



SUMMARY REPORT PURSUANT TO SECTION 118(8) OF THE CAPITAL MARKET UNDERTAKINGS ACT, ON CERTAIN ASPECTS OF THE EQUITY OF ČEZ, A. S.

Dear shareholders, ladies and gentlemen,

Please allow me to now present to you the Summary Report on Certain Aspects of the Equity of ČEZ, a. s.

The summary explanatory report pursuant to Section 118(8) of the Capital Market Undertakings Act is based on the requirements set forth in Section 118(5)(a) through (l) of said Act.

a) Information Concerning the Structure of the Company's Equity

▪ Equity structure as at December 31, 2015:

▪ Registered capital	CZK 53,798,975,900
▪ Treasury stock	(CZK 4,246,170,779)
▪ Retained earnings and additional paid-in capital	CZK 171,016,454,704
Total equity	CZK 220,569,259,825

As at December 31, 2015, the Company's registered capital recorded in the Commercial Register totaled CZK 53,798,975,900. It consisted of 537,989,759 shares with a nominal value of CZK 100 each. The issue price of all shares had been paid up in full. All the shares had been issued as dematerialized bearer securities and had been admitted to trading on a European regulated market.

The Company's registered capital is divided exclusively into common shares, with no special rights attached. All of the Company's shares have been admitted to trading on the Prague Stock Exchange in the Czech Republic and the Warsaw Stock Exchange in the Republic of Poland.

b) Information Concerning Restrictions on the Transferability of Securities

The transferability of the Company's securities is not restricted.

c) Information Concerning Significant Direct and Indirect Shares in the Company's Voting Rights

As at December 31, 2015, the following entities were recorded as having stakes of at least 1% in the registered capital of ČEZ, a. s.:

- Czech Republic, represented by the Ministry of Finance of the Czech Republic, having a total stake of 69.78% in the registered capital.
- Clearstream Banking, S.A., having a stake of 2.99% in the registered capital;
- Nortrust Nominees Limited, having a stake of 1.84% in the registered capital;
- State Street Bank and Trust Co., having a stake of 1.44% in the registered capital;
- Chase Nominees Limited, having a stake of 1.29% in the registered capital.

These entities have rights pursuant to Section 365 et seq. of the Business Corporations Act.

d) Information Concerning Owners of Securities With Special Rights, Including Description of Such Rights

No special rights are attached to any of the Company's securities.

e) Information Concerning Restrictions on Voting Rights

The voting right attached to the Company's shares is not restricted. Pursuant to Section 309(1) of the Business Corporations Act, the Company does not exercise the voting rights attached to treasury shares that it acquired on the basis of a General Meeting resolution. As at December 31, 2015, ČEZ, a. s. held 3,755,021 treasury shares corresponding to a 0.70% stake in its registered capital.

f) Information Concerning Agreements Between Shareholders That May Impede the Transferability of Shares or Voting Rights

ČEZ is not aware of any agreements between its shareholders that might impede the transferability of its shares or voting rights.

g) Information Concerning Special Rules Specifying the Election and Removal of Members of the Statutory Representation Body and Amendment to the Company's Articles of Association

Pursuant to the Company's articles of association, members of the Board of Directors are elected and removed by the Supervisory Board by a majority of the votes of all its members. The articles of association may be amended by the General Meeting by a qualified, two-thirds majority of the votes of the shareholders present at the General Meeting. No special rules specifying the election and removal of members of the statutory Company's body and amendment to the Company's articles of association are applied.

h) Information Concerning Special Authority of the Company's Statutory Company's Body

The Company's Board of Directors has no special powers.

i) Information Concerning Significant Contracts Relating to Change in Control Over the Company as a Result of a Takeover Bid

