

ČEZ, a. s.  
Duhová 2/1444  
140 53 Prague 4

## MINUTES FROM THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF ČEZ, a.s.

Date: 13 May 2009  
TOP Hotel Prague, Prague 4

The general meeting was convened by a public announcement on 8 April 2009 in the *Hospodářské noviny* daily and in the Commercial Journal (Obchodní věstník). The announcement was also displayed on the notice board in the registered office of the company.

Ad agenda item No.: 1: The general meeting was opened at 10.05 by Dr. Martin Roman, the Chairman of the Board of Directors. He welcomed all the people present and he also stated that JUDr. Eva Nohejlová, Notary Public, was present at the meeting. He added that a joint-stock company Centrum hospodářských informací is in charge of the organization and technical support of the general meeting.

Then he read information about attendance as of 10.00 o'clock. 121 shareholders were present representing shares of a face value of CZK 39,337,032,600 which represents 73.78% of the registered capital of the joint-stock company ČEZ, a.s. decreased by shares of a face value of CZK 480,002,100 held by the company which are not connected with the right to vote. The general meeting was attended by a quorum.

Dr. Roman proposed to the shareholders present to elect bodies of the general meeting. The Board of Directors proposed that Ing. Jan Zelený be elected chairman of the general meeting, PhDr. Marcela Ulrichová the minutes clerk, Iva Kohoutová and Jiří Hvězda be elected minutes verifying clerks and RNDr. Antonín Králík and Václav Novotný scrutineers.

With respect to the fact that there were neither questions nor counterproposals to the submitted proposals, the person opening the meeting asked the shareholders to take a vote.

On voting ticket no. 1 the shareholders voted on the election of the bodies of the general meeting. There were 393,315,184 votes in favour of the election of chairman of the general meeting which represents 99.77% of the votes present; there were 393,310,438 votes in favour of the election of minutes clerk which represents 99.76% of the votes; there were 393,310,438 votes in favour of the election of minutes verifying clerks which represents 99.76% of the votes and there were 393,310,438 votes in favour of the scrutineers which represents 99.76% of the votes present.

The general meeting elected a chairman, a minutes clerk, minutes verifying clerks and scrutineers according to the submitted proposal.

The chairman of the general meeting, Ing. Jan Zelený thanked the shareholders for their confidence and he stated that the general meeting had got through the initial procedural steps.

Ad agenda item No.: 2: The Report on the Company's Business Activity and its Assets in 2008 and the Comprehensive Report pursuant to Section 118, Paragraph 8) of the Capital Market Act were presented by Dr. Martin Roman, the managing director and chairman of the Board of Directors. The general meeting acknowledged the Board of Directors Report on the Company's Business Activity and its Assets in 2008 and it also acknowledged the Comprehensive Report pursuant to Section 118, Paragraph 8) of the Capital Market Act.

*Ing. Věra Ježková presented her initiative to discuss the issue of North Bohemia Coal Mines (Severočeské doly) at the general meeting.*

*The document refers to Ing. Ježková's appearance at the last regular general meeting of shareholders and the issues discussed are the following:*

- 1) Mining in the Libouš-západ quarry in the mining area of Tušimice in cadastral districts Ahníkov and Kralupy u Chomutova without consideration of the environmental effects (EIA process) and without permission of the Regional Mining Bureau in Most from 1 January 1999 onwards.*
- 2) Mining in the Libouš-východ quarry in the mining area of Tušimice in cadastral districts Krbice, Černovice u Chomutova and Spořice without consideration of the environmental effects (EIA process) and without permission of the Regional Mining Bureau in Most from 1 January 2006 onwards.*
- 3) Inadequate volumes of lignite free reserves in the mining area of Tušimice for the period of 2015 in relation to the current trend of average annual supplies to ČEZ in the amount of 13.5 million tons of coal despite the fact that the average annual supplies were planned to be at 10.5 million tons of coal only.*
- 4) Lower volume of lignite free reserves from 2006 to mining out of the mining area of Tušimice although the volumes stated in official documents are substantially higher.*
- 5) Fears of lowered creation of obligatory financial reserves for rehabilitation and recultivation of DNT after lignite mining in the area has finished.*

