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of the Code of Conduct

This **Code of Conduct** defines how all those who work for CEZ Group should conduct themselves. The purpose of the Code of Conduct is to cover the basic forms of conduct, behaviour and responsibility of each person within the Company, and thus set clear principles and boundaries.

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Introduction by the CEO

As the largest energy group in the Czech Republic, CEZ Group is aware of the role it plays within society as well as of its accountability toward its customers, business partners, shareholders and employees.

Our goal is to remain among modern, successful and competitive companies; therefore, it is desirable to pay more attention to our daily attitudes and the conduct of the CEZ Group members and employees. Correct business and interpersonal relations form a foundation without which you cannot build trust within or outside the company.

Our values do not change; nevertheless, our business environment has changed. If we are to be successful in the long run, it is crucial that we declare what our values are and what forms of conduct we consider appropriate, and to place an ever greater emphasis on adhering to them.

I not only firmly believe that all of us who are part of CEZ Group, but also our shareholders, suppliers, customers and competitors will appreciate our efforts and systemic actions aimed at reducing the risk of unethical and illegal conduct.

Therefore, I expect all of us to observe this Code of Conduct in our daily work, based on professional expertise and good conduct, always performed with honour and integrity. By adhering to these rules, we will contribute to the reputation of CEZ Group. Therefore, I would like to ask each of us to personally commit ourselves to observe these rules and principles.

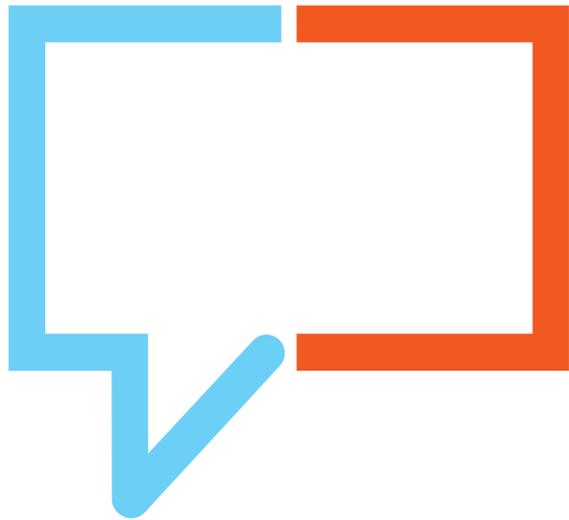
Each of us needs to not only follow the rules defined in this Code, but also honour the underlying principles and values. Only then will we continue to be a strong company.

Daniel Beneš
Chairman of the Board of Directors ČEZ, a. s.

1. General Principles

In our business activities, we observe ethical principles, laws and regulations, and deal with our partners with respect.

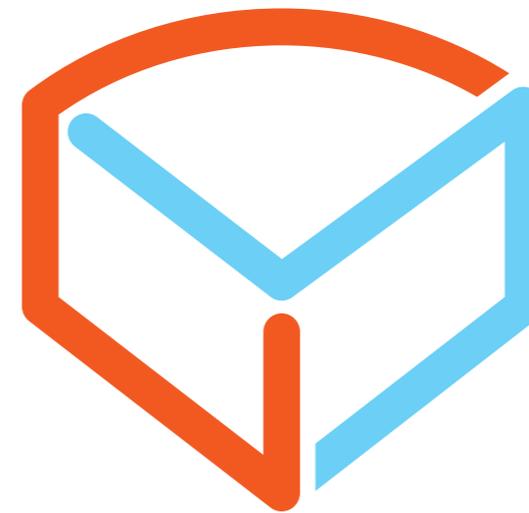
- We follow our internal control documentation, based on the applicable and effective legislation, relevant standards and law of the European Union and the UN, and also the Ethical Conduct Policy of ČEZ.
- We respect the rules of ethical conduct and the internal documentation of other companies (if these are publicly accessible, provided that they are not in conflict with the relevant legislation and the ČEZ Ethical Conduct Policy), and we expect the same approach and conduct from our business partners, shareholders and customers.
- We neither encourage nor tolerate fraud, corruption, breach of competition rules, discrimination or harassment in any form.
- We prevent and hinder potential conflicts of interest with private activities and the position held within the company.
- We provide timely, reliable and accurate information to shareholders, authorities and the public.
- In our business activities, we respect the right to compete and the applicable competition law, as we firmly believe that only fair competition and a transparent market can freely develop the society as such.
- We do not accept nor grant any extraordinary benefits of any kind.
- We conduct ourselves in a non-political manner, do not give preference to any party, nor support any event or initiative with solely or prevalently political objectives.



