



# NOTICE OF THE GENERAL MEETING

The Board of Directors of ČEZ, a. s., a joint-stock company with its registered office at Duhová 2/1444, Prague 4, Post Code 140 53, Registration No. 45274649, registered in the Companies Register administered by the Municipal Court in Prague, Section B, Entry 1581, hereby convenes the **Annual General Meeting, which will take place on 12 June 2015 at 10:00 a.m. at the Prague Congress Centre, No. 65, 5. května, Prague 4.**

## Annual General Meeting Agenda:

1. The Board of Director's report on the company's business operations and assets for 2014; the Summary Report pursuant to Section 118(8) of the Capital Market Undertakings Act; and Conclusions of the Related Parties Report for 2014
2. Report of the Supervisory Board on the results of inspection activities
3. Report of the Audit Committee on the results of its activities
4. Approval of financial statements of ČEZ, a. s. and consolidated financial statements of CEZ Group for 2014
5. Decision on the distribution of profit of ČEZ, a. s.
6. Stating the auditor to execute a statutory audit for the accounting period of calendar year 2015
7. Decision on funds available for sponsoring activities
8. Removal and election of Supervisory Board members
9. Removal and election of Audit Committee members
10. Approval of Supervisory Board members' service contracts
11. Approval of Audit Committee members' service contracts
12. Granting approval to contribution of a part of the enterprise, the "Vítkovice heating plant" to the registered capital of Energo centrum Vítkovice, a. s.
13. Granting approval to contribution of a part of the enterprise, the "Tisová power plant" to the registered capital of Elektrárna Tisová, a. s.

## Record Date for Participating in the General Meeting and Explanation of Its Meaning

The record date for attending the general meeting is 5 June 2015. The sense of the record date is that the right to attend a general meeting and to exercise the rights of a shareholder, including voting, is vested in each person recorded as a shareholder, shareholder's representative, administrator or a person authorized to exercise the rights attached to a share in the statutory register of investment instruments (Central Securities Depository) on the record date.

## Attendance and Participation in the General Meeting

### 1. Checking In and Representing Shareholders at the General Meeting

Shareholders will check in at the general meeting's venue at 9:00 a.m. on the day the general meeting is held.

Shareholders who are individuals prove their identity by presenting their identity card. Individuals acting on behalf of legal entities are required to present also documents certifying the existence of the relevant legal entity and their authorization to act on behalf of such legal entity. Shareholders' proxies are also required to present their written powers of attorney with an officially certified signature of the principal, unless provided for otherwise hereinbelow. Representatives whose right to represent a shareholder is based on a fact other than a power of attorney are required to present documents attesting such right.

Should a shareholder be a foreign individual, he/she is required to present his/her passport. A foreign shareholder's – individual person's – proxy is required to submit a written power of attorney with an officially certified signature of the principal. Should a shareholder be a foreign legal entity, it is required to submit an officially certified document proving the existence of the legal entity which indicates who is authorised to act on behalf of the legal entity, and unless he/she is also its governing body, he/she is required to submit a written power of attorney with the officially certified signatures of the persons authorised to act on behalf of the legal entity, unless provided for otherwise hereinbelow. Representatives whose right to represent a shareholder is based on a fact other than a power of attorney are required to present documents attesting such right.

Documents issued by foreign authorities by virtue of which a shareholder or his/her/its representative prove their identity must be superlegalized or provided with a stamp of apostille (certification), unless an agreement on legal assistance exists between the Czech Republic and the country where the shareholder has its permanent residence or registered office. If the documents or certification clauses referred to above are executed in a foreign language, they must also bear a certified Czech translation.

The written power of attorney must be in writing and must indicate whether it was granted for representation at one or several general meetings of the company in a particular period.

Shareholders may grant the power of attorney by completing a power of attorney form which the company will make available (both a hardcopy and e-copy) at the company's registered office and on the company's website ([www.cez.cz](http://www.cez.cz)), respectively, from 12 May 2015 to the date of the general meeting. All shareholders have the right to request that a hardcopy or e-copy of the power of attorney form be sent to them at their expense and risk, with such request to be made by electronic means to [valna.hromada@cez.cz](mailto:valna.hromada@cez.cz).

