



CLEAN
ENERGY OF
TOMORROW

Remuneration Report of the Body Members of ČEZ, a. s., for Accounting Period of 2023

(report pursuant to Section 121o et seq. of Act
No. 256/2004 Sb., on capital market undertakings,
as amended, for the accounting period of 2023)

1 Introduction

This Remuneration Report is prepared on the basis of Section 121(o) and Section 121(p) of Act No. 256/2004 Sb., on capital market undertakings, as amended (hereinafter the **"CMUA"**) and builds on the Remuneration Policy of ČEZ, a. s., Company Reg. No.: 45274649, with its registered office at Duhová 2/1444, 140 53 Prague 4, registered in the Commercial Register maintained by the Municipal Court in Prague, ref. B 1581 (hereinafter referred to as the **"Company"**), which was approved by the General Meeting of the Company (hereinafter referred to as the **"General Meeting"**) on June 29, 2020 (hereinafter referred to as the **"Remuneration Policy"**).

This Report relates to the remuneration of members of the Company's Board of Directors and the Supervisory Board (hereinafter referred to as **"Body Members"**) paid by the Company and other CEZ Group companies.

This Remuneration Report is prepared for the accounting period of 2023 and includes the remuneration of current Body Members granted in 2023. The amounts in this Remuneration Report are stated before statutory deductions are carried out.

The Company has not deviated from the Remuneration Policy in remuneration of Body Members in 2023.

2 Remuneration of the Company's Body Members for the Accounting Period of 2023

The Remuneration Policy contributes to the implementation of the Company's business strategy, defending its long-term interests and supporting its sustainability. The publicly available Remuneration Policy defines the parameters of remuneration of members of the Company's Board of Directors and the Supervisory Board.

The Remuneration Policy provides a clear and transparent description of all components of fixed and variable remuneration, including all bonuses and other benefits in any form, and their proportion, key financial and non-financial performance indicators, conditions of termination of service, including payments associated with the termination, and a non-compete clause.

Remuneration of the Company's Board of Directors and the Supervisory Board is agreed in a service contract concluded individually with each of the Company's Body Member, approved by the Supervisory Board in case of members of the Board of Directors and by the General Meeting in case of members of the Supervisory Board. The Supervisory Board also defines and evaluates performance indicators related to any variable component of remuneration of members of the Board of Directors. In this way, the Supervisory Board also fulfills the role of the Remuneration Committee. The terms and conditions set out in the service contract are determined in accordance with the Remuneration Policy. This fact shall be documented upon submitting this Report to the shareholders for approval at the Company's General Meeting. This complies with the principle of "Say on Pay" by the Company's shareholders. The General Meeting also decides on any royalty payments to members of the Board of Directors and the Supervisory Board.

The remuneration of the members of the Board of Directors is based on cooperation with the professional consultant Korn Ferry s.r.o. (formerly Hay Group) (hereinafter referred to as "Korn Ferry"), which has a long-standing and global focus on remuneration consulting and human resources management, including the implementation of remuneration surveys. ČEZ, a. s. uses Korn Ferry's globally consistent analytical method and standardized compensation surveys for remuneration comparisons. The Korn Ferry analytical method assesses positions with respect to amount of responsibility and powers, scope of management in terms of the number of employees and countries as well as the diversity of managed processes and segments, the difficulty of handled issues, required know-how, amount of revenue, amount of investment, as well as the degree of freedom in decision-making. Through this position valuation methodology, the Company provides comparisons to comparable positions based on Korn Ferry's compensation surveys.

In May 2021, CEZ Group's updated strategy, "Clean Energy of Tomorrow", was presented. Within this strategy, the emphasis was increased on ESG (Environmental, Social, Governance) with a focus on environmental friendliness, responsible behavior towards both employees and other stakeholders, and transparent and ethical management of CEZ Group. These changes were naturally reflected in the indicators (performance criteria for annual bonus) set for the Board of Directors members for 2022, 2023, and 2024.

2.1 Summary of the Remuneration Components for the Board of Directors Members

The total remuneration of a Board of Directors member consists of a **fixed** and a **variable remuneration component**.

The fixed remuneration component for members of the Board of Directors includes base salary, benefits, and pension schemes.

The variable remuneration component for members of the Board of Directors includes annual, target-based bonus, long-term performance bonus, and royalty.

The variable remuneration component is subject to the achievement of performance indicators set and evaluated for members of the Board of Directors by the Supervisory Board.

2.1.1 Base Salary

In 2023, members of the Company's Board of Directors were paid a base salary in accordance with Section 3.1 of the Base Salary Policy for their service as members of the Board of Directors to the extent set out in Section 2.1.8 hereof. The base salary is part of the fixed remuneration component.

By analogy to personal income taxes for employment tax purposes the amount of aggregate base salary paid in 2023 and disclosed in this Remuneration Report, does not include the remuneration paid in January 2023 for serving as a member of the Board of Directors in December 2022, and includes the remuneration paid in January 2024 for serving as a member of the Board of Directors in December 2023.

2.1.2 Benefits

In addition, members of the Board of Directors were granted benefits in accordance with Section 3.2 of the Remuneration Policy in the period of January to December 2023, to the extent set out in Section 2.1.8 hereof. The benefit is part of the fixed remuneration component.

In accordance with the Remuneration Policy, the following benefits representing other benefits within the meaning of Section 121I(2)(a) of the CMUA were provided to the members of the Board of Directors:

- Use of a mobile phone provided for office duties of a member of the Board of Directors and for private purposes;
- Use of a vehicle provided for office duties of a member of the Board of Directors and for private purposes, including all-risk insurance and reimbursement of repair and maintenance costs;
- Comprehensive medical care for a member of the Board of Directors and their family members consisting of the provision of labor-related medical services in accordance with the applicable legislation and other medical services focusing primarily on prevention of civilizational diseases and musculoskeletal system disorders;
- Contribution for a meal plan in the Company's canteen or in the form of meal vouchers in the same value and amount as it is common for employees in the given location as at the date of the service contract in the form of a contribution for one meal collected / meal voucher per business day, when they perform activities related to their duties as a member of the Board of Directors;
- Contribution for private life insurance;
- Financial resources allocated to the personal account of a member of the Board of Directors that can be used by the member of the Board of Directors and their family members for free-time activities (e.g., recreation, education, culture, sports, relaxation and health-related activities);
- Arrangement of a capital life insurance with the duration of insurance of 4 years;
- Accident insurance, and third-party liability insurance that can be used, in addition to claims related to the performance of office of a member of the Board of Directors, also in claims of personal nature.

For benefits, this Report follows the same approach as for base salary, i.e., the amount of benefits provided for 2023 excludes benefits provided in December 2022 and charged to base salary in January 2023 and includes benefits provided in December 2023 and charged to base salary in January 2024.

2.1.3 Pension schemes

In addition, pension schemes were provided to members of the Board of Directors in 2023 in accordance with Section 3.3 of the Remuneration Policy to the extent set out in Section 2.1.8 hereof. The pension schemes are part of the fixed remuneration component. The Company provides the members of the Board of Directors with a contribution for supplementary pension insurance and/or additional pension savings. Provision of the contribution is conditioned by the conclusion of a valid contract on supplementary pension insurance (and/or additional pension savings) with a state contribution by the respective member of the Board of Directors, and a regular monthly co-payment by the member of the Board of Directors in the agreed amount from their own resources. The pension contribution or supplemental retirement savings plan contribution made in January 2023 with monthly compensation for December 2022 is not included in this 2023 Pension Schemes Remuneration Report and the contribution made in January 2024 with monthly compensation for December 2023 is included in this 2023 Pension Schemes Remuneration Report.

2.1.4 Annual Bonus

The criteria (indicators) for the annual bonus of the Board of Directors members in accordance with Section 3.4 of the Remuneration Policy are set to reflect the key financial and non-financial performance indicators of the Company based on the objectives of the applicable strategy, business plan and annual budget of the Company in accordance with the applicable legislative and regulatory business conditions. The indicators set for each member of the Board of Directors reflect the areas of responsibility assigned to the respective member.

A common group target is set for all Board of Directors members, derived from CEZ Group's EBITDA for the calendar year in question, i.e., from a standardized indicator that appropriately indicates the total operating cash flow generated in the year and is objectively measurable. In addition, the Supervisory Board sets individual tasks including measurable criteria for each member of the Board of Directors, including weights for each individual task.