2. Shareholders

We systemically and ethically strive to increase the value of our shareholders' capital

- We strive to sustain and increase the value of our shareholders' capital by generating adequate revenues.
- We approach each of our shareholders in a non-discriminatory manner, we do not give unjustified preference to any shareholder to the detriment of the company or other shareholders.
- We provide all necessary information to our shareholders in a transparent and non-discriminatory manner.



3. Customers

We always deal transparently and honestly with all of our customers.

- We provide our services in a qualified and professional manner. We look for such solutions that will meet the needs of our customers and comply with consumer protection requirements to the greatest possible extent.
- We provide intelligible, unbiased, complete, up-to-date and not misleading information in line with the best available knowledge.



4. Employees

We create a positive working environment for our employees in which they can develop their potential and grow professionally. We do not accept any form of discrimination and harassment.

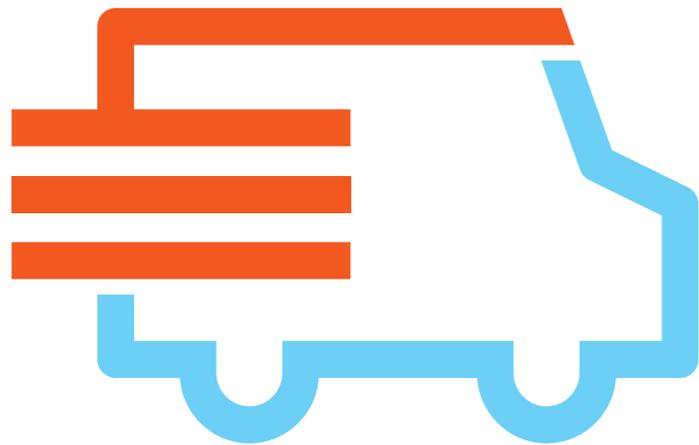
- We strive to maintain a strong and sound relationship with our employees that is based on mutual respect and trust. We foster a fair approach to all of our employees.
- We require that each of our employees conduct themselves in line with the relevant ethical standards and values, regardless of their position within the firm.
- We respect the relevant standards and laws of the European Union pertaining to employee relations. We honour the conventions of the International Labour Organization and of the United Nations.
- We do not allow any discrimination, whether direct or indirect, nor harassment of any form, or any child labour and forced labour.
- We honour the freedom of association, privacy protection, and collective bargaining.
- We offer our employees appropriate options for personal and professional growth and motivate them to make use of these options, which improve their skills and competencies.
- We support our employees who contribute to the sustained success of CEZ Group with their specialised knowledge and capabilities.
- We mutually respect each other and provide timely, reliable and accurate information to one another.
- We do not misuse any information obtained for personal benefits or for any activity that would be inconsistent with the legislation of the Czech Republic or with the CEZ Group rules and values.
- Any civic or political engagement of our employees must not harm CEZ Group's reputation. Our employees must refrain from any conflicts of interest or activities that conflict with their work and activities performed for CEZ Group.



5. Suppliers

We always treat our suppliers fairly and with respect. We request them to observe our ethical standards and rules.

- We deal with our suppliers on the basis of mutual respect and honesty.
- Apart from honouring their contractual obligations, we expect our business partners to adhere to all legislative and ethical rules and requirements including environmental protection and corruption mitigation.
- We only establish business relationships with partners who enjoy a good reputation, who do their business solely through legal activities, and whose funds come from legitimate sources.
- We honour the rules of international trade.



6. Public Authorities and Other Institutions

We maintain an apolitical stance in our business activities and treat public administration authorities with mutual respect.

- We fully cooperate with governmental bodies and public administration authorities.
- We establish our relations with them on the basis of correctness, transparency and full respect for the roles of both parties.



7. Media

Information provided to the public must always be objective and true.

- We provide up-to-date, complete and true statements by means of persons authorised to do so.
- We use advertisements, the content of which must always be true, in line with the fundamental ethical values of the civic society.
- We solely use social networks to support our business and business model.
- We protect internal information and prevent their unauthorised disclosure or misuse for the sake of gaining unjust benefits.



8. Charitable Gifts, Sponsoring

We gratuitously support charitable, scientific, research, education, cultural and other projects, yet never in the case of any conflict of interest or political activities.

- We give no gifts or donations to political parties and movements nor to organisations, foundations, associations or other legal entities or individuals who are in close contact with politically exposed persons.
- We financially and materially sponsor science, education, art, culture, sports and charitable, social and humanitarian projects. We never engage in these activities to gain any unfair advantage.
- We do not grant any donations to trade unions or organisations promoting union interests.
- We do not provide any financial contributions to organisations or persons in situations that might lead to a conflict of interest.



