

# **Contract for Performance of the Function of an Audit Committee Member**

Concluded by and between

**ČEZ, a. s.**

**and**

*Title, Name and Surname*

# Contract for Performance of the Function of an Audit Committee Member

**ČEZ, a. s.**, the company with the registered office located in Prague 4, Duhová 1444/2, Postcode: 140 53, Registration No.: 45274649, registered in the commercial register maintained by the Municipal Court in Prague, Section B, Entry 1581, represented by *(to fill in the names of two members of the board of directors)*

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

*For one party*

and

*Mr/Mrs.....date of birth.....place of residence of the  
Audit Committee Member)*

Who was on *(date)*

Elected by the Company's general meeting an audit committee member and accepted this office

/Hereinafter referred to as **“the Audit Committee Member”**/

*For the other party*

*Hereinafter jointly referred to as “the Contracting Parties”*

Have agreed on the following conditions for the performance of the function of the Member of the Company's Audit Committee:

## 1. Subject of the Contract

- 1.1. The subject hereof is constituted by a detailed specification of the conditions for the performance of the function of an Audit Committee Member, and by adjustment of the mutual rights and obligations between the Contracting Parties.
- 1.2. The rights and obligations related to the performance of the function of an Audit Committee Member arise from the legal regulations, the Company's Articles of Association, the rules of procedure of the audit committee, resolutions of the audit committee, and from this Contract.

The Audit Committee Member shall be obliged to perform his/her function with due care of a prudent person.

- 1.3. This Contract is concluded for the term of the performance of the function of the Audit Committee Member, which is regulated by the Company's Articles of Association.

## 2. Rewards, Reimbursements and Other Payments

- 2.1. The Company undertakes to pay the Audit Committee Member a reward for the performance of the function, as specified in Annexe No. 1 hereto: “Rules of Rewarding and Providing Other Payments to the Audit Committee Members”, with the exception of cases, in which the provision of such reward is not permitted under the law.

- 2.2.** Should the Audit Committee Member go on business trips in connection with the performance of the function, he/she shall be entitled to reimbursements for the expenses incurred thereby, as specified in Annexe No. 1 hereto, under the conditions set by the rules of procedure of the audit committee and the relevant managing document of the Company.
- 2.3.** The Audit Committee Member shall be entitled to reimbursements for other expenses related to the performance of the function. The amounts of reimbursements are to be governed by the legal regulations, or by the internal managing documents of the Company.
- 2.4.** The Company undertakes to provide the Audit Committee Member with objects necessary for the performance of the function (a mobile phone, desktop computer or notebook, office equipment etc.). However, such objects shall not be provided to the Audit Committee Member, if they have already been provided thereto in connection with the performance of another function in the Company, or in connection with the employment relationship towards the Company.

### **3. Non-Competition**

- 3.1.** The Audit Committee Member must not:
- a) Do business in the sphere, which is the same as, or similar to the Company's business sphere, or establish business relationships with the Company,
  - b) Mediate or procure deals with the Company for other persons,
  - c) Participate in the business activity of another company as an unlimited liability partner, or as a controlling person of another person with the same or similar subject of business activity,
  - d) Carry out activity as a statutory body, or member of the statutory or another body of another legal entity with the same or similar subject of business activity, unless it is a concern.
- 3.2.** The Audit Committee Member is aware of the fact that any violation of the ban on competition may be the reason for recalling from office.

### **4. Protection of Some Facts**

- 4.1.** The Audit Committee Member undertakes, for the period of the performance of the function and for two years upon the termination thereof, not to unlawfully communicate to another person, or disclose facts, which are considered the subject of business secrets by the Company, or which are of confidential character, whose disclosure to third parties may cause damage to the Company. This restriction is also applicable to media for data recording and transfer, which contain such facts. The Audit Committee Member undertakes to handle information, which is classified pursuant to the Act No. 412/2005 Coll., on protection of classified information and on security eligibility, in the valid wording thereof and the implementing regulations thereof, in accordance with these legal regulations.
- 4.2.** Any violation of the obligations specified in Paragraph 4.1 hereof may be the reason for recalling the Audit Committee Member from office. This does not affect the Company's entitlement to claim damages, should the Company reasonably consider that these

damages were incurred thereby in causal connection with violation of this obligation by the Audit Committee Member.

## **5. Obligations of the Company**

### **5.1. The Company undertakes to:**

- a) Pay the Audit Committee Member rewards and reimbursements, and provide him/her with other payments to the extent and under the conditions specified in Annexe No. 1 hereto and in Article 2. hereof,
- b) Provide the Audit Committee Member with documents, data and other papers necessary for the performance of the function on request via the special departments,
- c) Familiarize the Audit Committee Member with classified information pursuant to the Act No. 412/2005 Coll., in the valid wording thereof and the implementing regulations thereof, if required for the performance of the function, provided that the Audit Committee Member is a person authorized to handle classified information,
- d) Familiarize the Audit Committee Member with facts constituting the subject of business secrets, if required for the performance of the function,
- e) Familiarize the Audit Committee Member with safety regulations on an ongoing basis, if required for the performance of the function.