Shareholders may also announce by electronic means to [valna.hromada@cez.cz](mailto:valna.hromada@cez.cz) that a power of attorney to represent a shareholder at the general meeting was granted or revoked. The notice must bear a guaranteed electronic signature based on a qualified certificate issued by an accredited provider of certification services. Details concerning the reception of notices on granted or revoked powers of attorney and requirements for the contents thereof are available at the company's website ([www.cez.cz](http://www.cez.cz)). If the shareholder's notice announcing a granted or revoked power of attorney to represent a shareholder at the general meeting complies with all formal requirements, the company will not request the shareholder to present the power of attorney at the shareholder check-in point.

A shareholder may also be represented at the general meeting by an administrator registered in the statutory register of investment instruments or by a person authorized to exercise the rights attached to a share as per the registration in such statutory register – this applies to the exercise of all rights attached to the shares registered on the particular account, including voting at the general meeting. Such parties are required to prove such authorization by presenting an extract from the statutory register of investment instruments upon registration, with such extract to be obtained by the company.

## **2. Rights of Shareholders Associated with Attending the General Meeting and the Manner of Exercising such Rights**

Shareholders may exercise their rights at the general meeting, i.e. they are authorized, in particular, to vote, to request and receive explanations about matters related to the company, if such explanation is necessary for assessing the matters on the general meeting's agenda or for exercising shareholder rights at the general meeting, and to submit proposals and counterproposals. Shareholders may exercise such rights in person, through their governing body, through their representatives, or through an administrator registered in the register of investment instruments or persons authorized to exercise the shareholders' rights as per the registration in such register.

Shareholders bear their own expenses for attending and participating in the general meeting.

The chairman of the general meeting is obligated to provide for submission at the general meeting of all proposals, counterproposals, and requests for explanation by shareholders, provided that the same relate to the meeting's agenda and the relevant shareholder insists on the submission thereof at the general meeting. Requests for an explanation may not be responded to if the law implies that an answer does not have to be provided. Explanations may be provided in the form of summarised answers to several questions of similar content. It holds that an explanation has been provided to a shareholder if a supplementary explanation on the issues on the agenda was made available on the company's website no later than on the date preceding the date of the general meeting and is available to shareholders at the venue of the general meeting. The company will explain matters regarding the pending general meeting directly at that general meeting. If impossible given the complexity of the explanation, the company will provide the explanation to the shareholder within 15 days following the date of the general meeting.

### **a. Number of Shares and Voting Rights**

The company's registered capital amounts to CZK 53,798,975,900 (in words: fifty-three billion seven hundred and ninety-eight million nine hundred seventy-five thousand and nine hundred Czech crowns) and is divided into 537,989,759 shares (in words: five hundred thirty-seven million nine hundred eighty-nine thousand seven hundred and fifty-nine shares), each with a nominal value of CZK 100 (in words: one hundred Czech crowns). One vote is attached to each company's share with a nominal value of CZK 100. All the shares are issued as book-entered shares, are a type of bearer share, and have been admitted for trading on the European regulated market. Shareholders are not required to exercise the voting rights attached to all their shares in the same manner.

### **b. Attendance and Voting at the General Meeting**

Attending shareholders are entered in the attendance list, which specifies the corporate name or name and registered office of the legal entity or the name and place of residence of the individual shareholder, or, as the case may be, a proxy of the same, and the number and nominal value of shares authorizing such person to vote, or, as the case may be, information that such share does not authorize its holder to vote.

Attendance at the general meeting is also registered on attendance cards. Each attendance card will contain the name, corporate name or other name of the shareholder, the shareholder's identity card number (this applies to Czech nationals) or the shareholder's passport number (this applies to foreigners), the shareholder's identification number, if it is a Czech legal entity, and the signature of the shareholder or his/her proxy. Should a shareholder be represented, such attendance card will contain information on his/her representative to the extent specified for the shareholder.