*Ing. Ježková stated that there has been an obvious and serious failure of the supervisory activity of the Czech Mining Authority since as early as 1999 although its main task is to supervise the mining and check that is lawful. This situation started when the former managing director intended to buy North Bohemia Coal Mines within manager's privatisation. The Czech Government eventually decided not to sell the coal mines to him. Due to the lack of EIA processes, the coal reserves became less transparent which enabled ČEZ to take more coal than was originally planned. This is popularly called "plundering coal at the expense of the future" to maximize the current profits of ČEZ company.*

*Ing. Ježková also stated that she has not received replies to her questions that she had been promised at the last general meeting.*

*Questions for Dr. Martin Roman:*

- 1) Is ČEZ management going to endeavour to remedy the unlawful situation?*
- 2) Is ČEZ management going to deal with the possibility of lowering the coal supplies from DNT to ČEZ to an acceptable rate of annual mining that was announced by the coal mines themselves to be in the amount of 10.5 million tons of lignite a year?*

*Questions for Ing. Daniel Beneš:*

- 1) What are the supervisory board's conclusions on the investigation of the mentioned issues and what are the proposals for action by the supervisory board?*
- 2) Are you going to conduct an inspection recount of coal reserves in DNT?*

*Ing. Ježková requires answers in writing as well.*

*The shareholder asked to have her initiative annexed to the minutes from the general meeting.*

*Dr. Martin Roman said that based on the initiative of Ing. Ježková at the last general meeting ČEZ had a detailed analysis of the situation in North Bohemia Coal Mines relating to the matters in hand prepared. This analysis was prepared by an independent international committee that consisted of experts on the issues of mining, geology and reclamation. One of the experts is a sworn expert in the field. The result of the committee's work is a final report on mining assessment in the Nástup Mine in Tušimice. This report deals both with the issue of lignite reserves records in the mining area of Tušimice and with the issues of reclamation and the effects of mining on the environment. The report confirmed that all issues that the committee had investigated complied with the valid laws and regulations and that there was no need to take action. Hereby the company deems the initiative of Ing. Ježková to be duly investigated.*

*Ing. Ježková asked why she had not received the requested report.*

*Tomáš Látal asked how the loss making transaction of Moravia Energo would be reflected in the company's economy. He also wants to know if there is anyone personally responsible for the loss, if the company has any funds deposited with J&T bank, how these funds were secured and if the North Bohemia Coal Mines company concluded an agreement on coal supply with United Energy, a.s.*

*Ing. Martin Novák said that based on Moravia Energo insolvency the future lost profit was calculated pursuant to EFET standards, a receivable was invoiced on grounds of contract termination and the relevant revenue was entered into accounts. An adjustment was created for the amount that had not been paid on grounds of bank guarantees or possibly the related blocked accounts. This receivable was entered into the insolvency proceedings. It will only be possible to evaluate the real result of the transaction at the end of 2011 when the sold electricity is actually supplied. This transaction, together with many others, is a part of the performance parameters of individual dealers and managers responsible for power trading.*

*There are no company's funds deposited with J&T bank.*

*He confirmed that the agreement on coal supply had been concluded.*

*Jan Čopík asked if the company had incurred any expenses in relation to the defence of Mr. Svoboda regarding the consideration of insider trading, if so, what the amount of expenses was and if Mr. Svoboda was going to be removed from office.*

*Ing. Martin Novák answered that Mr. Svoboda paid the expenses regarding his legal representation himself. He resigned from the company's board of directors in April 2006 but with respect to his position the company respects the presumption of innocence.*

*Ing. Ježková asked the chairman of the supervisory board to get replies to her questions in writing and also asked for the investigation of her initiatives.*

*Ing. Martin Kocourek promised that the supervisory board would deal with the initiatives and that she would get a written reply.*

*Milan Pospíchal asked about the exact amount of the receivable against Moravia Energo. He also wants to know if the company "helps" in this way other clients as well and if the board of directors considers the purchase of its own shares to be good based on the price reached. He asks if it is a good idea to put companies in debt in these times, how the bonds and obligations underwriting proceeds, if the economic results for Q1 are compatible with the plan and why the energy price for consumers has not been lowered.*

*Ing. Martin Novák answered that the amount was about CZK 1.5 billion and that the adjustment was created but the contract was not terminated last year. It was posted in the first quarter of last year - but with respect to the posting of revenues the result was zero.*

*It cannot be called a "help", as the company does business in various ways and therefore uses corresponding guarantees. The company also monitors the situation of all electricity traders and its positions are relatively secured.*

*The sale of the company's own shares was approved at the general meeting and the price of shares was adequate at that time. The price per share has decreased now. However, there are fewer shareholders of the company and therefore the company's share price is in fact higher. It was necessary to change the capital structure of the company and to improve it. The company tries to buy assets at good prices.*

*The economic situation was totally different last year, today the company is more careful but the company stills thinks that it is better to buy more than the price of the debt is.*

*The purchase of bonds and obligations is monitored. There were some changes in January, there is an excess of money, and the inner structure of the bond has changed but not its price.*

*The economic results for Q1 have been announced today at a press conference. They are substantially better than last year's results. It is not necessary to change the estimates; the anticipated situation includes an expected unfavourable development on the customers' side.*

*Electricity is not sold for its current price but on the basis of long-term contracts. There is to be a fall in the years to come. The price is influenced by the energy stock market and it is similar to the price in Germany. Customers may choose various tariffs. It has been made public how many of them were sold for 2010 and 2011. The company follows the present trends and acts on their basis.*

*Ing. Jindřich Kubát asked about the comparison between the time of the purchase of the MOL company shares and their fair value at the end of last year. He also wants to know what progress has been made in relation to the construction of steam-gas power plants together with MOL and what the expenses related to this are.*

*Ing. Martin Novák answered that the share purchase was a part of a big transaction and that MOL has an option for these shares until 2011 and that the option price is equal to the purchase price. A fall in price of about 1 billion into plus was posted in Q1 and is interesting for the company.*

*Ing. Tomáš Pleskač said that according to the schedule for construction in Slovakia and Hungary in cooperation with the Hungarian partner the EIA study has been submitted for approval and a tender for technology and transmission system is being carried out.*

*Tomáš Látal asked how the company's acquisition into Mibrag company in Germany appeared and how such a transaction was secured.*

*Ing. Martin Novák said that the assets had been bought relatively cheaply. He added that ČEZ is a 50% partner and the potential risks are divided the same. This acquisition is very profitable for the company.*

*Jindřich Kubát asked if in the event of an option by MOL that the expense would not be a loss and he also asked about the state of expenses related to the steam-gas power plants.*

*Ing. Martin Novák answered that the invested resources produced an option bonus, about 8% of the option interest.*

*Ing. Tomáš Pleskač stated that the costs were monitored regularly. He did not have specific numbers at his disposal but there were minor savings last year. Drawing of resources complies with the schedule, this year the costs will be higher, in general about tens-of-million CZK. However, this is determined by the volume of the scheduled work.*

Ad agenda item No.: 3: The Report of the Supervisory Board was presented by Ing. Martin Kocourek, Chairman of the Supervisory Board.

The general meeting acknowledged the Report of the Supervisory Board.

*Ing. Miloslav Klimeš asked about the amount of royalties for members of the company's bodies irrespective of the fall or rise in the share price.*

*Ing. Martin Kocourek answered that the total amount of royalties had increased as a result of an increase in the number of members in the board of directors but he said that the share per member remained the same.*

*Ing. Martin Novák added that royalties are a share of the profit which has increased year-on-year.*

*Michael Dědouch asked if the supervisory board knew about and decided on the change from stock market trade in the amount of CZK 5 billion in relation to Moravia Energo.*

*Ing. Martin Novák said that the receivable was established in Q1 of 2009. He added that it was a standard transaction and said that such contracts are not to be dealt with at the general meeting.*

*Ing. Martin Kocourek said that at its 97th regular meeting this April the supervisory board was informed by the board of directors about submitting of the receivable of CZK 1.6 billion against Moravia Energo into insolvency proceedings. The supervisory board acknowledged this information by 11 votes of the members present. The possible damage will not be known until 2011.*

*Michael Dédouch asked if the supervisory board dealt with new risks connected to the takeover of 21% of shares of Surgutněvtégaz company by MOL in relation to the joint venture and with the risks connected to the transfer of the strategic company IC Energo to MOL.*

*Ing. Martin Kocourek answered that a change in ownership of the parent company had no influence on contracts with IC Energo and said that from the Supervisory Board's point of view there were no signals from the majority owner of the MOL that the joint projects could be in danger.*

*Ing. Tomáš Pleskač added that the company was waiting for a statement from the new significant owner. It is only a change of the shareholders structure and the company follows it.*

Ad agenda item No.: 4 and 5: Martin Novák presented ČEZ, a.s. Financial Statement for 2008, ČEZ Group Consolidated Financial Statement to the general meeting and he also presented a proposal to approve the financial statement as well as the consolidated financial statement for 2008. He also presented a proposal for the allocation of profit.

ČEZ, a.s. Financial Statement for 2008 including the proposal for the allocation of profit and ČEZ Group Consolidated Financial Statement were given to shareholders during the roll call of the general meeting.

*Maxim Chadzitaskos asked what prediction of demand drop the company scheduled for 2009. He also wants to know what the production price of the so called green energy is and he asked for specification of personal costs in the amount of CZK 13,539 million which is a significant rise.*

*Ing. Martin Novák said that the statistics of the Czech Republic show a year-on-year drop in consumption of 6.4% for Q1 and the same development is anticipated for the rest of the year.*

*The costs are calculated by the regulator who uses them to determine the prices of combustion and common burning. For pure combustion the redemption price is between CZK 2,500 and 4,000 per MWh according to the type of biomass, for common burning it is between CZK 40 and 1,350 per MWh according to type of biomass. The lowest contribution is for sawdust and the highest for intentionally grown plants.*

*Other financial costs and revenues especially include dividends received from subsidiaries in the amount of CZK 8.268 billion and a profit and loss from derivatives - derivatives of permits and financial derivatives - in the amount of CZK 4.539 billion.*

*Milan Pospíchal asked about a significant increase in obligations and their possible maturity and he also asked about an increase in the item related to derivatives.*

*Ing. Martin Novák stated that as of 31 December 2007 a different state is registered on the balance sheet than at the end of last year because trading at Prague's energy stock market started in 2007, a way of trading and posting of the electricity changed which resulted in the fact that all trading with energy are derivative transactions.*

*Oldřich Pospíšil asked about the data related to the price of green energy and wanted to know if the data given included transportation and if the price took into account the electricity produced.*

*Mgr. Ing. Vladimír Hlavinka answered that what the questioner meant was changeable data. The power plants that co-combust biomass have approximately half the expenses of nuclear power plants and than the cheapest power plants in Dětmarovice. The production costs are divided into two categories: fixed and changeable. The changeable ones apply to all types of fuels. Concerning biomass, the so called green bonus must be taken into account.*

*Ing. Martin Novák said that Mr. Pospíchal was going to receive a written reply to his question concerning the specific data. In relation to the decrease of the registered capital, the company asked the creditors who felt endangered to respond. The situation was explained to those that responded.*

*Ing. Josef Mraček asked about the expected revenue from the sale of flats in Chomutov. He wants to know why the company does not sell all the flats and if only the selected clients were asked and if it is true that the selling price is CZK 3,000 per square meter when the current price in Chomutov area is about CZK 1,100.*

*Zdeněk Pasák said that the company was selling flats in all areas where it owned any and he added that the flats were sold by means of a tender for which all clients were eligible. The final price arises from the tender.*

*Ing. Stanislav Ježek asked what the decisive day for dividend payment was.*

*Ing. Martin Novák said that the decisive day for dividend payment is 13 May 2009.*

*Ing. Tomáš Jeníček asked if the current dividend policy was going to continue.*

*Ing. Martin Novák said that the dividend policy was somewhere between 50 and 60% of the consolidated net profit and no correction was planned after Q1.*

*Ing. Milan Pobuda asked about the retained profit account in relation to buying the company's own shares and he also asked if the purchase had already finished.*

*Ing. Martin Novák answered that in 2008 the redemption started at the beginning of May and that it was posted against company's own capital. The retained profit account varies according to the allocation to retained profit. Own shares are not paid for from the retained profit, they have their own account and their own item on the balance sheet, they are posted under assets reduction.*

*Maxim Chadzitaskos asked for more details about criteria regarding the sale of blocks of flats.*

*Mgr. Zdeněk Pasák said that he would prepare the information for the shareholders.*

*Ing. Zelený announced that questions had been answered and he asked shareholders to take a vote.*

On voting ticket no. 2 the shareholders voted on the approval of the Regular Financial Statement for 2008 and ČEZ Group Consolidated Financial Statement for 2008. There were 393,501,291 votes in favour of the regular financial statement which represents 99.94% and there were 303,300,998 votes in favour of the consolidated financial statement which represents 99.89% of the votes present.

The general meeting approved ČEZ, a.s. Financial Statement for 2008 and ČEZ Group Consolidated Financial Statement for 2008.

*Dr. Martin Holub submitted a counterproposal for the allocation of profit concerning the payment of dividends in the amount of CZK 70 per one share.*

The chairman of the board of directors stated that the shareholder's counterproposal would be voted on unless the proposal of the board of directors was approved.

*Ing. Milan Pobuda raised an objection: With respect to the fact that own shares can be bought only from the profit, the majority shareholder is given an advantage in relation to the purchase of company's own shares and therefore the majority shareholder should be excluded from the vote.*

*Ing. Martin Novák said that repurchase of the shares was partly paid for from debts.*

On voting ticket no. 3 the shareholders voted on the proposal for allocation of profit, including dividend and royalties payment. There were 393,522,091 votes in favour which represents 99.95% of the votes present.

ČEZ, a.s. General Meeting approved the allocation of profit, including dividend and royalties payment, according to the proposal submitted by the board of directors.

- Dividend payment to the shareholders  
in the amount of CZK 50 per share before taxes CZK 26,659,487,000
- Transfer to retained profit from previous years CZK 20,458,180,000

Dividends corresponding to the own shares held by the company as of the decisive day shall not be paid. Therefore they are not included in the amount intended for the dividend payment but are part of the retained profit from previous years.

ČEZ, a. s. General Meeting approved the royalty payments to the members of the company's bodies for 2008 in the total amount of CZK 24,000,000 with the royalties being equally divided between the members of the board of directors and the supervisory board. The share for each statutory body and supervisory body member shall be determined according to the time which they served on the particular body in the course of 2008. Supervisory board members that were appointed to serve on the board by a government authority and were its employees are not entitled to the royalties for the period during which such an obstacle existed.

Ad agenda item No.: 6: Mgr. Ing. Vladimír Hlavinka presented a draft of an agreement on inserting company's "heat distribution" section into ČEZ Teplárenská, a.s.

*Maxim Chadzitaskos asked what the anticipated effect of the proposed insertion of the company's section was.*

*Mgr. Ing. Vladimír Hlavinka answered that it would lead to better efficiency of production and heat trading. 100% possession of the company is expected, it is only a division of responsibilities.*

On voting ticket no. 4 the shareholders voted on a draft of an agreement on inserting company's "heat distribution" section into ČEZ Teplárenská, a.s. company. There were 384,441,364 votes in favour which represents 97.64% of the votes present.

The general meeting approved the agreement on inserting company's "heat distribution" section into ČEZ Teplárenská, a.s. company pursuant to Section 67a of the Commercial Code.

*Ing. Milan Pobuda asked which nuclear power plant was supplying heat as well.*

*Mgr. Ing. Vladimír Hlavinka answered that Temelín nuclear power plant was supplying heat to Týn nad Vltavou.*

Ad agenda item No.: 7: Ing. Zelený said that there was no proposal of the board of directors ad agenda item no. 7 - acquisition of company's own shares.

*Milan Pospíchal asked if the company was not going to buy its own shares any longer.*

*Ing. Martin Novák answered that the decision on buying shares applies until this November. The company has more investment opportunities at the moment. If an interesting offer arose in this respect, the company would convene a general meeting and submit such a proposal to it.*

*In respect to the questioner's previous question he also referred to item no. 20 of the financial statement where the required data is. Concerning profits and losses related to derivative revaluation, the change is around a few billion.*

Ad agenda item No.: 8: Mgr. Pavel Ekl submitted a proposal for amendment to the Articles of Association.

1) The first reason for the amendment is the necessity to harmonize the Articles of Association with the new Act on Auditors that was passed in the Parliament of the Czech Republic at the end of March 2009. This act imposes some obligations on companies whose shares are traded on a regulated market of any of the EU member state and these obligations have to be reflected in the Articles of Association.

Pursuant to the new Act on Auditors it is proposed to amend the Articles of Association with a new obligatory company's body - Audit Committee. To this end, the list of company's bodies is amended and a totally new part VI is inserted. This part shall govern the status and powers of the new body, the number of its members, term of office, meetings and the form of decision-making. The obligations arising from the new Act on Auditors are also reflected in the proposal by increasing the powers of the general meeting. These new powers include the right to elect and remove from office members of the Audit Committee, decide on their remuneration and to decide on the statutory auditor who shall check the financial statements. The powers of the board of directors and of the supervisory board have also been amended. These bodies no longer decide on the selection of auditor for financial statements but only on the draft of the contract with this auditor.

2) The second main reason for the proposal for amendment to the Articles of Association is the effort to make them simpler and more transparent. Redundant provisions that only repeat the content of mandatory laws and regulations and are not an obligatory part of the Articles of Association are therefore omitted in the proposal.

Pursuant to the valid version of the Trade Licensing Act an adjustment of the company's subject of business is also proposed. The adjustment consists in subordination of trades that have been performed so far as unqualified trades under one unqualified trade called "**production, trade and services not specified in Annexes 1 to 3 to the Trade Licensing Act**".

Some other paragraphs of the Articles of Association are amended so that they reflect the valid version of the law, take into account new laws and regulations or possibly are simpler with reference to a law or regulation.

Furthermore, a change in inner reference within the Articles of association is going to take place so that the references comply with the new Article numbers and so that they are unified.

**Proposal for Amendment to Article 1:**

The whole existing version of Article 1 is omitted.

**Proposal for Amendment to Article 2:**

Article 2 (Corporate Name and Registered Seat of the Company) is renumbered to Article 1 and Articles 3 and 4 are omitted.

**Proposal for Amendment to Article 3:**

The whole existing version of Article 3 is omitted.

**Proposal for Amendment to Article 4:**

The whole existing version of Article 4 is omitted.

**Proposal for Amendment to Article 5:**

Article 5 (Scope of Business) is renumbered to Article 2 and its new version is as follows:

1. The scope of the company's business is:

- a) power generation,
- b) power distribution,
- c) power trading,
- d) thermal energy generation,
- e) thermal energy distribution,
- f) gas trading,
- g) production, trade and services not specified in Annexes 1 to 3 to the Trade Licensing Act
- h) electronic equipment installation and repairs,
- i) electrical equipment and devices installation and repairs,
- j) reserved electrical equipment installation, repairs, reviews, and testing,
- k) testing, measuring, and analyses,
- l) reserved pressure equipment, boilers, and pressure vessels installation, repairs, reconstruction, reviews, and testing, periodical testing of gas vessels,
- m) metal working,
- n) hazardous waste management business,
- o) water system engineering,
- p) insulation installations,
- q) catering,
- r) production and imports of chemicals and chemical agents classified as explosive, oxidizing, extremely combustible, highly combustible, highly toxic, toxic, carcinogenic, mutagenic, teratogenic, environmentally hazardous, and sale of chemicals and agents classified as highly toxic and toxic,



- s) production and import of chemicals and chemical agents classified as combustible, harmful to health, caustic, irritating, and allergenic,
- t) psychological advisory services and diagnostics,
- u) provision of services in the area of safety and health protection at work,
- v) technical-organizational activities in the area of fire protection,
- w) acting as accountants, bookkeeping, keeping of tax records,

**Proposal for Amendment to Article 6:**

Article 6 (Registered Capital of the Company and Method of Share Issue Price Payment) is renumbered to Article 3.

**Proposal for Amendment to Article 7:**

Article 7 (Company Shares) is renumbered to Article 4.

And the whole existing version of Section 3 is omitted.

Section 4 is renumbered to Section 3.

**Proposal for Amendment to Article 8:**

Article 8 (Issue of Bonds) is renumbered to Article 5.

Section 2 is omitted.

**The existing title of Part 2 is omitted. Shareholders' Rights and Obligations**

**Proposal for Amendment to Article 9:**

The whole existing version of Article 9 is omitted.

**Proposal for Amendment to Article 10:**

The whole existing version of Article 10 is omitted while Section 4 is transferred to a newly established Article 11.

**Part III. (Company's Bodies) is renumbered to Part II.**

**Proposal for Amendment to Article 11:**

Article 11 (Structure of Company's Bodies) is renumbered to Article 6 and a new Letter is added:

d) Audit Committee

**Part IV. (General Meeting) is renumbered to Part III.**

**Proposal for Amendment to Article 12:**

Article 12 (Status of the General Meeting and Intervals of its Convocation) is renumbered to Article 7 and a new version of Section 3 thereof is proposed:

Other general meetings convened by the board of directors or the supervisory board or shareholders specified in ~~Article 9~~ Section 181 Paragraph 7, 1 of the Commercial Code shall be deemed to be extraordinary general meetings.

**Proposal for Amendment to Article 13:**

Article 13 (Powers of the General Meeting) is renumbered to Article 8 and includes the following changes in Section 1: new version of Letter f) is:

decisions on remuneration of directors ~~and~~ members of the supervisory board and members of the audit committee, and decisions on the distribution and rules of distribution of royalties among individual members of the supervisory board and board of directors,

new version of Letter i) is:

decisions on mergers, transfers of assets to a single shareholder, or split up the company and/or change of its legal form; in the case of a merger by amalgamation with a company, whose all shares with voting rights, ~~(or as the case may be business interest in a foreign company)~~ are owned by the company, whereas the company is also the successor company, the board of directors shall decide on the merger instead of the general meeting ~~(the provision of Section 220e (13) of the Commercial Code shall remain unaffected thereby),~~

new version of Letter m) is:

~~granting agreement to conclude contracts based on which the company shall acquire or alienate property in case that the value of such acquired or alienated property within one accounting period shall exceed one third of the company's registered capital ensuing from the last ordinary consolidated financial statement pursuant to Section 193 Paragraph 2 of the Commercial Code,~~

A new version of Section 1, Letter u) is inserted:

decision on the selection of auditor who is to check the company's financial statement and the consolidated financial statement.

A new version of Section 1, Letter v) is inserted:

election and removal from office of the audit committee members, approving contracts on serving on the audit committee and approving rules for voluntary provision of emoluments to the members of the audit committee.

Section 1, Letter u) is changed to Section 1, Letter w).

**Proposal for Amendment to Article 14:**

Article 14 (Convocation of the General Meetings) is renumbered to Article 9 and includes the following changes:

the new version of Section 3 is:

Under the terms and conditions set forth by law, the court may empower shareholders specified in ~~Article 9~~ Section 181 Paragraph 7., of the Commercial Code to convene an extraordinary general meeting.

the new version of Section 4 is:

A body convening the general meeting shall be obligated to have a notice of such general meeting published no later than 30 days prior to the meeting in the *Hospodářské noviny* daily. This period of time shall be reduced to 15 days in the case of convocation of a substitute general meeting or an extraordinary general meeting upon request of shareholders specified in ~~Article 9~~ in Section 181 Paragraph 7., 1 of the Commercial Code.

the new version of the last sentence in Section 6 is:

An extraordinary general meeting convened upon request of shareholders specified in ~~Article 9~~ Section 181 Paragraph. 7., 1 of the Commercial Code may only be cancelled or postponed if such shareholders so require.

the new version of Section 7 is:

The agenda of the general meeting may only be extended prior to the general meeting and after the publishing of a notice of the general meeting upon request of shareholders specified in ~~Article 9~~ Section 181 Paragraph 7., 1 of the Commercial Code and only in the event that the extending of the agenda may be published in the manner set forth for convocation of general meetings at least 10 days prior to such general meeting.

**Proposal for Amendment to Article 15:**

Article 15 (General Meeting's Quorum and Substitute General Meeting) is renumbered to Article 10.