The sections below present the criteria (indicators) for the annual bonus of the Board of Directors members for 2024 and an evaluation of the performance of the indicators set for 2023 and 2022, approved by the Company's Supervisory Board.

2.1.4.1 Indicators (Performance Criteria for Annual Bonus) Set for 2024

The Supervisory Board has set indicators (performance criteria) for the annual bonus of the Board of Directors members for 2024. The common task of all members of the Board of Directors is to achieve the target value of the group indicator "CEZ Group Adjusted EBITDA".

The individual tasks for all members of the Board of Directors include a single task to develop the business in a responsible and sustainable manner in accordance with ESG principles with a weighting of 15%. This task consists of achieving the target level of ČEZ's ESG rating in accordance with the public commitments of the applicable VISION 2030 strategy and implementing the defined ESG programs and measures leading to meeting CEZ Group's medium-term ESG commitments.

The Supervisory Board will decide on the evaluation of compliance with the set indicators and thus on the amount of the balance payment of annual bonus for 2024 in March 2025. The balance payment of the annual bonus for 2024 will be paid in April 2025 and its amount will be stated in the 2025 Remuneration Report.

Chairman of the Board of Directors Daniel Beneš – Individual Tasks for 2024

	Individual Task	Weighting
1.	Continuously improve safety and ensure conditions for the long-term operation of nuclear power plants	20%
2.	Ensure implementation of steps to meet CEZ Group's main strategic objectives in the area of procurement	20%
3.	Maximize the market value of the DISTRIBUTION segment	20%
4.	Effectively communicate CEZ Group's strategy and activities and apply comments in the development of legislation and regulation in the energy sector	20%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

Vice-Chairman of the Board of Directors Pavel Cyrani – Individual Tasks for 2024

	Individual Task	Weighting
1.	Maximize the contribution of commodity trading and sales of support services to CEZ Group's EBITDA	20%
2.	Ensure implementation of steps to meet CEZ Group's main strategic objectives	20%
3.	Maximize the market value of the SALES segment	20%
4.	Maximize the market value of the DISTRIBUTION segment	20%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

Member of the Board of Directors Michaela Chaloupková – Individual Tasks for 2024

	Individual Task	Weighting
1.	Provide quality HR services	25%
2.	Ensure the implementation of steps to meet strategic objectives in the field of HR	25%
3.	Effectively manage expenditures in real estate management and transportation	15%
4.	Ensure the implementation of steps to meet the main strategic objectives in the field of ESG	15%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

Member of the Board of Directors Jan Kalina – Individual Tasks for 2024

	Individual Task	Weighting
1.	Implement strategic objectives in the field of RES development	20%
2.	Maximize the availability of generating facilities	20%
3.	Maximize operating cash flow generation of the GENERATION – Emission Sources and GENERATION – Renewable Energy Sources segments	20%
4.	Ensure the implementation of steps to meet the main strategic objectives of the GENERATION – Emission Sources segment	20%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

Member of the Board of Directors Martin Novák – Individual Tasks for 2024

	Individual Task	Weighting
1.	Effectively support maintaining CEZ Group's medium-term financial stability	20%
2.	Minimize financing costs	20%
3.	Ensure the implementation of steps to meet the main strategic objectives in the field of financial management of CEZ Group	20%
4.	Ensure the implementation of steps to meet the main strategic objectives in the field of IT and telecommunication services	20%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

Member of the Board of Directors Tomáš Pleskač – Individual Tasks for 2024

	Individual Task	Weighting
1.	Meet the Dukovany NNPP project objectives in the area of contractor selection in accordance with the obligations from the contracts with the state and the CEZ Group strategy	25%
2.	Meet the Dukovany NNPP project objectives in the area of financing and economic profitability in accordance with the obligations under the contracts with the state and the CEZ Group strategy	25%
3.	Select a partner for small modular reactors (SMRs)	15%
4.	Develop sites for small modular reactors (SMRs)	15%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

Member of the Board of Directors Bohdan Zronek – Individual Tasks for 2024

	Individual Task	Weighting
1.	Continually improve the safety of nuclear power plants	20%
2.	Ensure optimum availability of nuclear generating facilities	20%
3.	Maximize operating cash flow generation of the GENERATION – Nuclear Facilities segment	20%
4.	Ensure conditions for the long-term operation of nuclear power plants and the fulfillment of other strategic objectives	20%
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%
6.	Minimize fixed division costs	5%

2.1.4.2 Evaluation of Indicators (Performance Criteria of the Annual Bonus) for 2023

For the year 2023, the Supervisory Board set indicators (performance criteria for annual bonus) for the Board of Directors members, which included the common task of all Board of Directors members (achievement of the target value of the group indicator “CEZ Group Adjusted EBITDA”), as well as individual indicators (performance criteria for annual bonus) set for individual Board of Directors members, which are presented below, including the overall evaluation of annual bonus for 2023.

The overall evaluation of the indicators set for 2023 (determining the amount of the balance payment of annual bonus for 2023) was approved by the Supervisory Board on March 27, 2024. The amount of the balance payment of the annual bonus for 2023 paid in April 2024 will be disclosed in the 2024 report.

Evaluation Summary of the Performance Indicators for 2023:

Member of the Board of Directors	Position	Common Indicator	Performance of Individual Tasks	Total Annual Bonus
Daniel Beneš	Chairman of the Board of Directors and Chief Executive Officer	110.4%	101.8%	100.0%
Pavel Cyrani	Vice-Chairman of the Board of Directors and Chief of the Sales and Strategy Division		103.1%	100.0%
Michaela Chaloupková	Member of the Board of Directors and Chief of the Administration Division		102.5%	100.0%
Jan Kalina	Member of the Board of Directors and Chief of the Renewables and Traditional Energy Division		100.0%	100.0%
Martin Novák	Member of the Board of Directors and Chief of the Finance Division		101.7%	100.0%
Tomáš Pleskač	Member of the Board of Directors and Chief of the New Energy Division		101.2%	100.0%
Bohdan Zronek	Member of the Board of Directors and Chief of the Nuclear Energy Division		103.2%	100.0%

Evaluation of Performing the Common Indicator (Task) for 2023:

Common Group Indicator for 2023	Performance
CEZ Group Adjusted EBITDA	110.4%

The initial budget target was significantly exceeded, mainly thanks to an exceptionally high profit in the Trading segment. Speculative commodities trading managed to achieve its second best result ever after the extremely volatile year of 2022. The safe operation of the nuclear power plants, which were able to generate over 30 TWh for the fifth consecutive year, further contributed to surpassing the baseline target. Furthermore, the performance of ČEZ ESCO in particular contributed to exceeding the EBITDA target.

The effects of changes in market prices of commodities and emission allowances on the baseline open position of electricity generation in Czechia and the impact of savings in levies on revenues above price caps in generation compared to the baseline budget assumption were not included in the final fulfillment of the baseline target, in accordance with the definition of the indicator.