The general meeting's agenda will be discussed on an item-by-item basis.

Voting on the items of the general meeting's agenda takes place after the general meeting has been informed of all submitted proposals; first, the board of directors' proposals are voted on; second, the supervisory board's proposals are voted on; third, proposals and counterproposals submitted by shareholders are voted on in the order of submission. Once a submitted proposal is approved, no other proposals or counterproposals opposing the approved proposals will be voted on.

Voting takes place by ballots. Each ballot must contain the name, corporate name, or other name of the shareholder, the shareholder's identity card number (this applies to Czech nationals) or the shareholder's passport number (this applies to foreigners), the shareholder's identification number if it is a Czech legal entity, and his/her signature or the signature of his/her proxy. In the ballot, each shareholder makes its choice for a specific proposal number to which the voting refers by crossing through "FOR", or "AGAINST", or "ABSTAINED". Ballots and attendance cards must be signed. Unsigned attendance cards and ballots are invalid. Torn, scribbled on or otherwise defaced ballots and cards, such as ones containing illegible information, are deemed to be invalid, as well.

The general meeting decides by a simple majority of votes of attending shareholders, unless the law or the company's articles of association require a different majority.

### c. Right to Raise Proposals and Counterproposals

Shareholders may present proposals and counterproposals on matters included on the general meeting's agenda. If a shareholder wishes to present a counterproposal on a matter listed on the agenda, he/she/it will deliver the counterproposal to the company no later than 10 days before the general meeting is held; the foregoing does not apply to proposals to elect or remove particular individuals to/from the company's bodies. The board of directors will, in the manner prescribed for convening the general meeting, communicate the text of the shareholder's counterproposal to the shareholders, including its standpoint in compliance with the law and the articles of association. The foregoing does not apply if the notice is delivered less than two days before the general meeting is held, or if the relative expenses would be in gross disproportion to the importance and content of the counterproposal, or if the text of the counterproposal contains more than 100 words. If the counterproposal contains more than 100 words, the board of directors will summarise the substance of the counterproposal and its own standpoints and the counterproposal will be disclosed and made available on the company's website ([www.cez.cz](http://www.cez.cz)).

### d. Right to Request that a Particular Matter be Included on the General Meeting's Agenda

If so requested by a shareholder or shareholders of the company who hold shares whose total nominal value reaches at least 1% of the company's registered capital, the board of directors will include the requested matter on the agenda, provided that each such matter is supplied with a proposal for resolution or a justification. If the request is delivered after the notice of the general meeting is disclosed, the board of directors will publish a supplement to the agenda no later than five days prior to the record date for attending the general meeting in the manner which the law and the articles of association impose on convening the general meeting.

### e. Availability and Location of Documents

From 12 May 2015 to (including) the date the general meeting is held, shareholders may:

- inspect annual financial statements of ČEZ, a. s. and consolidated financial statements of CEZ Group, the Related Parties Report for 2014 and other documents regarding the general meeting's agenda, unless the law implies otherwise, the general meeting's agenda proposals, including shareholders' relevant proposals and counterproposals, the justifications thereof or, as the case may be, standpoints of the board of directors on individual issues on the agenda, with all the foregoing to be available in the company's registered office at Duhová 2/1444, Prague 4 and, moreover, in the building at Duhová 1/425, on business days from 8 a.m. to 4 p.m.;
- obtain a printed power of attorney form to represent a shareholder at the general meeting in the company's registered office at Duhová 2/1444, Prague 4 and, moreover, in the building at Duhová 1/425, on business days from 8 a.m. to 4 p.m., or, as the case may be, to request that a printed copy of the form be sent to them at their own expense and at their own risk;
- download the following documents from the company's website ([www.cez.cz](http://www.cez.cz)) under the "Investors" link in the "General Meetings" section in the part relating to the 2015 general meeting:
  - the power of attorney e-form, or to have the e-form mailed by sending a request to that effect to [valna.hromada@cez.cz](mailto:valna.hromada@cez.cz), and to receive details regarding the granting or revocation of the powers of attorney to represent a shareholder at the general meeting;
  - documents regarding the general meeting's agenda, unless the law implies otherwise;
  - general meeting agenda proposals, including shareholders' relevant proposals and counterproposals, the justifications thereof or, as the case may be, standpoints of the board of directors to individual issues on the agenda;
- familiarize themselves with the notice of the annual general meeting at the company's registered office, at the company's website ([www.cez.cz](http://www.cez.cz)) under the "Investors" link in the "General Meetings" section in the part relating to the 2015 general meeting, and in the *Obchodní věstník* (the official Commercial Bulletin) and, as the case may be, in other information sources.

