

Contract of Service on the Supervisory Board

between

ČEZ, a. s.

and

.....

Contract of Service on the Supervisory Board

ČEZ, a. s., a company having its registered office in Prague 4, Duhová 1444/2, postal code: 140 53, Company ID No.: 45274649, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 1581,

(hereinafter referred to as the “**Company**”)

on the one part

and

.....,

born, domiciled at

who was * elected as a member of the Supervisory Board of the Company / appointed as a substitute member of the Supervisory Board of the Company on, and accepted the position,

(hereinafter referred to as the “**SB Member**”)

on the other part

(hereinafter also collectively referred to as the “Contracting Parties”)

have hereby agreed on the following conditions of service on the Company’s SB:

* Select as appropriate

1. Subject Matter of the Contract

- 1.1. This Contract specifies in detail the terms and conditions for serving on the SB and regulates mutual rights and obligations between the Contracting Parties both during the term of service and thereafter.
- 1.2. The SB Member’s rights and obligations relating to service on the SB arise from legal regulations, the Company’s Articles of Association, the Rules of Procedure of the SB, SB resolutions, and this Contract.

The SB Member is obliged to perform his/her role with due diligence.

The SB Member shall regularly perform his/her duties at the following address: Prague 4, Duhová 425/1, Duhová 1444/2, and Duhová 1531/3, postal code 140 00, and shall undertake domestic and foreign travel outside the place of regular service if required by due performance of his/her duties.

- 1.3. /NOTE: The following wording of Article 1.3 will be added to service contracts made with members of the Supervisory Board elected by the General Meeting on June 3, 2016 from proposed Company employee candidates, in compliance with Article 14(7)(c)(c.10): “*The Contracting Parties have agreed that the SB member’s term of office under this Contract shall last from April 12, 2017 to June 30, 2021.*” The term of office of these Supervisory Board members will be adjusted so that its start immediately upon the expiration of the term of office of the current employee members of the Company’s Supervisory Board (expiring on April 11, 2017) and its expiration (on June 30, 2021) allows better aligning the date of the next election of employee candidates for membership in the Supervisory Board in 2021 and the date of the General Meeting that will be presented with the next nominations of

candidates for the election of one-third of Supervisory Board members from among Company employees (no later than June 30, 2021)./

2. Remuneration and Other Consideration

2.1. The Company undertakes to provide the SB Member with:

- a) remuneration for his/her service;
 - b) share in profits (royalty) and other consideration;
 - c) endowment life insurance taken out at the Company's expense in favor of the SB Member;
 - d) a car to be used when discharging the SB Member's duties as well as for private purposes, if the SB Member asks for it;
 - e) reimbursement for travel expenses in an amount representing an increase over reimbursement to be provided under applicable law;
- (hereinafter collectively referred to as "Consideration")

in the amount and under the terms and conditions set forth in Annex 1 hereto, "Rules for Providing Consideration to SB Members" (hereinafter referred to as "Annex 1 hereto"), except where the law does not permit providing such consideration.

3. Reimbursement, Material Conditions, and Other Consideration

3.1. The Company undertakes to provide the SB Member with:

- a) reimbursement for travel expenses if the SB Member undertakes domestic or foreign travel in relation to his/her service on the SB outside the place of regular service specified in Article 1.2, or study travel, promotional travel, or travel undertaken in relation to other professional activities on behalf of the Company (hereinafter referred to as "business travel"); reimbursement for the cost of training or other courses relating to his/her service on the SB, promotional or other professional activities on behalf of the Company; as well as reimbursement for costs incurred in relation to his/her attendance at SB meetings or in relation to his/her service on the SB at the place of regular service pursuant to Article 1.2 (hereinafter referred to as "travel to meetings");
 - b) work equipment required for his/her service (a mobile phone, a desktop or laptop computer, etc.). However, said items will not be provided to the SB Member if they have already been provided in connection with his/her service in another role within the Company or in connection with a labor relation with the Company;
 - c) the possibility to use his/her private car for discharging his/her duties (if the SB Member does not take advantage of a car provided by the Company). The SB Member shall be reimbursed for the cost of its use under the terms and conditions set down in Annex 1 hereto.
 - d) reimbursement for costs incurred by the SB Member pursuant to Article 7 hereof;
- (hereinafter collectively referred to as "Consideration")

in the amount and under the terms and conditions set forth in Annex 1 hereto, except where the law does not permit providing such consideration.

