



PROPOSAL FOR THE DISTRIBUTION OF PROFIT OF ČEZ, A. S. FOR 2013

Following discussions held by the Board of Directors and the Supervisory Board of the Company, the Board of Directors hereby presents the proposal for the distribution of the Company profit for 2013 to the General Meeting of the shareholders. The Board of Directors proposes to divide profit after tax reported for 2013 to the amount of CZK 26,373,301 thousand in the following way:

- Share in profit conceded to shareholders (hereinafter referred to as the "Dividend") CZK 21,519,590 thousand
- Share in profit conceded to members of the Board of Directors and the Supervisory Board (hereinafter referred to as „Royalty”) CZK 25,500 thousand
- Transfer to the account of retained profit from previous years CZK 4,828,211 thousand

The Board of Directors proposes payment of the Dividend to Company shareholders to the amount of CZK 40 per share before tax.

The said sum of the Dividend has been calculated from the total number of issued shares, i.e. including the treasury shares held by the Company, representing approximately 61 % of consolidated profit after tax.

The Board of Directors proposes the July 3rd, 2014 to be the decisive date for exercising the right to the Dividend. The persons who will be shareholders of the Company as of the decisive date for exercising the right to the Dividend will be eligible to receive the Dividend.

The Dividend allocated to the treasury shares held by the Company as of the decisive date for exercising the right to the Dividend will not be paid out. The sum corresponding to the Dividend allocated to the treasury shares held by the Company as of the decisive date for exercising the right to the Dividend will be transferred to the account of the retained profit from the previous years.

Payment of the Dividend will be made via Česká spořitelna, a.s., ID 45244782, with its registered office in Olbrachtova 1929/62, Prague 4, postal code 14000 (hereinafter referred to as "Česká spořitelna").

Shareholders – legal entities, who are not represented by securities administrators, will have the dividend paid into their account administered by a bank in the Czech Republic based on a written request delivered to Česká spořitelna with an officially certified signature of the person/persons authorized to act on behalf of this legal entity. This written request will include an affidavit on the shareholder's tax residence and the account number and name of the bank at which this account is administered. Together with this written request, an extract from the Commercial Register or an officially certified copy of such an extract applying to the shareholder (not older than six months) shall also be delivered to Česká spořitelna.

The Dividend for securities administrators and participants administering follow-up records will be paid to their accounts administered by a bank in the Czech Republic based on a written request delivered to Česká spořitelna with an officially certified signature of the person/-s authorized to act on behalf of this administrator or participant. This written request will include an affidavit on the tax residence of the shareholders for whom the function of the securities administrator is operated or for whom the follow-up records are kept, and will also include the account number and name of the bank administering this account. Together with this written request, an extract from the Commercial Register or an officially certified copy of such extract applying to this administrator or participant (not older than six months) shall also be delivered to Česká spořitelna.

The shareholders – natural persons with permanent residence in the Czech republic, who are not represented by a securities administrator or an authorized representative, will have the Dividend paid in cash upon presenting their identity card at any of the branches of Česká spořitelna in the Czech Republic, or it will be transferred to an account administered by a bank in the Czech Republic, based on their written request delivered to Česká spořitelna. This written request will include an affidavit on the shareholder's tax residence, and will also include the account number and name of the bank administering this account. The shareholder's representative will be paid the Dividend based on presenting his identity card and power of attorney signed by the shareholder, including the affidavit on the shareholder's tax residence. The authenticity of the shareholder's signature on the request for a non-cash transfer of the Dividend or on the power of attorney for the shareholder's representative must only be officially verified in the event that the total gross value of the Dividend of this shareholder exceeds CZK 1,000.

Shareholders – natural persons with permanent residence in the Slovak Republic, who are not represented by a securities administrator or an authorized representative, will have the Dividend paid in cash upon presenting their identity card and a document confirming the assignment of NID (substitute identification number assigned by the person administering the respective securities records) at any Česká spořitelna branch in the Czech Republic, or it will be transferred to an account administered by a bank in the Czech Republic based on their written request delivered to Česká spořitelna. This writ-

ten request will include an affidavit on the shareholder's tax residence, and will also include the account number and name of the bank administering this account. The shareholder's representative will be paid the Dividend based on presenting his identity card, power of attorney signed by the shareholder, which includes an affidavit on the shareholder's tax residence, and the document confirming the assignment of NID to the shareholder. The authenticity of the shareholder's signature on the request for a non-cash transfer of the Dividend or on the power of attorney for the shareholder's representative must only be officially verified in the case that the total gross value of the Dividend of this shareholder exceeds CZK 1,000.