### **5.2. The Company shall deduct advances for income tax on dependent activity from taxable income of the Audit Committee Member, and make deductions of statutory insurance in accordance with the legal regulations currently in force.**

## **6. Other Provisions**

- 6.1.** The Company undertakes to take out liability insurance for damage caused by the Audit Committee Member to the Company or third parties while performing the function of the Audit Committee Member or in relation therewith, with a renowned insurance company designated by the board of directors, namely at the expense of the Company up to the maximum amount of insurance benefit up to CZK 1,200 million.
- 6.2.** Any violation of Paragraph 3.1., Paragraph 4.1. and Article 7 hereof shall be deemed a major violation of the conditions hereof.
- 6.3.** The conditions not regulated hereby are to be governed by the legal regulations, the Company's Articles of Association, and the rules of procedure of the audit committee of ČEZ, a.s.
- 6.4.** Should at any time (also upon the termination of the function of the Audit Committee Member) the Audit Committee Member get a legitimate impression that his/her right to protection of personality, civic honour, professional reputation or human dignity was infringed by using the press, radio, television or other mass media in connection with the performance of the function of the Audit Committee Member, or in connection with the termination of the function, or should criminal prosecution be instituted against the Audit Committee Member, he/she may request the Company that it reimburse for the expenses incurred to ensure protection from such infringement, and pay the costs of legal representation. In this case the Company undertakes to reimburse the Audit Committee Member for the expenses related to ensuring protection from such infringement, including payment for the costs of legal representation, unless it is at

variance with the legal regulations. Should the Audit Committee Member be lawfully convicted of a criminal offence committed thereby, he/she shall reimburse the Company for the expenses incurred thereby to pay for his/her legal representation.

## **7. Termination of Performance of the Function**

**7.1.** The performance of the function is to be terminated in accordance with the commercial code and the Company's Articles of Association.

While terminating the performance of the function, the Audit Committee Member shall be obliged to take such measures, so that the Company should not incur any damage.

**7.2.** Within thirty days upon the termination of the performance of the function, the Audit Committee Member is to return to the Company:

- All documents and papers provided thereto in direct connection with the performance of the function, all duplicates, extracts, copies of these documents and papers, unless they have already been discarded, as well as media for recording and transferring data owned by the Company,
- Other objects, which were provided thereto in connection with the performance of the function, including any documentation related to such objects.

## **8. Final Provisions**

**8.1.** This Contract shall become valid as of date of signing hereof, and effective as of date of approval hereof by the Company's general meeting.

**8.2.** This Contract may be amended or completed only by agreement of the Contracting Parties in the form of numbered amendments.

**8.3.** This Contract shall lose validity as of date of the termination of the function, with the exception of the provisions of Article 4, Paragraph 4.1, and Article 7 hereof.

**8.4.** The Parties conclude this Contract in good faith, voluntarily, seriously and in full awareness of the text hereof, which they confirm by attaching their signatures hereto.

Prague, dated

Audit Committee Member:

On behalf of the Company:

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Annexe No. 1

To the Contract of Performance of the Function of an Audit Committee Member concluded on (date) .....

## **RULES OF REWARDING AND PROVIDING OTHER PAYMENTS TO THE AUDIT COMMITTEE MEMBERS**

### **I. Introductory Provisions**

- 1.1.** These Rules adjust the conditions for the provision of rewards and other reimbursements to the members of the audit committee of the company ČEZ, a.s. (hereinafter referred to as “the Company”)
- 1.2.** According to Article II of these Rules, the Audit Committee Member shall not be entitled to a reward, if the provision of such reward is not permitted under the law.
- 1.3.** An audit committee member means the chairman and deputy chairman thereof, unless the Rules stipulate otherwise.

### **II. Reward**

- 2.1** The audit committee members shall be entitled to a reward amounting to CZK 10,000 per month for the performance of their function; the deputy chairman of the audit committee shall be entitled to CZK 15,000 per month, and the chairman of the audit committee – to CZK 20,000 per month.
- 2.2** Rewards are to be paid to the audit committee members upon the expiry of a calendar month, on the date designated for payment of wages to the Company’s employees. The basis for payment of the rewards shall be a written document signed by the chairman and deputy chairman of the audit committee (in the event of absence of either of them, by another audit committee member), and by the chairman or deputy chairman of the board of directors, submitted to the relevant department of the Company.
- 2.3** Should the Contract for Performance of the Function of an Audit Committee Member stipulate rewards for a certain period of time (months, accounting year), and the Audit Committee Member has performed his/her function only during a part of this period, he/she shall be entitled to a proportionate part of the reward. Should his/her function be terminated by recalling during a given period of time, the body, which has recalled him/her may decide otherwise.
- 2.4** In the event of a temporary inability to perform the function due to illness or long-term absence, the Audit Committee Member shall be entitled to a reward for a given period of time, if he/she submits his/her written opinion on the discussed items to the chairman of the audit committee until the instant of discussion thereof, at the latest, unless the audit committee decides otherwise. In the event of a temporary inability to perform the function, the audit committee shall decide on recognition of the reward. Long-term absence means non-participation and non-submission of a written opinion during two sequential months, at the minimum.

### **III. Reimbursements for Travel Expenses**

- 3.1.** The Audit Committee Member may use his/her own car to perform the function. In this case the Audit Committee Member shall be reimbursed for travel expenses incurred thereby at the amount set by the Act No. 262/2006 Coll., the Labour Code, in the valid wording thereof, and by the Act No. 586/1992 Coll., on income tax, in the valid wording thereof.
- 3.2.** In the event of business trips related to the performance of the function, the Audit Committee Member shall be entitled to subsistence allowance at the amount set by the Labour Code, to reimbursement for other expenses related to the business trip (above all payment of accommodation costs) at the proven amount, and insurance premiums, as well as to a business class air ticket and, in the event of foreign business trips, to spending money at the maximum amount set by the Labour Code.

Prague, dated

Audit Committee Member:

On behalf of the Company:

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