4. Non-Competition and Conflict of Interest

4.1. The SB Member shall not:

- a) conduct business in the Company's line of business, including for the benefit of third parties, or mediate the Company's transactions for third parties,
- b) be a member of the statutory governing body of another legal entity having a similar line of business or a person in a similar position unless they form a concern,

- c) participate in the business activities of another business corporation as a member with unlimited liability or as the controlling entity of another entity engaged in the same or similar line of business.
- 4.2.** The SB Member shall abide by any other restrictions arising from the Business Corporations Act as well as from other provisions of generally binding legal regulations and the Company's Articles of Association concerning non-competition.
- 4.3.** The SB Member shall abide by rules for conflict of interest within the statutory scope.

5. Protection of Certain Facts

- 5.1.** For the term of service as well as after termination thereof, the SB Member undertakes not to disclose or make available to a third party without authorization any facts that constitute the Company's trade secret, the Company's internal information, or that are of a confidential nature and whose disclosure to third parties might cause harm to the Company (or its business partners). This restriction also applies to data recording and data transfer media containing such facts. The SB Member undertakes to handle information classified pursuant to Act No. 412/2005 Sb., on the protection of classified information and security clearance, as amended, and its implementing regulations in compliance with these legal regulations.

6. Obligations of the Company

- 6.1.** The Company undertakes to:
- a) provide the SB Member with remuneration and other consideration within the scope and under the terms and conditions set forth in Article 2 hereof and in Annex 1 hereto, except where the law does not permit providing such consideration,
 - b) provide the SB Member with reimbursement, material conditions, and other consideration within the scope and under the terms and conditions set forth in Article 3 hereof and in Annex 1 hereto, except where the law does not permit providing such consideration,
 - c) provide the SB Member with information, documents, and papers concerning the Company's activities pursuant to Section 447(1) of the Business Corporations Act and in compliance with the adopted system for providing documents and information to the Supervisory Board of ČEZ, a. s.,
 - d) disclose classified information pursuant to Act No. 412/2005 Sb., as amended, and its implementing regulations to the SB Member if his/her service on the SB so requires and provided that the SB Member is a person designated to handle classified information,
 - e) disclose facts constituting the subject of a trade secret to the SB Member if his/her service so requires,
 - f) keep the SB Member informed of safety regulations if his/her service so requires.

7. Indemnity

- 7.1.** In case:
- a) the SB Member at any time (including after the termination of his/her service on the SB) gets a justified impression that his/her right to protection of person, civic honor, professional reputation, or human dignity has been infringed by a third party by means of the press, radio, television, or other mass media in connection with his/her service on the SB or termination thereof, and the SB Member initiates appropriate legal proceedings to protect himself/herself, or
 - b) the SB Member faces criminal prosecution or action by law enforcement authorities in connection with his/her service on the SB or termination thereof,
- (hereinafter collectively referred to as "Proceedings"),

the Company shall reimburse the SB Member, under the terms and conditions specified below, for reasonable costs incurred by the SB Member in connection with such Proceedings or imminent Proceedings, i.e. including costs incurred in connection with the assertion of any claim that may become the subject matter of such Proceedings (hereinafter referred to as "Compensation"), namely remuneration for the services of legal and other advisors, court and administrative fees, and/or other payments approved by the Company (hereinafter collectively referred to as "Costs").