9. Compliance

This Code of Conduct includes "Rules for Observing the Code of Conduct", which are instrumental in correctly understanding their meaning, significance, and observing the principles in the following fundamental areas:

HEALTH AND SAFETY, ENVIRONMENT
EMPLOYEE RELATIONS
EXTERNAL RELATIONS AND MARKET
SECURITY

This Code of Conduct has been approved by the Board of Directors of ČEZ, a. s. as binding upon all employees and members of statutory bodies within the entire CEZ Group. The rules contained herein may be further detailed in CEZ Group's internal control documentation or the internal control documentation of each of the group companies and may reflect both industry and national specifics.

Every employee needs to bear in mind that they are CEZ Group representatives; therefore, not only are they responsible for observing the Code of Conduct, they may not overlook any breach thereof either.

Those of us who have demonstrably breached the laws, regulations or internal guidelines in force, or this Code of Conduct shall not only face the sanctions defined by law but also disciplinary actions.



10. Reputation Protection

The CEZ Group Code of Conduct is based on the legislation of the Czech Republic and of the European Union and fully respects the applicable standards, international conventions on human rights, on fighting corruption and on protecting the environment.

This Code of Conduct applies equally to all of us who are part of CEZ Group. Each of us is expected to observe this Code of Conduct as a matter of course in our corporate business activities and in the dealings of all stakeholders regardless of their position and office held.

The reputation of CEZ Group is to a great extent dependent on what we do and how each of us conduct ourselves. Any illegal or otherwise inappropriate conduct on the part of just one of us may harm our company's reputation. Therefore, each of us should make sure that our conduct will keep up the reputation of CEZ Group.

The principles defined in the Code of Conduct represent a summary statement of our values, define an ethical framework, and include fundamental principles and rules of ethical conduct that are required within the company and also toward external partners and the public.





Accompanying Word by the Chief Audit and Compliance

Let's Stay Honest. I believe in the good in every person. Yet from my experience and the stories that we deal with, I also know how hard it may sometimes be to resist temptation. Honesty is a virtue that is very strongly anchored in our self and that outwardly shows in our conduct and behavior. It is a moral obligation of each of us to prevent and, within the scope of our powers and responsibilities, avoid situations that might jeopardize the reputation of CEZ Group's companies.

Trust takes a long time and hard work to establish, yet it is easy to lose it quickly. All of us together cultivate the environment in which we work and do business. We do not tolerate any non-compliance with laws and regulations, internal guidelines and policies, or any conduct violating our code of conduct.

If you encounter a situation that gives the impression of gravely breaching our ethics and being immoral, do not be afraid to report it. Early reports of questionable conduct often make it possible to find appropriate solutions and in many cases prevent grave consequences.

Tomáš Pivoňka,
Director of Audit and Compliance

Keep in Touch

We always need to bear in mind that a deliberate false accusation is at least considered a breach of this Code of Conduct.

By reporting your justified concerns and complaints, you not only protect CEZ Group as a whole, but also your fellow workers, our customers and other stakeholders. Therefore,

- Communicate your comments to us as soon as possible;
- Rest assured that your communication is handled as confidential;
- You can remain anonymous, yet this will make it more difficult to remedy the issue at hand;
- Know that subsequent sanctioning and revenge is inconsistent with the principles cherished by CEZ Group.

In line with the principles of CEZ Group, you may choose from several ways how to report justified concerns and complaints:

- Inform you direct superior or, if necessary, another management member whom you trust;
- Report your concern to the Compliance Department by
 - e-mail (compliance@cez.cz),
 - Internet link – Ethical Line (whistleblowing),
 - Directly contacting the staff of the Compliance Department.

To report your justified concerns and complaints, simply use the method that you consider the most comfortable for you.

We offer our employees and other persons connected with CEZ Group an opportunity to report justified concerns and complaints in a manner ensuring that they are duly reviewed and, if required, that effective and quick corrective action is taken without them having to be afraid of any subsequent disciplinary measures.

Contact

ČEZ, a. s.

Duhová 2/1444
140 53 Prague 4
Czech Republic

Incorporated in the Commercial Register
maintained by the Municipal Court of Prague, Section B, Insert 1581

Year established: 1992
Legal form: joint-stock company
Business ID: 452 74 649
VAT ID: CZ45274649
Bank: KB Prague 1, Account No. 71504011/0100
Telephone: +420 211 042 561
Facsimile: +420 211 042 001
Web: <http://www.cez.cz>
E-mail: compliance@cez.cz