ČEZ, a. s. has entered into significant contracts that will become effective, change, or expire if control over ČEZ changes as a result of a takeover bid. These are the 7th, 11th, 12th, 13th, 14th, 19th, 20th, 21st, 23rd, 24th, and 30th Eurobond issues; the 1st, 2nd and 4th Namensschuldverschreibung issues; the 1st and 2nd US bond issues; the issue of convertible bonds of February 4, 2014; the ČEZ, a. s. Promissory Note Issue Program; loan agreements with the European Investment Bank for EUR 100m signed in 2010, for EUR 180m signed in 2011, for EUR 100m signed in 2012, for EUR 200m signed in 2014; and a EUR 200m guarantee agreement with the European Investment Bank made for the benefit of a Romanian subsidiary in 2010. In all of these contracts, the counterparty would be entitled, but not required, to demand early repayment should there be a change in the controlling entity of ČEZ.

At the same time, however, the right to early repayment may only be exercised if Standard & Poor's or Moody's publicly declares or notifies ČEZ in writing that it has reduced ČEZ's credit rating due, in full or in part, to the change in controlling entity. A downgrade of the existing credit rating is defined as any change from investment grade to non-investment grade, any downgrade of original non-investment grade, or non-determination of investment grade if no rating was given at all. The above downgrades would have to take place in the period from the public disclosure of the step that could result in change in the controlling entity to 180 days after the announcement of the change in the controlling entity.

The counterparty would not be allowed to exercise its right to early repayment if, following the actual change in the controlling entity, the credit rating agency re-evaluated its position and restored ČEZ's investment grade or original non-investment grade rating within the period defined above. The contractual provisions on change in control over ČEZ should be seen in the context of ČEZ's credit ratings, which in 2015 were A– (with a stable outlook) by Standard & Poor's and A3 (with a stable outlook) by Moody's, i.e. 4 grades above the credit rating agencies' highest non-investment-grade ratings. The change-of-rating condition does not apply to the loan and guarantee agreements with the European Investment Bank, worth EUR 780m in total, under which the counterparty's right becomes effective as soon as control over ČEZ, a. s. changes.

j) Information Concerning Contracts Binding the Company in Relation to a Takeover Bid

ČEZ, a. s. has not entered into any contracts with members of its Board of Directors or its employees in which the Company would undertake to provide performance in case their service or employment is terminated in relation to a takeover bid.

k) Information Concerning Programs That Allow Acquiring the Company's Corporate Securities

At ČEZ, remuneration of top managers includes an incentive program that allows them to acquire Company shares. Members of the Board of Directors and selected managers were/are entitled to options on the Company's common shares under the conditions set forth in a stock option agreement. Under the stock options rules, approved by the General Meeting in May 2008, members of the Board of Directors and selected managers receive options on a certain number of Company shares every year as long as they remain in office. The purchase price per share is determined as the weighted average of prices at which Company shares were traded on the regulated market in the Czech Republic during one month before the annual option date. Stock option beneficiaries may call on the Company to transfer shares up to the number corresponding to a given option grant, no earlier than two years and no later than in the middle of the fourth year after every option grant. The stock options are restricted in that the appreciation of the Company's shares may be no more than 100% over the purchase price and the option beneficiary must keep on their asset account as many shares of Company stock obtained under that call as corresponds to 20% of the profit realized on the call date until the termination of the stock options plan.

In 2015, there were 5 persons among employees and members of the Board of Directors who owned shares of stock obtained through the stock option plan. Only one person exercised their right to attend the General Meeting of ČEZ, a. s. as a Company shareholder and their right to vote at the General Meeting. All the persons exercised their right to dividend. The above-mentioned persons did not exercise any other rights associated with the ownership of Company shares. According to information submitted to the Company for the purposes of preparing this report, no beneficiary of the stock option plan transferred any separately transferable right attached to their shares to any third party.

l) Information Concerning Payments to the State for Mining Rights If the Issuer's Crucial Activity Is in the Mining Industry

The crucial business activity of ČEZ, a. s. is not in the mining industry.