

Board of Directors' Position on the Counterproposal of Shareholder Petr Kalivoda concerning Item 5 on the General Meeting Agenda

On June 14, 2024, the Company received a counterproposal of the shareholder Petr Kalivoda (hereinafter referred to as "Shareholder PK") concerning item 5 of the General Meeting agenda – Decision on Donations Budget (hereinafter referred to as "PK's Counterproposal").

In its counterproposal, Shareholder PK proposes that the General Meeting approve a reduction of the 2025 donations budget by CZK 70 million as compared to the resolution passed by the General Meeting on June 26, 2023, i.e., to a total of CZK 180 million. In the justification, Shareholder PK states that: On June 26, 2023, the General Meeting of ČEZ, a. s., approved a budget of CZK 250 million that the Company may use to provide donations in 2024. ČEZ, a. s. The Shareholder proposes to reduce the volume of financial resources for donations in 2025 by CZK 70 million due to the disproportionately high tax burden on the Company, so an increase lacks the logic of cost "optimization".

The resolution approved by the General Meeting on June 26, 2023, to which Shareholder PK refers in his counterproposal, was as follows:

"Item 4: Decision on Donations Budget

- (1) The General Meeting of ČEZ, a. s., approves a 2024 donations budget of CZK 250 million.
- (2) The General Meeting of ČEZ, a. s., approves an increase of the 2023 donations budget by CZK 50 million as compared to the resolution passed by the General Meeting on June 28, 2022, i.e., to a total of CZK 200 million."

The draft resolution by the Company's Board of Directors submitted for Item 5 of the agenda of the General Meeting convened on June 24, 2024 reads as follows:

"The General Meeting of ČEZ, a. s., approves the 2025 donations budget of CZK 220 million."

The wording of PK's Counterproposal is a text equivalent of the wording of "resolution (2)" on item 4 of the agenda of the General Meeting held on June 26, 2023, which aimed to adjust the donations budget, already approved by the General Meeting held on June 28, 2022. It is not obvious from the submitted counterproposal whether Shareholder PK proposes a reduction of the donations budget compared to the budget under "resolution (1)", approved by the General Meeting on June 26, 2023, or compared to the draft resolution submitted by the Board of Directors to the General Meeting convened on June 24, 6. 2024 for approval.

It is therefore not obvious from the text of PK's Counterproposal, whether Shareholder PK aims to reduce the already approved 2024 donations budget (as indicated by the reference to the approved resolution of the General Meeting from 2023 and the use of the term "reduction of volume"), or wants to determine the donations budget for the year 2025 (as indicated by both the explicit mention of the period of 2025 in the text of the resolution and in the text of the justification of PK's Counterproposal and at the same time the fact that the General Meeting convened on June 24, 2024 will decide on the Board of Director's proposal regarding only the donations budget for 2025).

In addition, the justification of PK's Counterproposal argues against an "increase" (of the donations budget), which lacks the logic of cost "optimization" according to Shareholder PK, whereas the proposal of the donations budget for 2025 presented by the Board of Directors to this General Meeting is about CZK 30 million lower than the budget approved for 2024.

The overall uncertainty of PK's Counterproposal is also underlined by the inconsistent identification of various items on the agenda of various General Meetings, to which Shareholder PK refers in his counterproposal:

- Title of the counterproposal "The wording of the counterproposal of the shareholder Petr Kalivoda (hereinafter referred to as the "Shareholder"), to Item 5 of the General Meeting Agenda of ČEZ, a. s., scheduled for June 26, 2023";
- Title of the original letter: "Counterproposals of the shareholder on Items 3 and 4 of the General Meeting Agenda of ČEZ, a. s., scheduled for June 24, 2024";
- Text of the original letter: "... I hereby submit two counterproposals, specifically on Items 3 and 5 of the agenda of the Company's General Meeting."

For all the aforementioned reasons, it is therefore not clear to what period and to what donations budget PK's Counterproposal refers.

The Board of Directors, having considered PK's Counterproposal concerning Item 5 of the General Meeting agenda, has concluded that, in view of its vagueness, internal inconsistency and overall incomprehensibility, the Counterproposal is not in accordance with the law and the resolution passed on the basis of the Counterproposal would be viewed as not having been passed, and therefore will not be included for voting under Item 5 of the General Meeting agenda.

Even though it is not possible to vote on PK's Counterproposal, the Board of Directors, beyond the scope of the above, also states the following regarding the economic aspects of the justification by Shareholder PK:

The Company's Board of Directors proposes the donations budget for completely different reasons than cost optimization. The Board of Directors' proposal reflects one of the main strategic priorities of the Company – corporate social responsibility. The donations budget is based on CEZ Group's long-term activity in the field of donations, which fulfills the slogan "We help wherever we are". This mostly applies to regions in the immediate vicinity of our generating and distribution facilities and other plants, where we want to be a reliable and good neighbor who contributes to improving the quality of everyday life of the local residents and local communities. Through direct financial donations, we contribute in particular to the development of local infrastructure.

CEZ Group is also one of the few companies to support a wide range of nonprofit organizations, including contributions to cover their operating expenses and their own professional development. It thus contributes to the cultivation and professionalization of the entire nonprofit sector in Czechia. At the same time, it is one of the ways in which CEZ Group helps Czechia meet the global UN Sustainable Development Goals (SDGs).