulated in Appendix 1 to this Contract.  
  
Upon his/her request, the Company pledges to provide the SB member with the necessary items to perform his/her role (mobile phone to perform the role of SB member for private use, related voice and data services are without financial limit), a desktop or a notebook, etc.). However, such things will not be provided to the SB member in case they have already been provided in connection with the performance of another role within the Company or in connection with a labor-law relationship towards the Company.
- 3.2. The Company pledges to take out capital life insurance at its own expense on behalf of the SB member, under the conditions stipulated in Appendix 1 to this Contract.

### **4. Non-competition clause and conflict of interests**

- 4.1. The SB member must not:
  - a) Undertake business within the scope of activities of the Company, not even on behalf other persons, or to mediate the Company business for another entity.
  - b) Be a member of the statutory body of another legal person with similar scope of activities or a person in a similar position, unless this involves a trust.
  - c) Contribute to the business activities of another business corporation as a partner with unlimited liability or as a controlling person with respect to another person with the same or similar line of business.
- 4.2. The SB member is obliged to abide by limitations arising from the stipulations of Section 451 et sequential of the Act on Business Corporations, as well as from other stipulations of generally binding legal regulations and the Articles of Association of the Company dealing with the ban on competition.
- 4.3. The SB member is obliged to abide by the rules concerning conflict of interest within the statutory scope.

## **5. Protection of certain facts**

- 5.1.** The SB member pledges not to communicate or disclose without authorization to a third person any facts which constitute a trade secret of the Company or which are of a confidential nature, the disclosure of which to third persons might cause damage to the Company (or its business partners), for the period of performing his/her role as well as upon termination thereof. This restriction also applies to data recording devices and transfer media containing such facts. The SB member pledges to handle information classified pursuant to Law No. 412/2005 Coll. on protecting classified information and security clearance, as amended, and pursuant to implementing regulations thereof, in accordance with these legal regulations.
- 5.2.** Violation of the obligation pursuant to Section 5.1 may constitute grounds for the dismissal of the SB member. This does not affect the right of the Company to claim damages, should the Company reasonably deem that such damages were incurred in causal connection with the violation of this obligation by the SB member.

## **6. Obligations of the Company**

- 6.1.** The Company pledges to:
- a) Remunerate the SB member within the scope and under the conditions stipulated in Section 2 and in Appendix 1 to this Contract.
  - b) Provide the SB member with material conditions within the scope stipulated in Section 3 of this Contract.
  - c) Provide the SB member with information, materials and documents relating to the activities of the Company, pursuant to Section 447, Subsection 1 of the Act on Business Corporations and in accordance with the accepted system of providing materials and information to the Supervisory Board of ČEZ, a. s.
  - d) Familiarize the SB member with classified information pursuant to Act No. 412/2005 Coll., as amended, and in accordance with its implementing regulations, if required to perform the role of a SB member of the Company, provided that the SB member is a person authorized to handle classified information.
  - e) Familiarize the SB member with facts constituting the subject of a trade secret, if required to perform his/her role.
  - f) Continuously familiarize the SB member with safety regulations, if required to perform his/her role.
- 6.2.** The Company shall deduct advances for income tax from dependent activities of natural persons and premiums for mandatory insurance from the taxable income of the SB member and carry out deductions thereof to the respective institutions pursuant to the valid legal regulation.

## **7. Other provisions**

- 7.1.** Conditions not regulated by this Contract are governed by Act No. 90/2012 Coll. on business companies and associations (hereinafter referred to as the "Act on Business Corporations"), by Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "Civil Code"), by the Articles of Association of the Company and by the Rules of Procedure of the Supervisory Board of ČEZ, a. s.

- 7.2.** Should the SB member at any time (even upon termination of his/her role as SB member) gain a justified impression that the right to protect his/her rights as a person, his/her civic honors, professional reputation or human dignity has been infringed by way of the press, radio, television or other mass media in connection with performing his/her role of SB member or in connection with the termination of this role, or should criminal proceedings be brought against the SB member, s/he may ask the Company to reimburse expenses to ensure protection from such infringement and to reimburse the costs of legal representation. In this case, the Company pledges to reimburse the SB member for expenses related to ensuring protection against such infringement, including reimbursement of the costs of legal representation, provided this does not violate the legal regulations. Should the SB member be lawfully convicted of committing a criminal offence, s/he shall reimburse the Company for expenses incurred in connection with the settlement of his/her legal representation.

## **8. Termination of service**

- 8.1.** Performance of the role is terminated pursuant to the legal regulations and the Articles of Association of the Company.