- 7.2.** The SB Member shall become entitled to Compensation upon the delivery of a written request for Compensation from the SB Member to the Company, which must also include relevant information and documentation concerning the Proceedings (i.e. concerning the amount and intended use of Compensation requested and the subject matter of the Proceedings) and meet other conditions set forth herein. If the specified conditions are met, the Company shall pay the Compensation within [thirty (30)] days of the commencement date of entitlement to the Compensation.
- 7.3.** The SB Member may ask the Company for a payment to cover Costs incurred on a running basis after the SB Member becomes liable to pay such Costs (hereinafter referred to as "Advance" or "Advances"), including when the Company or an entity controlled by the Company is or may be the SB Member's counterparty in the Proceedings. The Company shall provide the Advance to the SB Member within [fifteen (15)] days of the SB Member's written request. The SB Member shall accompany the request by relevant information and documentation for payment pursuant to Article 7.2. If, on the day when the Proceedings are lawfully terminated, the conditions for entitlement to the Compensation prove to be unmet or if the amount of payment that the Company is thus obligated to pay to the SB Member is less than the amount of money provided to the SB Member as an Advance, the SB Member shall return the Advance or a pro rata portion thereof at the Company's request and within the time specified therein.
- 7.4.** The SB Member shall notify the Company of the commencement or imminent commencement of Proceedings pursuant to Article 7.1 hereof without undue delay.
- 7.5.** The SB Member undertakes to make every effort and take all necessary action to obtain indemnification from third parties, in compliance with the law and/or contractual obligations, for payments covered from an Advance or Compensation; for the avoidance of doubt, the Parties agree that such third party indemnification for payments under this Article shall include insurance indemnity regardless of the policyholder. Provided that the SB Member has previously received an Advance or Compensation for the same from the Company, the SB Member shall transfer any indemnification awarded and paid to him/her to the Company within [thirty (30)] days of the payment thereof. If the SB Member is indemnified for his/her costs by a third party before he/she receives a corresponding Advance or Compensation, the Company's obligation to provide such Advance or Compensation shall cease to exist to the relevant extent.
- 7.6.** Irrespective of other provisions herein, the SB Member shall not become entitled to Compensation:
 - a) if the Company is not allowed to provide such payment under the law applicable at the time in question;
 - b) if the entitlement to Compensation relates to an act for which the SB Member is adjudged guilty of a crime upon a final judgment;
 - c) if the Company or an entity controlled by the Company is the SB Member's counterparty in the Proceedings, unless such Proceedings are initiated and conducted by the Company or an entity controlled by the Company and the court rejects or partially or fully dismisses the motion of the Company or the entity controlled by the Company upon final judgment. If the SB Member succeeds partially in such Proceedings, the SB Member shall be entitled to Compensation on a pro rata basis.

8. Termination of Service

- 8.1. Service shall be terminated in compliance with legal regulations and the Company’s Articles of Association.
Upon the termination of his/her service, the SB Member shall take such steps and measures whose non-performance might harm the Company.
- 8.2. Within thirty days after the termination of his/her service, the SB Member shall return the following to an authorized employee of the Company:
 - all documents and papers provided to him/her in direct connection with his/her service, all duplicates, extracts, and copies of such documents and papers, unless they have already been destroyed, as well as data recording and data transfer media provided by the Company,
 - other items provided to him/her in connection with his/her service, including any documentation relating to such items.
- 8.3. If the Company provided the SB Member with a car pursuant to Article 2.1 hereof, the SB Member shall return the car to the Company within one month after the end of the month in which his/her service terminated (see also Article 2 hereof).