Overall Assessment of the Members of the Board of Directors for 2023:

Chairman of the Board of Directors Daniel Beneš – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Continuously improve safety and ensure conditions for the long-term operation of nuclear power plants	20%	101.8%
2.	Ensure implementation of steps to meet the main strategic objectives of CEZ Group within the VISION 2030 initiative	25%	
3.	Maximize the market value of the DISTRIBUTION segment	20%	
4.	Effectively communicate CEZ Group's strategy and activities with an emphasis on developing ESG within CEZ Group	15%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 101.8%. CEZ Group's total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

Vice-Chairman of the Board of Directors Pavel Cyrani – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Maximize the contribution of commodity trading and sales of support services to CEZ Group's EBITDA	15%	103.1%
2.	Ensure implementation of steps to meet the main strategic objectives of CEZ Group within the VISION 2030 initiative	25%	
3.	Maximize the market value of the SALES segment	20%	
4.	Maximize the market value of the DISTRIBUTION segment	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 103.1%. CEZ Group's total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

Member of the Board of Directors Michaela Chaloupková – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Provide quality HR services	20%	102.5%
2.	Ensure the implementation of steps to meet the main strategic objectives in the field of HR	25%	
3.	Effectively manage expenditures in real estate management and transportation	15%	
4.	Ensure the implementation of steps to meet the main strategic objectives in the field of procurement	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 102.5%. CEZ Group's total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

Member of the Board of Directors Jan Kalina – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Maximize operating cash flow of existing RES assets and realize strategic objectives in the field of RES development	25%	100.0%
2.	Maximize the availability of generating facilities	15%	
3.	Maximize operating cash flow generation of the GENERATION – Emission Sources segment	20%	
4.	Ensure the implementation of steps to meet the main strategic objectives of the GENERATION – Emission Sources segment	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 100.0%. CEZ Group's total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

Member of the Board of Directors Martin Novák – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Effectively support maintaining CEZ Group's medium-term financial stability	20%	101.7%
2.	Minimize financing costs	20%	
3.	Ensure the implementation of steps to meet the main strategic objectives in the field of finance	20%	
4.	Ensure the implementation of steps to meet the main strategic objectives in the field of IT and telecommunication services	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 101.7%. CEZ Group's total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

Member of the Board of Directors Tomáš Pleskač – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Meet the Dukovany NNPP project objectives in the area of contractor selection and budget in accordance with the obligations from the contracts with the state and the CEZ Group strategy	20%	101.2%
2.	Meet the Dukovany NNPP project objectives in the area of legislation and permitting procedures in accordance with the obligations of the contracts with the state and the CEZ Group strategy	20%	
3.	Meet the Dukovany NNPP project objectives in the area of financing and economic profitability in accordance with the obligations under the contracts with the state and the CEZ Group strategy	20%	
4.	Ensure the development of small modular reactors (SMRs) and the achievement of other strategic objectives for new nuclear power plants at the Temelín NPP	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 101.2%. CEZ Group's total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

Member of the Board of Directors Bohdan Zronek – Individual Tasks for 2023

	Individual Task	Weighting	Performance
1.	Continually improve the safety of nuclear power plants	20%	103.2%
2.	Ensure optimum availability of nuclear generating facilities	20%	
3.	Maximize operating cash flow generation of the GENERATION – Nuclear Facilities segment	15%	
4.	Ensure conditions for long-term operation of nuclear power plants and provide assistance in meeting CEZ Group’s strategic objectives	25%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize fixed division costs	5%	

Overall, the individual tasks were completed at 103.2%. CEZ Group’s total adjusted EBITDA was met at 110.4%. In accordance with the provisions of the performance contract, the total annual bonus for 2023 was paid at the maximum rate of 100%.

2.1.4.3 Evaluation of Indicators (Performance Criteria of the Annual Bonus) for 2022

For the year 2022, the Supervisory Board set indicators (performance criteria for annual bonus) for the Board of Directors members, which included the common task of all Board of Directors members (achievement of the target value of the group indicator “CEZ Group Adjusted EBITDA”), as well as individual indicators (performance criteria for annual bonus) set for individual Board of Directors members, which are presented below, including the overall evaluation of annual bonus for 2022.

In 2023, advances were paid to the members of the Company’s Board of Directors for the 2023 annual bonus and the balance payment of the 2022 annual bonus based on an overall evaluation of the fulfillment of the established criteria (indicators) for the 2022 annual bonus. The overall evaluation of the indicators set for 2022 (determining the amount of the balance payment of the 2022 annual bonus) was approved by the Supervisory Board in April 2023. The advances for the 2023 annual performance component and the amount of the balance payment for the 2022 annual bonus, paid in May 2023, are included under the heading “Annual Bonus Subject to Performance Indicators” set out in Section 2.1.8 hereof.

Evaluation Summary of the Performance Indicators for 2022:

Member of the Board of Directors	Position	Common Indicator	Performance of Individual Tasks	Total Annual Bonus
Daniel Beneš	Chairman of the Board of Directors and Chief Executive Officer	140.8%	101.5%	100.0%
Pavel Cyrani	Vice-Chairman of the Board of Directors and Chief of the Sales and Strategy Division		107.5%	100.0%
Michaela Chaloupková	Member of the Board of Directors and Chief of the Administration Division		103.8%	100.0%
Jan Kalina	Member of the Board of Directors and Chief of the Renewable and Traditional Energy Division		105.7%	100.0%
Martin Novák	Member of the Board of Directors and Chief of the Finance Division		100.6%	100.0%
Tomáš Pleskač	Member of the Board of Directors and Chief of the New Energy Division		100.8%	100.0%
Bohdan Zronek	Member of the Board of Directors and Chief of the Nuclear Energy Division		102.5%	100.0%

Evaluation of Performing the Common Indicator (Task) for 2022:

Common Group Indicator for 2022	Performance
CEZ Group Adjusted EBITDA	140.8%

The initial budget target was significantly exceeded, mainly due to extraordinary profit from commodity trading on foreign markets. ČEZ's trading team managed to take advantage of the extreme volatility in the markets and generated EBITDA in 2022 of more than CZK 22 billion above the baseline ambition. This achievement contributed more than 75% to outperforming the Group's common indicator target. In addition, record generation from nuclear power plants, which surpassed 31 TWh, was the main contributor to exceeding the baseline target.

In line with the definition of the indicator, the positive impact of the increase in commodity market prices on the open position of electricity generation in Czechia was not included in the final achievement of the baseline target.

Overall Assessment of the Members of the Board of Directors for 2022:

Chairman of the Board of Directors Daniel Beneš – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Continuously improve safety and ensure conditions for the long-term operation of nuclear power plants	20%	101.5%
2.	Ensure the implementation of steps to meet CEZ Group's main strategic objectives for 2023–2026 under the VISION 2030 initiative and to meet strategic objectives in the area of regulation and procurement	20%	
3.	Maximize the market value of the DISTRIBUTION segment	20%	
4.	Effectively communicate CEZ Group's strategy and activities with an emphasis on developing ESG within CEZ Group	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Overall, the individual tasks were completed at 101.5%. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

Vice-Chairman of the Board of Directors Pavel Cyrani – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Maximize profit from commodity trading	15%	107.5%
2.	Ensure the implementation of steps to meet CEZ Group's main strategic objectives for 2023–2026 in the areas of the division head's substantive competence and CEZ Group's main ESG commitments	20%	
3.	Maximize the market value of the SALES segment	25%	
4.	Maximize the market value of the DISTRIBUTION segment	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Individual tasks were met at 107.5% overall, with performance above 100% especially for task 1. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

Member of the Board of Directors Michaela Chaloupková – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Provide quality HR services	20%	103.8%
2.	Ensure implementation of steps to meet CEZ Group's main strategic objectives for 2023–2026 in the area of HR	20%	
3.	Effectively manage expenditures in real estate management and transportation	20%	
4.	Ensure implementation of steps to meet CEZ Group's main strategic objectives for 2023–2026 in the area of procurement	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Overall, the individual tasks were completed at 103.8%. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

Member of the Board of Directors Jan Kalina – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Maximize operating cash flow of existing RES assets and realize strategic objectives in the field of RES development in Czechia	20%	105.7%
2.	Maximize the availability of emission generating facilities	15%	
3.	Maximize operating cash flow generation of the GENERATION – Emission Sources segment	20%	
4.	Ensure the implementation of steps to meet CEZ Group's strategic objectives for 2023–2026 in the context of transforming the heating industry and the gradual decarbonization of the conventional portfolio, and in the context of meeting ESG commitments in the area of emissions generation	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	20%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Individual tasks were met at 105.7% overall, with performance above 100% especially for task 3. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

Member of the Board of Directors Martin Novák – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Effectively support maintaining CEZ Group's medium-term financial stability	20%	100.6%
2.	Minimize average financing costs	15%	
3.	Ensure the implementation of steps to meet the main strategic objectives in the field of IT and telecommunication services	25%	
4.	Ensure the implementation of steps to meet CEZ Group's strategic objectives for 2023–2026 in the areas of the division head's substantive competence	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Overall, the individual tasks were completed at 100.6%. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

