



NOTICE OF GENERAL MEETING

The Board of Directors of ČEZ, a. s., a joint-stock Company with its registered office at Duhová 2/1444, Prague 4, Postcode 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 June 21, 2017 at 11:00 a.m. at the Clarion Congress Hotel Prague, Freyova 33, Prague 9 – Vysočany.**

Annual General Meeting Agenda:

1. Board of Directors' Report on the Company's Business Operations and Assets for 2016; Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act; and Conclusions of the Related Parties Report for 2016
2. Supervisory Board Report
3. Audit Committee Report on the Results of Its Activities
4. Approval of Financial Statements of ČEZ, a. s. and Consolidated Financial Statements of CEZ Group for 2016
5. Decision on the Distribution of Profit of ČEZ, a. s.
6. Decision on Amending the Company's Articles of Association
7. Appointment of the Auditor to Perform the Statutory Audit for the Accounting Period of the Calendar Year of 2017
8. Decision on Donations Budget
9. Removal and Election of Supervisory Board Members
10. Removal and Election of Audit Committee Members

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

The record date for attending the General Meeting is June 14, 2017 (the "Record Date"). 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 in the statutory register of investment instruments (Central Securities Depository) on the Record Date, unless it can be demonstrated that the record does not correspond to facts. The extract from the register shall be presented by the Company.

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 10:00 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, unless stated otherwise hereinbelow.

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 authorized to act on

behalf of the legal entity, and unless he/she is also its statutory authority, he/she is required to submit a written power of attorney with the officially certified signatures of the persons authorized 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.

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), respectively, from May 19, 2017 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.

Shareholders may also announce by electronic means to 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. The notice mentioned in the first sentence can be also sent by the shareholders to the Company's data box, the address of which is yqkcds6. 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). 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 (at the Meeting, before the Meeting and after the Meeting, if statutory conditions are met) explanations about matters related to the Company or to entities controlled by 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 statutory authority, 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 summarized 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; the total number of votes attached to shares thus amounts to 537,989,759 (in words: five hundred and thirty-seven million nine hundred and eighty-nine thousand seven hundred and fifty-nine). 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 as well, 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.

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 proposal or a counterproposal on a matter listed on the agenda, he/she/it will deliver the proposal or 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 summarize 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).

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 draft resolution or a rationale. 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 May 19, 2017 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 for 2016, the Related Parties Report for 2016, draft of amendment of the Company's Articles of Association and other documents regarding the General Meeting's agenda, unless the law implies otherwise, the General Meeting's draft resolutions, including shareholders' relevant proposals and counterproposals, the rationales 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) under the "Investors" link in the "General Meetings" section in the part relating to the 2017 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, 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, including full version of annual financial statements of ČEZ, a. s. and consolidated financial statements of CEZ Group for 2016, the Related Parties Report for 2016 and the draft of amendment of the Company's Articles of Association;
 - General Meeting draft resolutions, including shareholders' relevant proposals and counterproposals, the rationales 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) under the "Investors" link in the "General Meetings" section in the part relating to the 2017 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 is designed solely for the purposes listed herein.

The information will be available to the shareholders at the General Meeting venue's information center on the date the General Meeting is held.

General Meeting draft resolutions and the rationales thereof or comments of the Board of Directors on the individual issues on the General Meeting's agenda:

Issue 1: Board of Directors' Report on the Company's Business Operations and Assets for 2016; Summary Report Pursuant to Section 118(9) of the Capital Market Undertakings Act; and Conclusions of the Related Parties Report for 2016

Comments of the Board of Directors:

The Board of Directors' report on the Company's business operations, the summary report pursuant to Section 118(9) of the Capital Market Undertakings Act 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: Supervisory Board Report

Comments of the Board of Directors:

The Supervisory Board report is presented to the General Meeting in compliance with law and the Company's Articles of Association. The Supervisory Board report 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: Audit Committee Report on the Results of Its Activities

Comments of the Board of Directors:

The Audit Committee report on the results of its activities is presented to the General Meeting in compliance with 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 2016

Draft Resolution (1):

The General Meeting of ČEZ, a. s. hereby approves the financial statements of ČEZ, a. s. prepared as of December 31, 2016.