In the event of terminating the role of SB member, the SB member is obliged to undertake such steps and measures so as to prevent damage incurred by the Company should he fail to do so.

- 8.2.** Within thirty days after the role has been terminated, the SB member shall return the following to the authorized employee of the Company:
- All documents and papers provided to him/her in direct connection with performing the role, all duplicates, extracts, copies of such documents and papers, unless they have already been discarded, as well as data recording devices and transfer media provided by the Company
  - Other items provided to him/her in connection with performing the role, including potential documentation related to such items.
- 8.3.** If the Company provided the SB member with a car pursuant to Section 3.1 of this Contract, the SB member is obliged to return this car to the Company within one month following the end of the month in which his role was terminated (see also Section 3 of this Contract).

## **9. Final Provisions**

- 9.1.** This Contract comes into force on the date of its signing by both Contractual parties, and takes effect on the date of its approval by the General Meeting of the Company. By taking effect, this Contract fully replaces the obligations arising from the Contract for performing the role entered into by and between the Contractual parties on January 2nd, 2014.  
The SB member is entitled to receive all kinds of remuneration, compensation and other benefits according to this Contract also for the period from beginning his/her role until the effect of this Contract.
- 9.2.** The legal mode of this Contract is governed by the Act on Business Corporations and by the Civil Code. Unless stipulated otherwise by this Contract, the relevant stipulations of the new Civil Code regarding the mandate contract apply.
- 9.3.** This Contract may only be changed or amended via written form.

- 9.4.** The obligation from this Contract shall expire on the date the role is terminated, with the exception of the provisions of Section 8 and Subsection 5.1 of his Contract.
- 9.5.** The parties have entered into this Contract in good faith, voluntarily, solemnly and having fully understood the text, which they confirm by adding their signatures.

In Prague, on April 28th, 2014

Supervisory Board member:

Signature  
Prof. Ing. Michal Mejstřík, CSc.

On behalf of the Company:

Signature  
Ing. Daniel Beneš, MBA  
Chairman of the Board of Directors

Signature  
Ing. Martin Novák, MBA  
Vice-Chairman of the Board of Directors

To the Contract for performing the role of Supervisory Board member, entered into on April 28th, 2014

## **RULES FOR REMUNERATION AND THE PROVISION OF OTHER BENEFITS TO SUPERVISORY BOARD MEMBERS**

### **I. Introductory Provisions**

- 1.1.** These rules regulate the conditions for providing remuneration, other benefits and other compensation to the members of the Supervisory Board of ČEZ, a. s. (hereinafter referred to as the "Company").
- 1.2.** The Supervisory Board member is not entitled to receive remuneration, royalties and capital life insurance according to these rules should the law does not permit these be provided.
- 1.3.** The term Supervisory Board member also refers to the chairman and vice-chairman thereof, unless these Rules explicitly stipulate otherwise.

### **II. Remuneration**

- 2.1.** Supervisory Board members are entitled to receive remuneration amounting to CZK 52,500 (in words: fifty two thousand, five hundred Czech crowns) per month, the vice-chairman of the Supervisory Board is entitled to receive CZK 84,000 (in words: eighty four thousand Czech crowns) per month, and the chairman of the Supervisory Board is entitled to receive CZK 105,000 (in words: one hundred and five thousand Czech crowns) per month.
- 2.2.** Remuneration is paid to the Supervisory Board members after the end of the calendar month, on the payment day stipulated for paying wages to Company employees. The basis for paying remuneration is constituted by a written document signed by the Chairman and the Vice-Chairman of the Supervisory Board (or by another member of the Supervisory Board should either be absent ) and by the Chairman or the Vice-Chairman of the Board of Directors, submitted to the respective department of the Company.
- 2.3.** In the event that this Contract stipulates remuneration for the Supervisory Board member for a certain period (months, fiscal year), and the Supervisory Board member only performs his/her role for a portion of this period, s/he is entitled to receive a proportional part of the said remuneration. If the role was terminated by dismissal during the course of the given period, the dismissing body may decide otherwise.
- 2.4.** In the event that the SB member is temporarily unable to perform activities related to the role of Supervisory Board member due to illness, s/he is still entitled to receive monthly remuneration according to Section 2.1 of this Appendix 1 in its entirety for the period of the first 30 calendar days in which the Supervisory Board member is unable to perform the activities related to the role of Supervisory Board member for the reasons stated above. Should such inability to perform activities related to the role of the SB member endure without interruptions for a period exceeding 30 calendar days, then the monthly remuneration for the period starting on the 31<sup>st</sup> calendar day, for each calendar month in which the SB member is unable to perform his/her role, until the termination of such inability, amounts to 50 % of the monthly remuneration stipulated in Section 2.1 of this Appendix 1.