Member of the Board of Directors Tomáš Pleskač – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Meet the Dukovany NNPP project objectives in the area of contractor selection and budget in accordance with the obligations from the contracts with the state and the CEZ Group strategy	25%	100.8%
2.	Meet the Dukovany NNPP project objectives in the area of legislation and permitting procedures in accordance with the obligations of the contracts with the state and the CEZ Group strategy	20%	
3.	Meet the Dukovany NNPP project objectives in the area of financing and economic profitability in accordance with the obligations under the contracts with the state and the CEZ Group strategy	20%	
4.	Ensure that other strategic objectives in the area of new nuclear power plants are met	15%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Overall, the individual tasks were completed at 100.8%. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

Member of the Board of Directors Bohdan Zronek – Individual Tasks for 2022

	Individual Task	Weighting	Performance
1.	Continuously improve the safety of nuclear power plants and raise the level of processes under the responsibility of the division head	20%	102.5%
2.	Ensure optimum availability of nuclear generating facilities	20%	
3.	Maximize operating cash flow generation of the GENERATION – Nuclear Facilities segment	20%	
4.	Ensure conditions for the long-term operation of nuclear power plants	20%	
5.	Develop CEZ Group in a responsible and sustainable manner in accordance with ESG principles	15%	
6.	Minimize the impactable portion of the division's fixed costs	5%	

Overall, the individual tasks were completed at 102.5%. CEZ Group's total adjusted EBITDA was met at 140.8%. In accordance with the provisions of the performance contract, the total annual bonus for 2022 was paid at the maximum rate of 100%.

2.1.5 Target-based bonus

The target-based bonus has not been set for 2023 and therefore not paid.

2.1.6 Long-Term Performance bonus

The long-term performance bonus scheme under Section 3.6 of the Remuneration Policy was introduced in the Company on January 1, 2020, replacing the Share Option Plan which was discontinued on December 31, 2019. The long-term performance bonus is based on a three-year period commencing by the allocation of a certain amount of performance units and ending by the creation of entitlement to its payment. Its amount depends on the long-term development of the market price of the share, payments of dividend and assessment of fulfillment of criteria (indicators) decided by the Supervisory Board. The criteria (indicators) for granting long-term performance bonus (performance indicators) are set by the Supervisory Board to reflect the long-term implementation of the Company's business strategy while protecting its interests and supporting its sustainability, and the Supervisory Board may determine the most appropriate, usually financial, indicators that best fulfill the Company's long-term strategy in a given calendar year.

Chart of individual steps of the long-term performance bonus



1 Performance Measurement Period

At the beginning of each calendar year, "Allocation" of performance units is made to the beneficiaries and, concurrently with this Allocation, performance measures are set for the performance measurement period. The number of performance units granted = the determined annual value of the long-term component divided by the average market price of the Company's share for the month immediately preceding the granting of the Allocation.

2 Performance Evaluation

At the end of the performance measurement period, the established performance indicators will be evaluated and the number of performance units granted will be adjusted according to the degree to which they have been met (0-150%). This determines the "Adjusted Allocation", i.e., the number of performance units whose value will be paid to the beneficiary in the future.

3 Holding Period

The Holding Period begins after the evaluation of the performance indicators and the determination of the Adjusted Allocation; the Adjusted Allocation value reflects the long-term development of the share price and the dividends paid. It lasts until the end of the 3rd year following the Allocation.

4 Payment of the Long-Term Performance Bonus

At the beginning of the 4th year following the Allocation, the long-term performance bonus is paid to the beneficiary, equal to the product of the number of performance units from the Adjusted Allocation and the average market price of the share for the last month of the Holding Period plus the value of the dividends paid on the Company's shares during the Holding Period.

The total amount paid must not exceed 200% of the annual value of the long-term performance bonus set out by the Supervisory Board upon its allocation.

Given the parameters set for the long-term performance bonus, no long-term performance bonus was paid to any of the members of the Board of Directors in 2021 and in 2022. No long-term performance component was paid in 2023 due to the assessment of the 2020 performance indicator at 0%, and the subsequent adjusted allocation of performance units was 0 units for all members of the Board of Directors.

For 2020 to 2023, the Supervisory Board has set one performance indicator, namely Total Shareholder Return (TSR), including consideration of its relative comparison with the TSR achieved within the industry. TSR for the shareholders of a given company corresponds to a change in the market value of traded Company shares in the evaluated period, including the effect of dividends. The Company's resulting TSR is then compared to a defined group of energy companies selected from the companies included in the STOXX Europe 600 Utilities Equity Index and, depending on the Company's position in the company ranking, the resulting Adjusted Allocation of performance units is determined. After the end of the assessment period, achieving the performance indicator is always evaluated by the Company's Supervisory Board.

The following numbers of performance unit allocations were granted to individual members of the Board of Directors for 2023:

Member of the Board of Directors	Number of performance units allocated as at January 1, 2023	Evaluation of performance indicator for 2023	Adjusted allocation of performance units for 2023
Daniel Beneš	13,322 pcs	142.6%	18,998 pcs
Pavel Cyrani	6,153 pcs ¹⁾	142.6%	8,775 pcs
Michaela Chaloupková	3,570 pcs	142.6%	5,091 pcs
Jan Kalina	3,570 pcs	142.6%	5,091 pcs
Martin Novák	5,401 pcs	142.6%	7,702 pcs
Tomáš Pleskač	3,570 pcs	142.6%	5,091 pcs
Bohdan Zronek	3,570 pcs	142.6%	5,091 pcs

¹⁾ In 2023 Mr. Pavel Cyrani had two consecutive terms of office, from January 1, 2023 to October 22, 2023 and from October 23, 2023 to December 31, 2023, and new Service Contract conditions were set. The number of performance units allocated as of January 1, 2023 was pro-rated in accordance with the new Service Contract conditions and the subsequent term of office from October 23, 2023.

The performance indicator achievement for 2023 was evaluated at 142.6% and therefore the resulting allocation of performance units (Adjusted Allocation for the 2023 evaluation period) was at 142.6% of the initial allocation of performance units for all members of the Board of Directors. The payment of the long-term performance bonus in respect of the 2023 performance unit allocation will occur in 2026 at an amount derived from the share price development and the amount of dividends paid for the "Holding Period".

The following numbers of performance unit allocations were granted to individual members of the Board of Directors for 2022:

Member of the Board of Directors	Number of performance units allocated as at January 1, 2022	Evaluation of performance indicator for 2022	Adjusted allocation of performance units for 2022
Daniel Beneš	13,046 pcs	120.6%	15,734 pcs
Pavel Cyrani	5,880 pcs	120.6%	7,092 pcs
Michaela Chaloupková	3,496 pcs	120.6%	4,217 pcs
Jan Kalina	3,496 pcs	120.6%	4,217 pcs
Martin Novák	5,289 pcs	120.6%	6,379 pcs
Tomáš Pleskač	3,596 pcs	120.6%	4,337 pcs
Bohdan Zronek	3,496 pcs	120.6%	4,217 pcs

The performance indicator achievement for 2022 was evaluated at 120.6% and therefore the resulting allocation of performance units (Adjusted Allocation for the 2022 evaluation period) was at 120.6% of the initial allocation of performance units for all members of the Board of Directors. The payment of the long-term performance bonus in respect of the 2022 performance unit allocation will occur in 2025 at an amount derived from the share price development and the amount of dividends paid for the "Holding Period".

The following numbers of performance unit allocations were granted to individual members of the Board of Directors for 2021:

Member of the Board of Directors	Number of performance units allocated as at January 1, 2021	Evaluation of performance indicator for 2021	Adjusted allocation of performance units for 2021
Daniel Beneš	21,372 pcs	150%	32,058 pcs
Pavel Cyrani	7,786 pcs	150%	11,679 pcs
Michaela Chaloupková	5,726 pcs	150%	8,589 pcs
Jan Kalina	2,918 pcs ²⁾	150%	4,377 pcs
Martin Novák	8,664 pcs	150%	12,996 pcs
Tomáš Pleskač	7,786 pcs	150%	11,679 pcs
Ladislav Štěpánek	2,808 pcs ¹⁾	150%	4,212 pcs
Bohdan Zronek	5,726 pcs	150%	8,589 pcs

¹⁾ In 2021, Mr. Ladislav Štěpánek's term of office as a member of the Company's Board of Directors did not cover the entire calendar year, but instead covered the period from January 1, 2021 to June 28, 2021; therefore, the originally established allocation of performance units in the amount of 5,726 units for 2021 was proportionally reduced in accordance with Article VII, Section 7.1(a) and (d) of Annex 5 to the Service Contract of a member of the Board of Directors.