Draft Resolution (2):

The General Meeting of ČEZ, a. s. hereby approves the consolidated financial statements of CEZ Group prepared as of December 31, 2016.

Rationale:

Pursuant to the respective stipulations of the law and the Company's Articles of Association, 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, 2016 were prepared in accordance with International Financial Reporting Standards, discussed by the Board of Directors of ČEZ, a. s., audited by an independent auditor giving the opinions cited in submitted material, and reviewed by the Supervisory Board of the Company, which concluded that it recommends that the General Meeting approve them.

Issue 5: Decision on the Distribution of Profit of ČEZ, a. s.

Draft Resolution:

The General Meeting of ČEZ, a. s. approves the distribution of the Company's 2016 profit amounting to CZK 8,834,108,324.78 and a portion of retained earnings amounting to CZK 8,919,553,722.22 as follows:

- Share in profit to be distributed to shareholders (the "dividend") CZK 17,753,662,047.00

The dividend is CZK 33 per share before tax.

The record date for entitlement to the dividend is June 27, 2017. Entities that will be shareholders of the Company as 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. The dividend allocated to treasury shares held by the Company as at the record date will not be paid. The amount corresponding to the dividend on treasury shares held by the Company as at the record date will be transferred to the retained earnings account.

The dividend is payable on August 1, 2017. The dividend will be paid through Česká spořitelna, a.s., ID No. 45244782, having its registered office at Olbrachtova 1929/62, Prague 4, postcode 140 00, in the manner presented at this General Meeting. The dividend will be paid until July 30, 2021.

Rationale:

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 Company's 2016 profit 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: 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.

Issue 7: Appointment of the Auditor to Perform the Statutory Audit for the Accounting Period of the Calendar Year of 2017**Draft Resolution:**

The General Meeting of ČEZ, a. s. appoints Ernst & Young Audit, s.r.o., company ID No. 26704153, having its registered office at Na Florenci 2116/15, Nové Město, 110 00 Praha 1, as the auditor to perform the statutory audit for the accounting period of the calendar year of 2017.

Rationale:

In accordance with the Audit Committee's recommendation, the Supervisory Board is presenting to the General Meeting a proposal for appointing Ernst & Young Audit, s.r.o. as the auditor to perform the statutory audit.

Ernst & Young Audit, s.r.o. is a member of the multinational corporation Ernst & Young, which is one of the largest global audit firms and covers all areas where CEZ Group has business operations.

Issue 8: Decision on Donations Budget

Draft Resolution:

The General Meeting of ČEZ, a. s. approves a donations budget of CZK 130 million for 2018.

Rationale:

The proposal made by the Board of Directors is a follow-up to CEZ Group's long-term philanthropic activities. Donorship reflects CEZ Group's social responsibility, while also being a means for promoting the Company's positive image.

Issue 9: Removal and Election of Supervisory Board Members

Draft Resolution:

The General Meeting of ČEZ, a. s. elects Mr. Václav Pačes, born February 2, 1942, domiciled at Černochova 1073/7, Prague 5, postcode 158 00, as a member of the Supervisory Board.

Rationale:

On February 23, 2017, the Supervisory Board appointed Mr. Pačes as a substitute member of the Supervisory Board until the next General Meeting session. To continue his or her service on the Supervisory Board after the General Meeting, a substitute member of the Supervisory Board must be confirmed as a member of the Supervisory Board (confirmation of co-option) or elected as a member of the Supervisory Board for a new term by the General Meeting. The General Meeting is hereby presented with a proposal to elect Mr. Pačes as a member of the Supervisory Board for a new term.

Parts concerning any additional proposals for the removal or election of Supervisory Board members will be discussed in accordance with proposals submitted by shareholders.

Service contracts will be concluded with newly elected members of the Supervisory Board using the template wording approved by the General Meeting on June 3, 2016.

Issue 10: Removal and Election of Audit Committee Members

Comments of the Board of Directors:

This item will be discussed depending on proposals submitted by shareholders. Service contracts will be concluded with newly elected members of the Audit Committee using the template wording approved by the General Meeting on June 3, 2016.

Attachment: Draft of amended wording of the Company's Articles of Association

Board of Directors of ČEZ, a. s.