The e-mail address [valna.hromada@cez.cz](mailto:valna.hromada@cez.cz) is designed solely for the purposes listed herein.

The information will be available to the shareholders at the general meeting venue's information centre on the date the general meeting is held.

## General meeting agenda proposals and the justification thereof or explanations of the individual issues on the general meeting's agenda:

### Issue 1: The Board of Director's report on the company's business operations and assets for 2014; the Summary Report pursuant to Section 118(8) of the Capital Market Undertakings Act; and Conclusions of the Related Parties Report for 2014

#### Explanation:

The board of directors' report on the company's business operations, the summary explanatory report and the conclusion of the related parties report are presented to the general meeting in compliance with law and the company's articles of association. No voting takes place on this issue on the agenda.

### Issue 2: Report of the Supervisory Board on the results of inspection activities

#### Explanation:

The supervisory board's report on the results of inspection activities is presented to the general meeting in compliance with law and the company's articles of association. The supervisory board's report on the results of inspection activities includes also standpoint on the company's annual financial statements and consolidated financial statements and on the proposal for the distribution of the company's profit pursuant to Section 447(3) of the Business Corporations Act and Article 18(5)(c) of the company's articles of association and on the related parties report pursuant to Section 83(1) of the Business Corporations Act and Article 18(5)(c) of the company's articles of association. No voting takes place on this issue on the agenda.

### Issue 3: Report of the Audit Committee on the results of its activities

#### Explanation:

The audit committee's report on the results of its activities is presented to the general meeting in compliance with law and the company's articles of association. No voting takes place on this issue on the agenda.

### Issue 4: Approval of financial statements of ČEZ, a. s. and consolidated financial statements of CEZ Group for 2014

#### General meeting agenda proposal:

The General Meeting of ČEZ, a. s.,

1. Hereby approves the financial statements of ČEZ, a. s. as of December 31, 2014,
2. Hereby approves the consolidated financial statements of CEZ Group as of December 31, 2014.

#### Justification:

Pursuant to the respective stipulations of the law and the articles of association of the company, the board of directors hereby presents both sets of financial statements to the general meeting for approval. Pursuant to the requirements of the Accounting Act, the financial statements of ČEZ, a. s. and the consolidated financial statements of CEZ Group as of December 31, 2014 were prepared in accordance with the International Financial Reporting Standards, discussed by the board of directors of ČEZ, a. s., verified by an independent auditor with reports quoted in this material, and reviewed by the supervisory board of the company, which concluded that it is recommended for the general meeting to approve them.

### Issue 5: Decision on the distribution of profit of ČEZ, a. s.

#### General meeting agenda proposal:

The General Meeting of ČEZ, a. s. approves the distribution of the Company's profit for 2014 amounting to CZK 20,910,256 thousand and a portion of retained earnings amounting to CZK 634,834 thousand as follows:

|  |                         |
|--|-------------------------|
| ▪ Share in profit awarded to shareholders (the "dividend")   | CZK 21,519,590 thousand |
| ▪ Share in profit awarded to members of the Board of Directors and Supervisory Board (the "royalty") | CZK 25,500 thousand     |
| Total  | CZK 21,545,090 thousand |

The dividend is CZK 40 per share before tax.

The record date for entitlement to the dividend is June 18, 2015. Entities that will be shareholders of the Company at the record date will be entitled to dividend.