²⁾ In 2021, the number of Mr. Jan Kalina's allocated performance units did not apply at January 1, 2021, but at the beginning of his term of office as a member of the Company's Board of Directors, i.e., as at June 29, 2021; therefore, the annual allocation of performance units for the first performance measurement period was proportionally reduced in accordance with Section 2.3 of Annex 5 to the Service Contract.

The performance indicator achievement for 2021 was evaluated at 150% and therefore the resulting allocation of performance units (Adjusted Allocation for the 2021 evaluation period) was at 150% of the initial allocation of performance units for all members of the Board of Directors. The payment of the long-term performance bonus in respect of the 2021 performance unit allocation occurred in accordance with the terms of the long-term performance bonus scheme in 2024 at an amount derived from the share price development and the amount of dividends paid for the "Holding period". The amount of the long-term performance bonus paid in 2024 will be specified in the 2024 report.

The following numbers of performance unit allocations were granted to individual members of the Board of Directors for 2020:

Member of the Board of Directors	Number of performance units allocated as at January 1, 2020	Evaluation of performance indicator for 2020	Adjusted allocation of performance units for 2020
Daniel Beneš	20,203 pcs	0%	0 pcs
Pavel Cyrani	7,360 pcs	0%	0 pcs
Michaela Chaloupková	5,413 pcs	0%	0 pcs
Martin Novák	8,191 pcs	0%	0 pcs
Tomáš Pleskač	7,360 pcs	0%	0 pcs
Ladislav Štěpánek	5,413 pcs	0%	0 pcs
Bohdan Zronek	5,413 pcs	0%	0 pcs

The performance indicator achievement for 2020 was evaluated at 0% and therefore the resulting allocation of performance units (Adjusted Allocation for the 2020 evaluation period) for all members of the Board of Directors was 0 units. This implies that there was no payment of long-term performance bonus in 2023 in respect of the 2020 performance unit allocations.

2.1.7 Royalty

A member of the Board of Directors is entitled to a royalty payment in accordance with Section 3.7 of the Remuneration Policy, if the Company's General Meeting so decides, in an amount determined by the General Meeting. In 2023, no royalty was paid to the members of the Company's Board of Directors.

2.1.8 Summary of the Amount of Remuneration Paid, Proportion of Fixed and Variable Remuneration Paid to Board of Directors Members

The total remuneration of a Board of Directors member is the sum of the **fixed remuneration component** and the **variable remuneration component**.

Fixed remuneration includes base salary, benefits and pension schemes in accordance with the Remuneration Policy. The variable remuneration component is dependent on the achievement of performance measures and only includes the annual bonus in 2023 as no target-based bonus, long-term performance bonus or royalty was paid to the Board of Directors members.

The amount of remuneration provided by the Company to each member of the Board of Directors in aggregate for 2023 and the proportion of fixed and variable components of the total remuneration for each Board of Directors member:

Summary of remuneration, ratio of fixed and variable components (CZK thousands)	Fixed remuneration component			Variable remuneration component linked to the achievement of the performance indicators				Total remuneration ⁶⁾	Proportion of fixed component to total remuneration	Proportion of variable component to total remuneration
	Fixed base salary (in aggregate for the whole year 2023)	Benefits	Pension schemes	Annual bonus linked to the achievement of the performance indicators ²⁾	Long-term performance bonus ³⁾	Target-based bonus ⁴⁾	Royalty ⁵⁾			
Daniel Beneš	12,923	1,945	0 ¹⁾	20,110	0	0	0	34,978	42.5%	57.5%
Pavel Cyrani	9,778	1,449	16	10,012	0	0	0	21,255	52.9%	47.1%
Michaela Chaloupková	7,426	1,297	16	6,000	0	0	0	14,739	59.3%	40.7%
Jan Kalina	7,086	1,375	16	6,000	0	0	0	14,477	58.5%	41.5%
Martin Novák	9,526	1,490	16	9,450	0	0	0	20,482	53.9%	46.1%
Tomáš Pleskač	7,138	1,373	16	6,078	0	0	0	14,605	58.4%	41.6%
Bohdan Zronek	7,402	1,319	16	6,000	0	0	0	14,737	59.3%	40.7%

¹⁾ Mr. Daniel Beneš was not provided pension schemes in 2023.

²⁾ In 2023, advance payments on annual bonus for 2023 were paid together with a balance payment of annual bonus for meeting the annual bonus criteria for 2022.

³⁾ No long-term performance bonus was paid to any of the Board of Directors members in 2023.

⁴⁾ No target-based bonus was paid to any of the Board of Directors members in 2023.

⁵⁾ No royalty was paid to any of the Board of Directors members in 2023.

⁶⁾ The value is rounded to the nearest thousand, as are the individual parts.

In 2023, all Board of Directors members held office for the entire calendar year, i.e., from January 1 to December 31. In the case of Mr. Pavel Cyrani, two consecutive terms as a member of the Board of Directors were held in the calendar year of 2023, from January 1, 2023 to October 22, 2023, and from October 23, 2023 to December 31, 2023.

No shares or share options were granted or offered to members of the Board of Directors in 2023. The Share Option Plan was terminated on December 31, 2019 and no option rights can be exercised thereunder or in the future.

Annual Change in Total Remuneration

The table shows the annual change in total remuneration for each Board of Directors member between 2021 and 2020 and between 2022 and 2021, and also between 2023 and 2022.

Member of the Board of Directors	Year-over-year change between 2021 and 2020	Year-over-year change between 2022 and 2021	Year-over-year change between 2023 and 2022
Daniel Beneš	0.0%	1.2%	-0.8%
Pavel Cyrani	10.2%	11.4%	6.0% ¹⁾
Michaela Chaloupková	6.3%	-1.1%	2.0%
Jan Kalina	n/a	111.4%	14.0% ²⁾
Martin Novák	-4.7%	1.5%	0.2%
Tomáš Pleskač	1.2%	-10.1%	-9.8% ³⁾
Bohdan Zronek	0.6%	1.4%	1.2%
Ladislav Štěpánek	-37.5%	-81.8%	n/a

¹⁾ In 2022, the balance payment of Mr. Pavel Cyrani's annual bonus for 2021, paid in April 2022, was lower than the balance payment of the annual bonus for 2022, paid in 2023. In 2022, the contractual terms of Pavel Cyrani's service as a member of the Board of Directors were modified.

²⁾ In 2022, the balance payment of Mr. Jan Kalina's annual bonus for 2021, paid in April 2022, was lower than the balance payment of the annual bonus for 2022, paid in May 2023. The balance payment of the annual bonus did not cover the whole calendar year, but instead applied to the period from June 29, 2021 to December 31, 2021.

³⁾ In 2022, Mr. Tomáš Pleskač's two consecutive terms of office were held from January 1, 2022 to January 29, 2022, and from January 30, 2022 to December 31, 2022. The contractual terms of office of a member of the Board of Directors were adjusted for the new term of office. In 2022, the balance payment of Mr. Tomáš Pleskač's annual bonus for 2021, paid in April 2022, was higher than the balance payment of the annual bonus for 2022, paid in May 2023.

The year-over-year change in the total remuneration of the Board of Directors members between 2023 and 2022 was +1.2% in aggregate, between 2022 and 2021 is +0.2% in aggregate, and the year-over-year change in the total remuneration of the Board of Directors members between 2021 and 2020 is +1.9% in aggregate.

2.1.9 Remuneration Provided by CEZ Group Companies

Individual members of the Board of Directors were also allocated remuneration from CEZ Group companies. For this remuneration, this Report follows the same approach as for base salary, i.e., it does not include remuneration granted in December 2022 and settled with the base salary in January 2023 (in case the remuneration entitlement with the respective company for this period was vested and settled) and it includes remuneration granted in December 2023 and settled with the base salary in January 2024 (in case the remuneration entitlement with the respective company for this period was granted and settled).

In 2023, Mr. Daniel Beneš received remuneration from the following CEZ Group companies: ČEZ Distribuce, a. s., provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. Severočeské doly, a.s., provided a total remuneration in the total amount of CZK 3,387,481 for membership in the Supervisory Board of this company in 2023, of which the fixed monthly fee was in the total amount of CZK 600,000, royalty paid in the amount of CZK 2,662,481, and benefits in the amount of CZK 125,000.