9. Final Provisions

- 9.1. This Contract comes into force and effect on the date of its signing by both Contracting Parties. The SB Member is also entitled to all remuneration, compensation, and other consideration under this Contract for the period from the commencement of his/her service to the entry into effect of this Contract.
- 9.2. Terms and conditions that are not regulated by this Contract are governed by Act No. 90/2012 Sb., on commercial companies and cooperatives (hereinafter referred to as the “Business Corporations Act”), Act No. 89/2012 Sb., Civil Code (hereinafter referred to as the “Civil Code”), and the Company’s Articles of Association. Unless otherwise provided in this Contract, the relevant provisions of the new Civil Code regarding mandate shall apply.
- 9.3. Annex 1 hereto constitutes an integral part of this Contract. This Contract may only be modified or amended in writing.
- 9.4. Rights and obligations under this Contract, with the exception of the provisions of Article 8 and Article 5.1 hereof, shall expire on the date of termination of service on the SB.
- 9.5. The Parties enter into this Contract in good faith, voluntarily, solemnly, and having fully understood its text, which they confirm by adding their signatures.

Prague,

SB Member:

On behalf of the Company:

Name:

Name:
Title:

Name:
Title:

Annex 1
to the Contract of Service on the Supervisory Board

RULES FOR PROVIDING CONSIDERATION TO SUPERVISORY BOARD MEMBERS
(HEREINAFTER REFERRED TO AS "RULES")

I. Introductory Provisions

- 1.1. These Rules regulate the terms and conditions for providing remuneration, other consideration, and reimbursement (hereinafter collectively referred to as "Consideration") to members of the Supervisory Board of ČEZ, a. s. (hereinafter referred to as the "Company").
- 1.2. A member of the Supervisory Board is not entitled to Consideration specified in these Rules if the law does not permit the provision thereof.
- 1.3. A member of the Supervisory Board shall also mean the chairman and vice-chairman thereof unless these Rules provide otherwise.
- 1.4. The "Contract" shall mean the Contract of Service made by and between a Supervisory Board member and the Company.

II. Remuneration

- 2.1. Supervisory Board members are entitled to remuneration for their service amounting to CZK 52,500 (that is: fifty-two thousand five hundred Czech korunas) per month, the vice-chairman of the Supervisory Board is entitled to remuneration of CZK 84,000 (that is: eighty-four thousand Czech korunas) per month, and the chairman of the Supervisory Board is entitled to remuneration of CZK 105,000 (that is: one hundred and five thousand Czech korunas) per month.
- 2.2. Remuneration is paid to the members of the Supervisory Board after the end of the calendar month, on the pay day specified for paying wages to Company employees. Remuneration is paid on the basis of 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 competent department of the Company.
- 2.3. Where this Contract provides that a Supervisory Board member is entitled to remuneration for a certain period (months, accounting year) and the Supervisory Board member serves for just a portion of such period, he/she shall receive said remuneration on a pro rata basis. If his/her service in a given period was terminated by removal, the removing body may decide otherwise.
- 2.4. If a Supervisory Board member is temporarily unable to perform activities associated with service on the Supervisory Board because of sickness, he/she remains entitled to the full monthly remuneration, pursuant to Article 2.1 of these Rules, for the first 30 calendar days of his/her inability to perform activities associated with service on the Supervisory Board due to the above reasons. If such inability to perform activities associated with service on the Supervisory Board lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member is unable to serve on the Supervisory Board, from the 31st calendar day to the end of their inability, is 50% of the monthly remuneration stipulated in Article 2.1 of these Rules.

III. Share in Profits

- 3.1. A member of the Supervisory Board is entitled to a share in profits (royalty) if such payment is approved by the General Meeting and under the conditions approved by the General Meeting.

IV. Endowment Life Insurance

- 4.1. The Company shall take out, at its expense, endowment life insurance for the benefit of the SB member with a policy period of 4 years, amounting to CZK 2,550,000 (that is: two million five hundred and fifty thousand Czech korunas) for a member of the Supervisory Board, CZK 3,050,000 (that is: three million fifty thousand Czech korunas) for the vice-chairman of the Supervisory Board, and CZK 4,050,000 (that is: four million fifty thousand Czech korunas) for the chairman of the Supervisory Board. Upon termination of service or the Company's withdrawal from the endowment life insurance contract as the policyholder, the policy shall be transferred to the member of the Supervisory Board free of charge.