The above-mentioned amount of the dividend is calculated from the total number of Company shares issued. The dividend allocated to treasury shares held by the Company at the record date will not be paid. The amount corresponding to the dividend on treasury shares held by the Company at the record date will be transferred to the retained earnings account.

The dividend is payable on August 3, 2015. The dividend will be paid through Česká spořitelna, a.s., ID No. 45244782, having its registered office at Olbrachtova 1929/62, Praha 4, postal code 140 00, in the manner presented at this General Meeting. The dividend will be paid until August 1, 2019.

The General Meeting of ČEZ, a. s. approves the distribution of the royalty among members of the Board of Directors and Supervisory Board as follows: The share of each member of the statutory governing or supervisory body will be determined in proportion to the time the member served on the relevant body in 2014. The royalty will be distributed to individual members of the Board of Directors and Supervisory Board in accordance with the foregoing rule by the Board of Directors. Members of the Supervisory Board are not eligible for any royalty where granting it is not permitted by law.

#### Justification:

Pursuant to the applicable provisions of law and the Company's Articles of Association, decisions on the distribution of profit are within the powers of the General Meeting. The proposal for the distribution of the profit of ČEZ, a. s. for 2014 and a portion of retained earnings as presented by the Board of Directors to the General Meeting for approval is in compliance with the applicable provisions of law and the Company's Articles of Association and reflects the Company's dividend policy.

### Issue 6: Stating the auditor to execute a statutory audit for the accounting period of calendar year 2015

#### General meeting agenda proposal:

The General Meeting of ČEZ, a. s. hereby states the auditing firm Ernst & Young Audit, s.r.o., Company ID No.: 26704153, with its registered office at Na Florenci 2116/15, Nové Město, 110 00 Praha 1 as the auditor to execute the statutory audit for the accounting period of calendar year 2015.

#### Justification:

In accordance with the audit committee's recommendation, the Supervisory Board is submitting a request to the General Meeting for Ernst & Young Audit, s.r.o. to be stated as the auditor to execute the statutory audit. Ernst & Young Audit, s.r.o. is a member of the multinational company Ernst & Young, which is among the world's largest auditing firms and geographically covers all areas where the CEZ Group conducts business.

#### **Issue 7: Decision on funds available for sponsoring activities**

##### **General meeting agenda proposal:**

The General Meeting of ČEZ, a. s. approves the provision of funding in the amount of CZK 155 million for 2016.

##### **Justification:**

The Board of Directors, via the submitted proposal, is following up on the long-term philanthropic activities of the CEZ Group. The donations reflect CEZ Group's social responsibility and shall serve as a means of strengthening the positive perception of the company.

#### **Issue 8: Removal and election of Supervisory Board members**

The board of directors is not presenting any proposal for the removal or election of supervisory board members. This item will be discussed depending on submitted proposals of the shareholders.

#### **Issue 9: Removal and election of Audit Committee members**

The board of directors is not presenting any proposal for removal or election of audit committee members. This item will be discussed depending on submitted proposals of the shareholders.

#### **Issue 10: Approval of Supervisory Board members' service contracts**

##### **General meeting agenda proposal:**

The General Meeting of ČEZ, a. s. approves:

1. Contract of Service on the Supervisory Board between ČEZ, a. s. and Ing. Petr Blažek, which was concluded on August 29, 2014,
2. Contract of Service on the Supervisory Board between ČEZ, a. s. and Ing. Jiří Borovec, MBA, which was concluded on August 29, 2014,
3. Contract of Service on the Supervisory Board between ČEZ, a. s. and JUDr. Zdeněk Černý, MBA, which was concluded on August 29, 2014,
4. Contract of Service on the Supervisory Board between ČEZ, a. s. and Vladimír Hronek, which was concluded on August 29, 2014,
5. Contract of Service on the Supervisory Board between ČEZ, a. s. and Drahošlav Šimek, which was concluded on August 29, 2014,
6. Contract of Service on the Supervisory Board between ČEZ, a. s. and Ing. Jiří Tyc, which was concluded on August 29, 2014,
7. Contract of Service on the Supervisory Board between ČEZ, a. s. and Ing. Vladimír Vlk, which was concluded on August 29, 2014,
8. Contract of Service on the Supervisory Board between ČEZ, a. s. and Ing. Lubomír Charvát, which was concluded on August 29, 2014,
9. Contract of Service on the Supervisory Board between ČEZ, a. s. and Ing. Lukáš Wagenknecht, which was concluded on August 29, 2014,
10. Contract of Service on the Supervisory Board between ČEZ, a. s. and Mgr. Robert Šťastný, which was concluded on October 20, 2014.

