



CLEAN
ENERGY OF
TOMORROW

Board of Directors' Position on the Counterproposals of Shareholder Petr Kalivoda concerning Item 4 on the General Meeting Agenda

On June 16, 2023 at 3:51 p.m., the Company received counterproposals from shareholder Petr Kalivoda on Item 4 of the General Meeting agenda—Decision on Donations Budget.

In his counterproposals, shareholder Petr Kalivoda suggests that the General Meeting approve (a) the 2024 Donations Budget in the amount of CZK 180 million and (b) an increase of 2023 Donations Budget by CZK 15 million compared to the resolution approved by the General Meeting on June 28, 2022, i.e., to a total amount of CZK 165 million.

The resolutions proposed by the shareholder represent a reduction of Donations Budgets compared to the proposal submitted to the General Meeting by the Company's Board of Directors by CZK 70 million in 2024 and by CZK 35 million in 2023.

As part of the rationale for the counterproposals, shareholder Petr Kalivoda claims that the funds for donations are allegedly used non-transparently by the ČEZ Foundation and that ČEZ has not sufficiently addressed the replacement of employees before retirement age in the long term, arguing that it should rather use the funds proposed by the Board of Directors to attract younger employees.

With regard to the counterproposals of shareholder Petr Kalivoda concerning Item 4 on the General Meeting agenda, the Board of Directors states the following:

The Board of Directors' proposal of the Donations Budgets for both 2023 and 2024 reflects one of the Company's key strategic priorities—corporate social responsibility—and its public commitment to being a good corporate citizen that helps in areas where it operates and that develops good relationships with all communities. The Board of Directors recognizes the negative impact of inflation and last year's energy crisis on the current economic situation in the country and the resulting difficult situation for the NGO sector, municipalities, and regional communities. The proposed increase of Donations Budget further reflects the fact that CEZ Group achieved record profits in 2022.

The allegation of shareholder Petr Kalivoda that funds are used non-transparently by the ČEZ Foundation is not true. The grant procedures that the ČEZ Foundation announces every year have clear, predefined conditions that are available to all applicants on the ČEZ Foundation's website. At the same time, all supported projects are published annually in the ČEZ Foundation's annual reports. In addition, the ČEZ Foundation's activities are audited annually by internal and external auditors.

The claim of shareholder Kalivoda that ČEZ has not addressed generational change of employees in the long term is not true either. On the contrary, generational renewal of the Company's employees is one of the long-term priorities of the HR policy and ČEZ has been actively pursuing this issue for a long time. It is ensured by intensive support of technical education, cooperation with dozens of partner schools, both secondary and higher education, recruitment events for students in production plants, internships, scholarship programs, etc. The Company has a system in place for securing successors for key professions, there are training positions to ensure smooth employee turnover, and a knowledge management system is in place to retain key knowledge and experience.

For the above reasons, the Board of Directors does not recommend approval of the counterproposals of shareholder Peter Kalivoda concerning Item 4 on the Company's General Meeting agenda.