



# DECISION ON AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION

## Draft Resolution:

**The General Meeting of ČEZ, a. s.** approves the amendment the Company's Articles of Association by replacing the existing wording of Articles 1 through 33 of the Articles of Association by the amended wording of Articles 1 through 33 of the Articles of Association as presented to the General Meeting by the Board of Directors with effect from June 22, 2017.

## Rationale:

The main reason for the proposed amendments to the Company's Articles of Association is aligning their contents with current requirements imposed by relevant legislation (in particular, the Business Corporations Act, No. 90/2012 Sb., as amended, and the Auditors Act, No. 93/2009 Sb., as amended).

This means, among other things, incorporating a requirement for mandatory codetermination (employees' representation in the Supervisory Board) pursuant to an amendment to the Business Corporations Act (No. 458/2016 Sb.), as well as incorporating adjustments to the position and powers of the Audit Committee resulting from the latest amendments to the Auditors Act and from Regulation EU No. 537/2014, increasing the number of Board of Directors vice-chairmen to two, formally improving and updating the provisions concerning the preparation, organization, convention, and course (Rules of Procedure) of the Company's General Meeting (Articles 11 through 13 of the Articles of Association), and modifying the powers of the Supervisory Board in compliance with the wording of the Business Corporations Act.

Furthermore, the proposal specifies mutual competences of the Board of Directors and the Supervisory Board in approving the implementation of capital expenditure projects and disposal of the Company's (and controlled companies') stakes in other business corporations, including a refined specification of the term "stake value" for these purposes; it also makes the position of the Supervisory Board stronger in debates on important contracts in trading and introduces regular notification of the Supervisory Board of the structure of income of members of the Board of Directors and managers in selected positions.

The proposal also includes a number of minor formal amendments and refinements to the text, which reflect more than three years of practical experience with the application of the Business Corporations Act to the Company's activities.