##### **Justification:**

Pursuant to the provisions of Section 59(2) of the Business Corporations Act and Article 8(1)(d) of the articles of association of ČEZ, a. s., the board of directors presents service contracts with members of the supervisory board elected and/or appointed to their positions since the date of the last general meeting to the general meeting for approval.

#### **Issue 11: Approval of Audit Committee members' service contracts**

##### **General meeting agenda proposal:**

The General Meeting of ČEZ, a. s. approves:

1. Contract of Service on the Audit Committee between ČEZ, a. s. and Ing. Andrea Káňová, which was concluded on August 29, 2014,
2. Contract of Service on the Audit Committee between ČEZ, a. s. and Ing. Lukáš Wagenknecht, which was concluded on August 29, 2014.

##### **Justification:**

Pursuant to the provisions of Section 59(2) of the Business Corporations Act and Article 8(1)(s) of the articles of association of ČEZ, a. s., the board of directors presents service contracts with members of the audit committee elected to their positions by the last general meeting to the general meeting for approval.

**Issue 12: Granting approval to contribution of a part of the enterprise, the “Vítkovice heating plant” to the registered capital of Energocentrum Vítkovice, a. s.**

**General meeting agenda proposal:**

The General Meeting of ČEZ, a. s. grants, in compliance with the provision of Section 421(2)(m) of Act No. 90/2012 Sb., on commercial companies and cooperatives (Business Corporations Act) and the provision of Article 8(1)(j) of the Articles of Association of ČEZ, a. s., its approval to contribution of the part of the enterprise of ČEZ, a. s. represented by the “Vítkovice Heating Plant” organizational unit to Energocentrum Vítkovice, a. s., having its registered office at Duhová 1444/2, Michle, 140 00 Prague 4, ID No. 039 36 040, in the form of an increase of its registered capital.

**Justification:**

Spinning off the Vítkovice heating plant into a separate company will allow integrating CEZ Group assets in the Ostrava-Vítkovice area and restructuring them. The restructuring project envisages major savings in the next years by optimizing the operation of integrated assets and saving on overheads. Pursuant to the applicable provisions of the law and the company’s articles of association, the decision on spinning off the Vítkovice heating plant by contribution of a part of the enterprise is subject to the approval of the general meeting of ČEZ, a. s.

**Issue 13: Granting approval to contribution of a part of the enterprise, the “Tisová power plant” to the registered capital of Elektrárna Tisová, a. s.**

**General meeting agenda proposal:**

The General Meeting of ČEZ, a. s. grants, in compliance with the provision of Section 421(2)(m) of Act No. 90/2012 Sb., on commercial companies and cooperatives (Business Corporations Act) and the provision of Article 8(1)(j) of the Articles of Association of ČEZ, a. s., its approval to contribution of the part of the enterprise of ČEZ, a. s. represented by the “Tisová Power Plant” organizational unit to Elektrárna Tisová, a.s., having its registered office at Tisová 2, 356 01 Březová, ID No. 291 60 189, in the form of an increase of its registered capital.

**Justification:**

Spinning off the power plant into a separate company gives more flexibility in seeking alternative scenarios for the development of the Tisová site. Pursuant to the applicable provisions of the law and the company’s articles of association, the decision on spinning off the Tisová power plant by contribution of a part of the enterprise is subject to the approval of the general meeting of ČEZ, a. s.

**Board of Directors of ČEZ, a. s.**