In 2023, Mr. Pavel Cyrani received remuneration from the following CEZ Group companies: ČEZ Distribuce, a. s., provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. ČEZ ESCO, a.s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. ČEZ Prodej, a.s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. Elevion Group B.V. provided a fixed monthly fee in the total amount of EUR 9,600 for membership in the Supervisory Board of this company in 2023. ČEZ Invest Slovensko, a.s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023.

In 2023, Ms. Michaela Chaloupková received remuneration from the following CEZ Group companies: ČEZ ICT Services, a. s. provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. Elektrárna Dukovany II, a. s. provided a fixed monthly fee in the total amount of CZK 120,000 for membership in the Supervisory Board of this company in 2023. Telco Pro Services, a. s. provided a fixed monthly fee in the total amount of CZK 120,000 for membership in the Supervisory Board of this company in 2023. Telco Infrastructure, s.r.o. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. ÚJV Řež, a. s. provided a total remuneration in the total amount of CZK 240,000 for membership in the Supervisory Board of this company in 2023, of which the fixed monthly fee was in the total amount of CZK 120,000 and annual bonus in the amount of CZK 120,000.

In 2023, Mr. Jan Kalina received remuneration from the following CEZ Group companies: ČEZ ENERGOSERVIS spol. s r. o. provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. ČEZ Energetické produkty, s.r.o. provided a fixed monthly fee in the total amount of CZK 120,000 for membership in the Supervisory Board of this company in 2023. ČEZ Obnovitelné zdroje, s.r.o. provided an aggregate fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. ČEZ OZ uzavřený investiční fond a.s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. Severočeské doly a.s. provided total remuneration in the aggregate for 2023 in the amount of CZK 2,745,407 for membership in the Supervisory Board of this company, of which the fixed monthly fee was in the aggregate amount of CZK 480,000, royalties of CZK 2,140,407, and benefits of CZK 125,000. CEZ Polska sp. z o.o. provided a fixed monthly fee in the aggregate for 2023 in the amount of EUR 10,200 for membership in the Supervisory Board of this company. CEZ Chorzów S.A. provided a fixed monthly fee in the total amount of EUR 12,000 for membership in the Supervisory Board of this company in 2023. CEZ Skawina S.A. provided a fixed monthly fee in the total amount of EUR 12,000 for membership in the Supervisory Board of this company in 2023. CEZ RES International B.V. provided a fixed monthly fee in the total amount of EUR 9,600 for membership in the Supervisory Board of this company in 2023. BELETRIC GmbH provided a fixed monthly fee in the aggregate for the year 2023 of EUR 9,600 for membership of the Supervisory Board of this company. CEZ Erneuerbare Energien Beteiligungs II GmbH provided a fixed monthly fee in the total amount of EUR 8,800 for membership in the Supervisory Board of this company in 2023.

In 2023, Mr. Martin Novák received remuneration from the following CEZ Group companies: ČEZ ICT Services, a. s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. ČEZ ESCO, a. s. provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. ČEZ OZ uzavřený investiční fond a.s. provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. Inven Capital, SICAV, a.s. provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. Telco Infrastructure, s.r.o. provided a fixed monthly fee in the total amount of CZK 192,000 for membership in the Supervisory Board of this company in 2023. Telco Pro Services, a. s. provided a fixed monthly fee in the total amount CZK 144,000 for membership in the Supervisory Board of this company in 2023. Elevion Group B.V. provided a fixed monthly fee in the total amount of EUR 9,600 for membership in the Supervisory Board of this company in 2023.

In 2023, Mr. Tomáš Pleskač received remuneration from the following CEZ Group companies: ČEZ Obnovitelné zdroje, s.r.o. provided a fixed monthly fee in the total amount of CZK 144,000 for membership in the Supervisory Board of this company in 2023. Inven Capital, SICAV, a.s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. Elektrárna Dukovany II, a. s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. Elektrárna Temelín II, a. s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. ÚJV Řež, a. s. provided a total remuneration in the total amount of CZK 269,612 for membership in the Supervisory Board of this company in 2023, of which the fixed monthly fee was in the total amount of CZK 144,000 and annual bonus in the amount of CZK 125,612. CEZ Polska sp. z o.o. provided a fixed monthly fee in the aggregate for 2023 in the amount of EUR 12,000 for membership in the Supervisory Board of this company. Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş. provided a fixed monthly fee in the total amount of TL 118,374.14 for membership in the statutory governing body of this company in 2023. Akenerji Elektrik Üretim A.Ş. provided a fixed monthly fee in the total amount of TL 292,250.95 for membership in the statutory governing body of this company in 2023. Sakarya Elektrik Perakende Satis A.Ş. provided a fixed monthly fee in the total amount of TL 63,891.67 for membership in the statutory governing body of this company in 2023.

In 2023, Mr. Bohdan Zronek received remuneration from the following CEZ Group companies: ČEZ ENERGOSERVIS spol. s r.o. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. ŠKODA JS, a.s. provided a fixed monthly fee in the total amount of CZK 168,000 for membership in the Supervisory Board of this company in 2023. Elektrárna Dukovany II, a. s. provided a fixed monthly fee in the total amount of CZK 120,000 for membership in the Supervisory Board of this company in 2023. Elektrárna Temelín II, a. s. provided a fixed monthly fee in the total amount of CZK 120,000 for membership in the Supervisory Board of this company in 2023. ÚJV Řež, a. s. provided a total remuneration in the total amount of CZK 336,000 for membership in the Supervisory Board of this company in 2023, of which the fixed monthly fee was in the total amount of CZK 168,000 and annual bonus in the amount of CZK 168,000.

2.1.10 Compliance with the Remuneration Policy

The payment of all remuneration components to the Board of Directors was in compliance with the Remuneration Policy. The individual remuneration components were determined and paid in accordance with the terms and conditions set out in the Remuneration Policy and the amount of the individual remuneration components was paid subject to the provisions of the Remuneration Policy. Therefore, the total remuneration of all Board of Directors members is in line with the Remuneration Policy.

The fixed component the total remuneration includes base salary, benefits and pension schemes, which were provided and paid in accordance with the Remuneration Policy.

The variable component of the total remuneration included only annual bonus in 2023. Its amount depended on individual members of the Board of Directors meeting the predetermined indicators. For the purpose of determining the annual bonus, the indicators, including the criteria for their performance, are set out so that they take into account the Company's key indicators of financial and non-financial performance, are based on the Company's applicable strategy and business plan, in accordance with market- and legislation-based business conditions, to make sure that they reflect the area of responsibility of the respective member of the Board of Directors. This process motivates individual Board of Directors members to pursue the Company's business strategy, defend its long-term interests and promote its sustainability in the area entrusted to their management.

When assessing the fulfillment of the indicators decisive for the annual bonus, the Supervisory Board assesses the specific defined indicators against predetermined criteria, following the evaluation of economic results of the Company for the given year and after its financial accounts are verified by an auditor. Such an assessment of fulfillment of specific indicators is decisive for the determination of the amount of annual bonus of individual members of the Board of Directors for the calendar year in question.

The specific value of the achievement of the set indicators and the amount of the annual bonus are presented for individual members of the Board of Directors in Sections 2.1.4 and 2.1.8. The evaluation of the indicators had an impact on the amount of the annual bonus paid. This amount then influenced both the absolute amount of the variable remuneration and its share of the total remuneration.

Support for the Company's long-term performance is provided through the long-term performance bonus, which is part of the variable income of the members of the Board of Directors. The long-term performance bonus depends on the long-term development of share prices, payment of dividends and fulfillment of predetermined performance indicators specifically set out by the Supervisory Board for each calendar year. Dependence of the long-term performance bonus on key financial indicators of the Company, i.e., on the development of share prices and generated dividends, creates a connection between the motivation for members of the Board of Directors and long-term interests of shareholders, in compliance with the OECD Code (G20/OECD Principles of Corporate Governance).

An increase or decrease in market price of a share clearly reflects the dynamics of the total value for the shareholders and the attractiveness of the Company and its business for investors and shareholders. Dependence of the remuneration on the multi-annual development of the Company's share price contributes to the support of the Company's business strategy, its long-term interests and sustainability, particularly by motivating members of the Board of Directors to determine and fulfill the Company's strategy in compliance with the shareholders' interests, to manage the Company to achieve long-term profits and increase the Company's value for shareholders.

2.2 Summary of the Remuneration Components of the Supervisory Board Members

The total remuneration of a Supervisory Board member consists of a fixed remuneration component and a variable remuneration component. In case of members of the Supervisory Board, the fixed remuneration components include the monthly fee and benefits. In case of members of the Supervisory Board, the variable remuneration component includes royalty.

2.2.1 Monthly Fee

In 2023, the Supervisory Board members were paid a monthly fee for their service as members of the Supervisory Board in accordance with Section 4.1 of the Remuneration Policy to the extent set out in Section 2.2.4 hereof. The monthly fee is part of the fixed remuneration component.

By analogy to personal income taxes for employment tax purposes, the amount of aggregate monthly fee paid in 2023 and disclosed in this Remuneration Report does not include the remuneration paid in January 2023 for serving as a member of the Supervisory Board in December 2022, and includes the remuneration paid in January 2024 for serving as a member of the Supervisory Board in December 2023.

2.2.2 Benefits

The Supervisory Board members were provided with benefits in 2023. These constitute benefits under Section 4.2 of the Remuneration Policy that were provided for serving as members of the Supervisory Board in the period of January to December 2023. The benefits are part of the fixed remuneration component.

In accordance with the Remuneration Policy and to the extent set out in Section 2.2.5 hereof, the following benefits constituting other benefits within the meaning of Section 121(2)(a) of the CMUA were granted to the Supervisory Board member:

- Use of a mobile phone provided for office duties of a member of the Supervisory Board and for private purposes;
- Use of a vehicle provided for office duties of a member of the Supervisory Board and for private purposes, including all-risk insurance and reimbursement of repair and maintenance costs;
- Arrangement of a capital life insurance with the duration of insurance of 4 years.

For benefits, this Report follows the same approach as for monthly fee, i.e., the amount of benefits provided for 2023 excludes benefits provided in December 2022 and charged to monthly fee in January 2023, and includes benefits provided in December 2023 and charged to monthly fee in January 2024.

2.2.3 Royalty

A member of the Supervisory Board is entitled to a royalty payment in accordance with Section 4.3 of the Remuneration Policy, if the Company's General Meeting so decides, in an amount determined by the General Meeting. In 2023, no royalty was paid to the members of the Company's Supervisory Board.

2.2.4 Summary of the Amount of Remuneration Paid, the Proportion of Fixed and Variable Remuneration Paid to Supervisory Board Members

The total remuneration of a Supervisory Board member is the sum of the **fixed remuneration component** and the **variable remuneration component**.

Fixed remuneration includes monthly fee and benefits in accordance with the Remuneration Policy. The only variable component of the Supervisory Board members' remuneration is a royalty, which was not paid in 2023. The ratio of the fixed component to the total remuneration was therefore 100% in 2023 and the ratio of the variable remuneration was 0%.

The amount of remuneration provided by the Company to each member of the Supervisory Board in aggregate for 2023 and the proportion of fixed and variable components of the total remuneration for each Supervisory Board member

Summary of remuneration, ratio of fixed and variable components (CZK thousands)	Fixed remuneration component		Variable remuneration component	Total remuneration ³⁾	Proportion of fixed component to total remuneration	Proportion of variable component to total remuneration
	Fixed monthly fee (in aggregate for the whole year 2023)	Benefits	Royalty ²⁾			
Radim Jirout	1,260	1,201	0	2,461	100%	0%
Roman Binder ¹⁾	0	0	0	0	-	-
Radek Mucha	867	848	0	1,714	100%	0%
Milan Wagner	771	744	0	1,515	100%	0%
Marta Ctiborová	630	739	0	1,369	100%	0%
Vít Doležálek	630	638	0	1,268	100%	0%
Eva Hanáková	630	722	0	1,352	100%	0%
Jiří Kadrnka	630	638	0	1,268	100%	0%
Vratislav Košťál	630	676	0	1,306	100%	0%
Václav Kučera	630	720	0	1,350	100%	0%
František Novotný	630	697	0	1,327	100%	0%

¹⁾ Mr. Roman Binder is a civil servant covered by Section 303 of Act No. 262/2006 Coll., the Labor Code, i.e., without entitlement to remuneration for the performance of his duties.

²⁾ No royalty was paid to any of the Supervisory Board members in 2023.

³⁾ The value is rounded to the nearest thousand, as are the individual parts.

In 2023, Supervisory Board members held office for the entire calendar year, from January 1, 2023 to December 31, 2023.

Annual Change in Total Remuneration

The table shows the annual change in total remuneration for each Supervisory Board member between 2023 and 2022. None of the current Supervisory Board members served as a member of the Supervisory Board in 2020 and 2021, therefore it is not possible to provide a year-over-year change in total remuneration between 2021 and 2020, or 2022 and 2021.

Member of the Supervisory Board	Year-over-Year Change in Total Remuneration between 2023 and 2022
Radim Jirout	41.1% ¹⁾
Roman Binder ²⁾	0.0%
Radek Mucha	31.3% ³⁾
Milan Wagner	-4.1% ⁴⁾
Marta Ctiborová	5.6% ⁵⁾
Vít Doležálek	32.6% ¹⁾
Eva Hanáková	37.5% ¹⁾
Jiří Kadrnka	32.6% ¹⁾
Vratislav Košťál	1,917.5% ⁶⁾
Václav Kučera	1,785.4% ⁶⁾
František Novotný	8.0% ⁵⁾

¹⁾ Mr. Radim Jirout, Mr. Vít Doležálek, Mr. Jiří Kadrnka, and Ms. Eva Hanáková were members of the Supervisory Board in 2022, starting from June 29, 2022; at the same time, Mr. Radim Jirout was the Chairman of the Supervisory Board from June 29, 2022.

²⁾ Mr. Roman Binder is a civil servant covered by Section 303 of Act No. 262/2006 Coll., the Labor Code, i.e., without entitlement to remuneration for the performance of his duties.

³⁾ Mr. Radek Mucha was a member of the Supervisory Board in 2022, starting from January 24, 2022; he was a Vice-Chairman of the Supervisory Board from May 16, 2023.

⁴⁾ Mr. Milan Wagner was a member of the Supervisory Board in 2022, starting from January 24, 2022; he was a Vice-Chairman of the Supervisory Board from June 29, 2022, and a member of the Supervisory Board from May 16, 2023.

⁵⁾ Ms. Marta Ctiborová and Mr. František Novotný were members of the Supervisory Board in 2022, starting from January 24, 2022.

⁶⁾ Mr. Vratislav Košťál and Mr. Václav Kučera were members of the Supervisory Board in 2022, starting from November 24, 2022.

The year-over-year change in the total remuneration of the Supervisory Board members between 2023 and 2022 was +3.2% in aggregate, -3.5% in aggregate between 2022 and 2021, and the year-over-year change in the total remuneration of the Supervisory Board members between 2021 and 2020 is +0.2% in aggregate.

None of the members of the Supervisory Board were paid remuneration by other CEZ Group companies in 2023.

2.2.5 Compliance with the Remuneration Policy

The payment of all remuneration components to the Supervisory Board was in compliance with the Remuneration Policy. The fixed component of the total remuneration includes monthly fee and benefits that were provided and paid in accordance with the Remuneration Policy.

Remuneration of the members of the Supervisory Board takes into account the responsibility related to the duties of the body with controlling authority, which – unlike the Board of Directors – bears responsibility neither for the business matters of the Company nor for the achievement of the defined economic goals of the Company. Therefore, the variable remuneration component is not linked to the achievement of the Company's performance indicators.

No member of the Supervisory Board was paid a royalty in 2023, which is the only component of variable remuneration that may be granted to members of the Supervisory Board under the Remuneration Policy.

2.2.6 Application of Performance Criteria

Performance criteria are not applied to the remuneration of Supervisory Board members in view of the variable remuneration arrangements in the Remuneration Policy.