### **III. Share in profit**

- 3.1.** The Supervisory Board member is entitled to receive the share in interest (royalty), if the General Meeting of the Company approves of its payment, under the conditions approved by the General Meeting.

### **IV. Capital life insurance**

- 4.1.** The Company has taken up capital life insurance on behalf of the SB member at its own expense under the conditions approved by the General Meeting, with the period of insurance amounting to 4 years. In the event of a Supervisory Board member, capital life insurance amounts to CZK 2,550,000 (in words: two million, five hundred and fifty thousand Czech crowns), in the case of the vice-chairman of the Supervisory Board it amounts to CZK 3,050,000 (in words: three million and fifty thousand Czech crowns), and in the case of the chairman of the Supervisory Board it amounts to CZK 4,050,000 (in words: four million and fifty thousand Czech crowns). Upon termination of the role or in case the Company decides to withdraw from the contract on capital life insurance as policyholder, then this contract shall be transferred free of charge onto the Supervisory Board member.
- 4.2.** The SB member acknowledges that the premiums paid by the Company for capital life insurance are considered as income from employment and are subject to income tax and deductions pursuant to valid legal regulations. The SB member agrees with the advance payment for income tax from this income deducted in the month where the Company pays the premiums to the insurance company. If it is not possible to deduct the income tax, the Supervisory Board member pledges to pay the advance tax payment on income tax derived from the paid capital insurance to the Company. The conditions and the dates of payment of the advance on income tax will be specified in a separate agreement. The SB member pledges to conclude this agreement with the Company no later than within 30 calendar days after the day the premium payment is made.

### **V. Utilization of a car**

- 5.1.** The Supervisory Board member is entitled, pursuant to Section 3.1 of this Contract, to be provided with an upper middle class car with the acquisition value of max. CZK 1,100,000, except for the chairman of the Supervisory Board, who is entitled to be provided with an upper middle class car with the acquisition value of max. CZK 2,300,000 for the period of performing the role, and in connection therewith also with insurance against all risks throughout the period of using the car, and with settlement of repair and maintenance costs regarding the car, and of fuel, except for fuel used for private purposes.
- 5.2.** The Supervisory Board member may use his/her own car to perform his/her role, under the conditions stipulated in Section 3.1 of the Contract to perform the role. In this case, reimbursement of travel expenses shall be provided to the Supervisory Board member to the amount pursuant to Sections 157 – 160 and 167 of Act No. 262/2006 Coll., the Labor Code, as amended (hereinafter referred to as the Labor Code), and pursuant to Act No. 586/1992 Coll. on Income Tax, as amended.

## VI. Reimbursement of travel expenses

**6.1.** In the event of undertaking business trips related to performing the role, the Supervisory Board member is entitled to receive:

- Domestic meal allowances under the conditions stipulated in Section 163 of the Labor Code, to twice the amount (except for the chairman of the Supervisory Board, who is entitled to three times the amount of the meal allowances) of the following rates:

| Duration of the business trip            | Amount of meal allowances in CZK |
|------------------------------------------|----------------------------------|
| 5 to 12 hours                            | <b>69.00</b>                     |
| more than 12, but not exceeding 18 hours | <b>106.00</b>                    |
| more than 18 hours                       | <b>165.00</b>                    |

- Foreign meal allowances to twice the amount (except for the chairman of the Supervisory Board, who is entitled to three times the amount of meal allowances) of the rates stipulated in Section 170 of the Labor Code,
- Reimbursement of other expenses (i.e. accommodation expenses under the conditions stipulated in Sections 162 and 169 of the Labor Code, the necessary additional expenses under the conditions stipulated in Section 164 and Section 171 of the Labor Code) related to the business trip to the documented amount, and further on,
- A plane ticket in business class, and
- In the event of business trips abroad, s/he is also entitled to receive pocket money to twice the amount (except for the chairman of the Supervisory Board, who is entitled to three times the value of pocket money) as opposed to the maximum amount stipulated in Section 180 of the Labor Code.

## VII. Travel insurance

**7.1.** Throughout the period of performing the role, the Supervisory Board member is covered by travel insurance taken up by the Company for short-term business trips abroad related to performing the role of Supervisory Board member.

In Prague, on April 28th, 2014

Supervisory Board member:

Signature  
Prof. Ing. Michal Mejstřík, CSc.

On behalf of the Company:

Signature  
Ing. Daniel Beneš, MBA  
Chairman of the Board of Directors

Signature  
Ing. Martin Novák, MBA  
Vice-Chairman of the Board of Directors