V. Car Use

- 5.1. In compliance with Article 2.1 of the Contract, a member of the Supervisory Board is entitled to an executive car with a purchase price of up to CZK 960,000, to be provided for the term of service and with appropriate all-risk insurance coverage throughout the period of use, to reimbursement for car repair and maintenance costs, and to reimbursement for fuel costs except for fuel costs incurred in connection with his/her private use of the car.
- 5.2. A Supervisory Board member may use his/her private car for travel pursuant to Article 3.1(a) of the Contract under the conditions specified in Article 3.1 of the Contract. In such a case, the Supervisory Board member shall be reimbursed for travel costs under the conditions and at the amount specified in Sections 157–160 and 167 of Act No. 262/2006 Sb., Labor Code, as amended (hereinafter referred to as the Labor Code), and Act No. 586/1992 Sb. on income taxes, as amended.

VI. Mobile Phone

- 6.1. If a mobile phone is provided by the Company to a member of the Supervisory Board pursuant to Article 3.1(b) of the Contract, related voice and data services are without any financial limit.

VII. Statutory Deductions from Income

- 7.1. The Company shall deduct advance tax on employment income and premiums for mandatory insurance from the taxable income of a Supervisory Board member (i.e. including the premium paid by the Company for endowment life insurance) and transfer them to the relevant institutions pursuant to applicable law. The Supervisory Board member acknowledges that advance tax on paid endowment life insurance shall be deducted in the month in which the Company pays the premium to the insurance company. If the statutory deductions cannot be made, the Supervisory Board member undertakes to reimburse the Company for the advance income tax and the mandatory insurance premium arising from the paid endowment insurance to be paid by the Supervisory Board member. The terms and conditions and the date for paying the advance income tax shall be specified in a separate agreement. The Supervisory Board member undertakes to enter into such agreement with the Company no later than within 30 calendar days of the payment of the premium.

VIII. Reimbursement for Travel Expenses

8.1. When on business travel pursuant to Article 3.1(a) of the Contract, a member of the Supervisory Board is entitled to:

- domestic meal allowances under the conditions specified in Section 163 of the Labor Code at the following rates multiplied by 2 (except for the chairman of the Supervisory Board who is entitled to meal allowances multiplied by 3, and except for Supervisory Board members that are not allowed to be provided the consideration by law, which is then 1-fold):

Duration of business travel	Amount of meal allowances in CZK
5 to 12 hours	69.00
More than 12 but not exceeding 18 hours	106.00
Over 18 hours	165.00

- foreign meal allowances at maximum rates specified in Section 170 of the Labor Code multiplied by 2 (except for the chairman of the Supervisory Board who is entitled to meal allowances multiplied by 3, and except for Supervisory Board members that are not allowed to be provided the consideration by law, which is then 1-fold),
- per diem allowances in the event of foreign business travel at maximum rates specified in Section 180 of the Labor Code multiplied by 2 (except for the chairman of the Supervisory Board who is entitled to per diem allowances multiplied by 3, and except for Supervisory Board members that are not allowed to be provided the consideration by law, which is then 1-fold),
- a plane ticket in business class, and
- reimbursement for other expenses (i.e. accommodation expenses under the conditions specified in Sections 162 and 169 of the Labor Code, necessary additional expenses under the conditions specified in Section 164 and Section 171 of the Labor Code) related to business travel at face value; he/she is also entitled to this reimbursement in case of travel to meetings pursuant to Article 3.1(a) of the Contract.

IX. Travel Insurance

9.1. Throughout his/her term of service on the Supervisory Board, a Supervisory Board member is covered by travel insurance taken up by the Company for short-term foreign business travel in relation to service on the Supervisory Board.

Prague,

SB Member:

On behalf of the Company:

Name:

Name:
Title:

Name:
Title: