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Approval of the Remuneration Policy of ČEZ, a. s.

Draft resolution:

The General Meeting of ČEZ, a. s., approves the Remuneration Policy of ČEZ, a. s., as presented to the General Meeting by the Company's Board of Directors.

Rationale:

In compliance with the provisions of Section 121k(1) of Act No. 256/2004 Coll., on capital market undertakings, as amended (hereinafter the "Act on Capital Market Undertakings"), the General Meeting of a company that issues shares pursuant to Section 118(1)(a) of the Act on Capital Market Undertakings has exclusive authority to approve the company's remuneration policy. Remuneration policy pursuant to the quoted provision of the Act is presented to the General Meeting by the Board of Directors.

Pursuant to Section 121k(2) of the Act on Capital Market Undertakings, the Board of Directors shall present the Remuneration Policy to the General Meeting for approval in case of each substantial change or at least once every 4 years. In this regard, the Board of Directors presents the Remuneration Policy of ČEZ, a. s., which follows up on the existing Remuneration Policy, approved at the General Meeting of ČEZ, a. s., on June 29, 2020, for approval by this General Meeting.

The presented wording of the Remuneration Policy complies with all material requirements stipulated in the Act on Capital Market Undertakings and is based on the current conditions and principles of remuneration of members of the Company's Board of Directors and Supervisory Board.

The changes compared to the current Remuneration Policy are mainly as follows:

- addition of provisions on verification of whether the amount and structure of remuneration for members of the Company's bodies fulfill the objectives of the Remuneration Policy, to be carried out at least once every four years;
- deletion of parts of the text related to the stock option program, which was terminated at the end of 2019, the rights arising from it have been settled and no option rights can be exercised on its basis anymore now or in the future;
- clarification of the text on the provision of mobile phones as well as SIM cards for the performance of the office of a member of the Board of Directors or the Supervisory Board;
- modification of the text in the area of benefits and pension schemes provided to members of the Board of Directors following legislative changes in the area of catering and support for retirement savings products;
- modification of the text in the area of annual bonus provided to members of the Board of Directors related to the specification of the evaluated period in the determination and evaluation of performance indicators, addition of the term "task", used in practice, to the policy text and addition or clarification of the wording of performance indicators, especially in the areas of ESG, decarbonization and climate neutrality;
- modification of the text in the area of long-term performance bonus provided to members of the Board of Directors related to the specification of the evaluated period in the determination and evaluation of performance indicators and the specification of the payment date for the long-term performance bonus;
- modification of the text in the area of benefits provided to members of the Supervisory Board, reflecting the possibility of providing a car allowance in the event that a member of the Supervisory Board does not use the provided vehicle;
- deletion of the parts of the text relating to the severance pay and the 12-month non-competition clause for members of the Board of Directors upon termination of their service, as even the current Remuneration Policy did not allow for the provision of these benefits for contracts concluded after January 1, 2020.

After approval by the General Meeting, the Remuneration Policy of ČEZ, a. s., will be published on the Company's website, where it will be accessible for the entire term of its application.