2.3 Reimbursement of Variable Remuneration

In accordance with Article 7 of the Remuneration Policy, the Company is entitled to claim repayment of the variable remuneration or part thereof (clawback). The Company was not entitled to claim clawback of variable remuneration or part thereof from any member of the Supervisory Board for the 2023 financial year and therefore did not exercise such a right in 2023.

In accordance with Article 7 of the Remuneration Policy, no benefit will be granted to a member of an authority under a service contract if the performance of the relevant member of an authority contributed to the Company's adverse economic performance (malus). For the accounting period of 2023, there was no reason for withholding benefits to the Company's Body Member and therefore no malus was exercised in 2023.

2.4 Annual Change in Financial and Non-Financial Key Performance Indicators

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) will reach CZK 124.8 billion in 2023, i.e., a year-over-year decrease of 5%. The reason for the decrease was a record-high profit from commodities trading in the extraordinary year of 2022, in which the trading margin reached CZK 26.9 billion. CEZ Group's net income fell by 63% to CZK 29.6 billion. The decrease in net income was mainly due to the windfall tax, newly introduced in Czechia, and levies on revenues above price caps from generation in Czechia, which burdened the 2023 costs with an amount exceeding CZK 40 billion. Despite the extraordinary taxation, CEZ Group achieved the highest profit of the last 10 years in 2023, with the exception of the extraordinary year of 2022.

CEZ Group met its main strategic objective in sustainability, announced in 2021, to be among the top 20% in ESG rankings in 2023. According to the international rating aggregator CSRHub, which rates nearly 35,000 companies, ČEZ reached the 84th percentile at the end of the year, placing it among the top 16% of companies worldwide.

Moreover, in 2023 CEZ Group contributed to ensuring the energy security of the Czech Republic and proved to be a reliable, socially responsible partner. The main factors that resulted in increased security included secured supplies of new non-Russian fuel for both nuclear power plants and contracted capacity in a new LNG terminal in Germany from 2027 to the extent of ¼ of Czechia's gas consumption.

Development of Selected Financial and Non-Financial Indicators:

Indicator	Unit	Year-over-year change 2023 and 2022	Year-over-year change 2022 and 2021	Year-over-year change 2021 and 2020	2023	2022	2021	2020
Market capitalization as at December 31	CZK billions	+24%	-7%	+61%	514.5	413.3	443.9	275.8
CEZ Group operating revenues	CZK billions	+18%	+27%	+7%	340.6	288.5	227.8	213.7
EBITDA of CEZ Group	CZK billions	-5%	+108%	-2%	124.8	131.6	63.2	64.8
CEZ Group net income	CZK billions	-63%	+714%	+81%	29.6	80.7	9.9	5.5
CEZ Group electricity generation	TWh	-5%	-3%	-8%	51.5	54.3	56.0	60.9
ČEZ injury frequency	per 100 employees	+5%	+72,7%	-15%	0.20	0.19	0.11	0.13

2.5 Annual Change in Average Employee Remuneration

The table shows the average remuneration of the Company's employees between 2020 and 2023 and the percentage change between 2020 and 2021, between 2021 and 2022, and between 2022 and 2023. The value of the average remuneration of the Company's employees is calculated as the Company's wage costs (excluding the costs of remuneration for serving as a member of the statutory governance bodies), reduced by the remuneration paid for results of commodity trading, divided by the adjusted number of employees in the relevant year.

Year	Average monthly remuneration of employees	Year-over-year change from previous year in %
2023	88,231	10.5%
2022	79,830	8.4%
2021	73,651	3.3%
2020	71,300	-

2.6 Deviations from the Remuneration Policy

The Company did not deviate from the implementation process of the Remuneration Policy and the Remuneration Policy in 2023.

Terms used in this Report:

Base salary means the component of remuneration as defined in Section 3.1 of the Remuneration Policy.

Annual bonus means the component of remuneration as defined in Section 3.4 of the Remuneration Policy.

Target-based bonus means the remuneration component as defined in Section 3.5 of the Remuneration Policy.

Long-term performance bonus means the remuneration component as defined in Section 3.6 of the Remuneration Policy.

Monthly fee of Supervisory Board members means the remuneration component as defined in Section 4.1 of the Remuneration Policy.

INDEPENDENT AUDITOR'S REPORT ON ASSURANCE ENGAGEMENT

For the General Meeting of
ČEZ, a. s.

Introduction

Pursuant to the engagement letter on the assurance of the Remuneration Report ČEZ a. s. pursuant to the requirements of Section 121q of Act No. 256/2004 Sb., on Capital Market Undertakings, as amended (the "Capital Market Undertakings Act", "CMUA"), we have been commissioned by the Board of Directors of ČEZ, a. s., Corporate ID: 45274649, recorded in the Register of Companies maintained by the Municipal Court in Prague, file No. B 1581 (the "Company"), to provide assurance on the attached Remuneration Report ČEZ a. s. for the year ended 31 December 2023 (the "Remuneration Report") prepared by the Board of Directors of the Company and containing the information required by Section 121p(1) of the CMUA.

Subject Matter of the Assurance and Determined Criteria

The subject matter of our engagement was to provide assurance in compliance with Section 121q(1) of the CMUA whether the Remuneration Report contains the information required by Section 121p(1) of the CMUA.

It is not our task to check the factual accuracy of the Remuneration Report and the information contained therein.

Purpose of the Report

This Independent Auditor's Report is intended solely for the purpose of complying with the requirements of the CMUA and for your information and may not be used for any other purpose or circulated to any other recipients. The report relates only to the Remuneration Report and must not be read in conjunction with the financial statements of the Company as a whole.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for preparing the Remuneration Report in accordance with the relevant requirements of the CMUA. The Company's Board of Directors is responsible for publishing the Remuneration Report on the Company's website and for free access to it for a period of at least 10 years from the date of the General Meeting to which the Remuneration Report was submitted.

The Company's Board of Directors is also responsible for the preparation of financial information and non-financial disclosures, as well as for the design, implementation and maintenance of internal control systems and processes as well as accounting records necessary for the preparation of the Remuneration Report free of material misstatements and complying with applicable legal requirements.

Responsibility of the Independent Auditor

We have conducted our assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". In accordance with this regulation, we are obliged to adhere to ethical standards and to plan and perform our assurance engagement to obtain a limited assurance regarding the Remuneration Report.

Our firm applies International Standard on Quality Management 1 and, accordingly, maintains a comprehensive system of quality control including internal policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Summary of the work performed

The procedures we perform are based on our professional judgement and include mainly interviewing relevant persons and other processes aimed at obtaining audit evidence on the Remuneration Report.

The assurance engagement performed is a limited assurance engagement. The nature, time required, and scope of the procedures carried out in the assurance engagement providing limited assurance are significantly limited compared to the requirements for the assurance engagement providing reasonable assurance and therefore the related level of assurance is lower.

Our assurance procedures include:

- Understanding the resolution of the General Meeting of the Company concerning the remuneration policy for members of the Board of Directors and the Supervisory Board, as well as other persons pursuant to Section 121m(1) of the CMUA, as well as any resolutions of the Supervisory Board and other documents regulating the remuneration policy subject to disclosure in the Remuneration Report;
- Understanding the procedures adopted by the Supervisory Board and the Board of Directors to comply with the requirements of the remuneration policy, preparing the Remuneration Report and assessing the application of the relevant criteria for the preparation of the Remuneration Report;
- Identifying persons pursuant to Section 121m(1) of the CMUA obliged to include information in the Remuneration Report;
- Assessing whether the Remuneration Report contains all the information required by Section 121p(1) of the CMUA for each person identified above.

Please note that the Remuneration Report was not part of the audit of the financial statements and the verification of the annual report pursuant to Act No. 563/1991 Sb., on Accounting, as amended. In the course of performing our assurance procedures, we did not audit or review the financial or non-financial information used to prepare the Remuneration Report.

As part of our procedures, we considered whether the information presented in Remuneration Report is materially inconsistent with the findings we obtained during our audit of the Company's financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion expressed below.

Conclusion

Based on the assurance procedures performed and the audit evidence obtained, nothing has come to our attention that would cause us to believe that the Remuneration Report does not contain in all material aspects the information required by Section 121p(1) of the CMUA.

In Prague on 22 April 2024

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Martin Tesař
registration no. 2030