Shareholders – natural persons with permanent residence outside the Czech Republic and the Slovak Republic, who are not represented by a securities administrator, will be transferred the Dividend to an account administered by a bank in the Czech Republic based on a written request by them delivered to Česká spořitelna with an officially verified signature. This written request will include an affidavit on the shareholder's tax residence, and will also include the account number and name of the bank administering this account.

Tax will be deducted under the conditions established pursuant to Czech tax regulations (especially pursuant to Law No. 586/1992 Sb. on income tax, as amended), or possibly pursuant to the respective agreements on the prevention of double taxation between the Czech Republic and the state of the tax residence of the end owner of the Dividend income. In order to apply taxation pursuant to these respective agreements on the prevention of double taxation, either the shareholder or securities administrator is obliged to deliver to Česká spořitelna a written request together with the declaration of the end owner regarding the actual ownership of the Dividend income, as well as an up-to-date confirmation of the tax domicile of the end owner. In the event that these documents are written in a language other than Czech or Slovak, either the shareholder or securities administrator is obliged to provide a translation of these documents into Czech (it does not have to be certified officially).

The Dividend matures on August 1st, 2014, whereby payment of the Dividend to shareholders to the account administered by a financial institution will be carried out without undue delay once Česká spořitelna receives the shareholder's request as per the previous paragraphs. Payments of the Dividend end on August 1st, 2018.

The Board of Directors proposes to pay out Royalties to the members of the Board of Directors and of the Supervisory Board to the total amount of CZK 25,500 thousand, and hereby asks the General Meeting of the shareholders to approve the rules of the distribution thereof. It proposes the distribution of Royalties among members of the Board of Directors and the Supervisory Board in the following way: The share of each member of the respective body will be determined proportionally according to the period for which s/he held the position in the respective body in 2013. Supervisory Board members are not entitled to receive a Royalty in cases whereby such payment is prohibited by law.

Draft resolution

The General Meeting of ČEZ, a. s. hereby approves the distribution of profit for 2013 in the following way:

- Share in profit conceded to the shareholders (hereinafter referred to as the „Dividend“) to the amount of CZK 40 per share before tax
- Total amount of the Dividend calculated from the total amount of shares issued CZK 21,519,590 thousand
- Share in profit conceded to the members of the Board of Directors and the Supervisory Board (hereinafter referred to as the “Royalty”) CZK 25,500 thousand
- Transfer to the account of the retained profit from the previous years CZK 4,828,211 thousand

The decisive date for exercising the right to the Dividend is the July 3rd, 2014. The right to the Dividend will apply to persons who are Company shareholders as of the decisive date for exercising the right to the Dividend.

The Dividend allocated to treasury shares held by the Company as of the decisive date will not be paid out. The sum corresponding to the Dividend allocated to the treasury shares held by the Company as of the decisive date for exercising the right to the Dividend will be transferred to the account of retained profit from the previous years.

The Dividend matures on August 1st, 2014. The payment of the Dividend will be made via Česká spořitelna, a.s., ID 45244782, with its registered office in Olbrachtova 1929/62, Prague 4, postal code 14000, in a way presented to this General Meeting. The payments of the Dividend end on August 1st, 2018.

The General Meeting of ČEZ, a. s. hereby approves the distribution of the Royalties among the members of the Board of Directors and the Supervisory Board in the following way: The share of each member of the statutory or the supervisory body will be determined proportionally according to the period for which s/he held the position in the respective body in 2013. Supervisory Board members are not entitled to receive the Royalty in cases whereby such payment is prohibited by law.

Substantiation of the draft proposal

The resolution on the distribution of profit ranks within the scope of action of the General Meeting, pursuant to the respective legal stipulations and the articles of association of the Company. The proposal for the distribution of profit of ČEZ, a. s. for 2013, presented by the Board of Directors to the General Meeting for approval is in accordance with the respective legal stipulations and the articles of association of the Company.