



# PROPOSAL FOR THE DISTRIBUTION OF PROFIT OF ČEZ, a. s.

The Board of Directors is presenting to the General Meeting of shareholders this proposal for 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 discussed by the Board of Directors and the Supervisory Board:

▪ 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 proposed to be distributed among Company shareholders thus amounts to CZK 40 per share before tax.

The proposed dividend reflects the Company's dividend policy and corresponds to approximately 73% of consolidated net income adjusted for extraordinary effects that are unrelated to ordinary financial performance in 2014, i.e. impairments to tangible and intangible fixed assets including write-offs of goodwill and abandoned investment, taking account of the tax effects of such items. Adjusted consolidated net income for 2014 is CZK 29,453,895 thousand.

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 the dividend.

The above-mentioned amount of the dividend is calculated from the total number of Company shares issued, i.e. including the Company's treasury shares. 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 will be paid through Česká spořitelna, a.s., ID No. 45244782, having its registered office at Olbrachtova 1929/62, Praha 4, postal code 14000 ("Česká spořitelna").

Shareholders—legal entities that are not represented by custodians of securities will receive the dividend to their account with a bank in the Czech Republic based on a written request delivered to Česká spořitelna with an authenticated signature of the person(s) authorized to act on behalf of the legal entity. Such a written request must contain a solemn declaration of the shareholder's tax residency and include an account number and the identification of the bank keeping that account. Together with the written request, Česká spořitelna must receive an extract from the commercial register (not older than 6 months) concerning the shareholder or an authenticated copy thereof.

Custodians of securities and participants keeping related records will receive the dividend to their account with a bank in the Czech Republic based on their written request delivered to Česká spořitelna with an authenticated signature of the person(s) authorized to act on behalf of the custodian/participant. Such a written request must contain a summary solemn declaration of the tax residency of the final dividend income owners to whom the custodian of securities provides their services or for whom the related records are kept and include an account number and the identification of the bank keeping that account. Together with the written request, Česká spořitelna must receive an extract from the commercial register (not older than 6 months) concerning the custodian/participant or an authenticated copy thereof.

Shareholders—natural persons that have permanent residence in the Czech Republic and are not represented by a custodian of securities or authorized representative will receive the dividend in cash upon the presentation of an identity card at any Česká spořitelna branch in the Czech Republic or to an account with a bank in the Czech Republic based on their written request delivered to Česká spořitelna. Such a written request must contain a solemn declaration of the shareholder's tax residency and include an account number and the identification of the bank keeping that account. A shareholder's representative will receive the dividend upon the presentation of an identity card and a letter of attorney signed by the shareholder and containing a solemn declaration of the shareholder's tax residency. The authenticity of a shareholder's signature on a request for dividend wire transfer or on the letter of attorney for the shareholder's representative must be officially certified only if the shareholder's total gross dividend exceeds CZK 1,000.

Shareholders—natural persons that have permanent residence in the Slovak Republic and are not represented by a custodian of securities or authorized representative will receive the dividend in cash upon the presentation of an identity card and a proof of the assignment of SID (substitute identification number assigned by the keeper of relevant securities records) at any Česká spořitelna branch in the Czech Republic or, based on their written request delivered to Česká spořitelna, to an account with a bank in the Czech Republic. Such a written request must contain a solemn declaration of the shareholder's tax residency and include an account number and the identification of the bank keeping that account. A shareholder's representative will receive the dividend upon the presentation of an identity card, a letter of attorney signed by the shareholder and containing a solemn declaration of the shareholder's tax residency, and a proof of SID assignment to the shareholder. The authenticity of a shareholder's signature on a request for dividend wire transfer or on the letter of attorney for the shareholder's representative must be officially certified only if the shareholder's total gross dividend exceeds CZK 1,000.

Shareholders—natural persons that have permanent residence outside the Czech Republic and Slovak Republic and are not represented by a custodian of securities will receive the dividend to their account with a bank in the Czech Republic based on their written request delivered to Česká spořitelna with an authenticated signature. Such a written request must contain a solemn declaration of the shareholder's tax residency and include an account number and the identification of the bank keeping that account.



Tax will be deducted under the conditions resulting from applicable Czech tax regulations (in particular Act No. 586/1992 Sb., on income taxes, as amended) and/or under applicable double taxation agreements between the Czech Republic and the state of the final dividend income owner's tax residency. For the purposes of taxation under such applicable double taxation agreements, the shareholder or custodian of securities must deliver to Česká spořitelna, together with the written request, the final owner's declaration of the actual ownership of the dividend income and a current certificate of the final owner's tax residency. If such documents are drawn up in a language other than Czech or Slovak, the shareholder or custodian of securities must have the documents translated into Czech at their own expense (the translation does not have to be officially certified).

The dividend is payable on August 3, 2015 and will be paid to a shareholder's account with a banking institution without undue delay as soon as Česká spořitelna receives the shareholder's request within the meaning of the foregoing paragraphs. The dividend will be paid until August 1, 2019.

The Board of Directors proposes that members of the Company's Board of Directors and Supervisory Board be paid a royalty totaling CZK 25,500 thousand and asks the General Meeting of shareholders for approval to the rule of its distribution. It proposes to distribute the royalty among members of the Board of Directors and Supervisory Board so that the share of each body member is 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.



# 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.