**Proposal for Amendment to Article 16:**

Article 16 (Attendance of the General Meetings) is renumbered to Article 11 and new Section 2 is added:

The shareholder is obliged to notify the company without undue delay of changes in such data that are recorded in the prescribed book securities records as required by law. The company shall not be liable for any consequences arising from shareholder's ignorance of this obligation.

**Proposal for Amendment to Article 17:**

Article 17 (Transaction of Business and Decision-Making of the General Meeting) is renumbered to Article 12 and includes the following changes:

the new version of Section 2 is:

The general meeting shall be presided by its chairman; until the election of such chairman of the general meeting, the general meeting shall be presided by a chosen member of the body convening such general meeting. Should the general meeting be convened based on a court decision upon request of shareholders specified in ~~Article 9~~ Section 181 Paragraph 7., 1 of the Commercial Code, the court may also appoint the chairman of the general meeting without any proposal.

The whole existing version of Section 9 is omitted.

Section 10 is renumbered to Section 9.

Section 11 is renumbered to Section 10 and its new version is as follows: A shareholder may not exercise a voting right in cases defined by law.

Section 12 is renumbered to Section 11.

The existing version of Section 13 is omitted.

Section 14 is renumbered to Section 12 and its opening sentence changes as follows:

A notarial deed shall be drawn up on all decisions specified in Article ~~13~~ 8 Section 1. a), b), c) and i), and also in all cases of decisions on the following:

Section 15 is renumbered to Section 13.

**Proposal for Amendment to Article 18:**

Article 18 (General Meeting's Rules of Procedure) is renumbered to Article 13.

**Part V. Board of Directors is renumbered to Part IV.**

**Proposal for Amendment to Article 19:**

Article 19 (Status and Powers of the Board of Directors) is renumbered to Article 14 and includes the following changes:

In Section 8:

- new version of Letter b) is:

increase in the company's registered capital pursuant to the provisions of Section 210 of the Commercial Code and pursuant to the provisions of Article ~~34~~ 30 and issue of company's bearer shares in this connection,

- new version of Letter h) is:

distribution of remuneration stipulated by the general meeting between the board of directors and the supervisory board, ~~unless done so by the general meeting on the grounds of rules that were approved by the general meeting~~

- the whole existing version of Letter i) is omitted

- Letter j) is changed to Letter i)

- Letter k) is changed to Letter j)

In Section 9:

- new version of Letter f) is:

~~selection of the auditor for the annual, extraordinary drafting the contract with the auditor that has been chosen by the general meeting to check the company's financial statement and the consolidated financial statement and drafting the contract with such an auditor,~~

- new version of Letter l) is:

merger by amalgamation with a company, whose all shares with voting rights  $\tau$  (or, as the case may be, business interest in a foreign company) are owned by the company, whereas the company is also the successor company ~~(the provision of Section 220e (13) of the Commercial Code shall remain unaffected thereby),~~

new version of Letter m) is:

~~conclusion of a contract on the basis of which the company shall acquire or alienate property where the value of the property acquired or alienated within one accounting period shall exceed one third of the company's own capital ensuing from the last consolidated financial statements; stipulation of Article 13 Section 4 pursuant to Section 193 Paragraph 2 of the Commercial Code; provision of Article 8., Section 1 Letter m) shall remain unaffected,~~

In Section 11:

new version of Letter d) is:

increase in the registered capital pursuant to Article ~~35~~ 31.

**Proposal for Amendment to Article 20:**

Article 20 (Number of Directors and Their Terms of Office) is renumbered to Article 15 and includes the following change:

the new version of Section 1 is:

The board of directors shall have 6 members.

**Proposal for Amendment to Article 21:**

The whole existing version of Article 21 is omitted.

**Proposal for Amendment to Article 22:**

Article 22 (Board of Directors' Meetings and Decision-Making) is renumbered to Article 16.

**Proposal for Amendment to Article 23:**

Article 23 (Board of Directors' Working Commissions, Teams, and Committees) is renumbered to Article 17.

**The existing part VI. Supervisory Board is renumbered to Part V.**

**Proposal for Amendment to Article 24:**

Article 24 (Status and Powers of the Supervisory Board) is renumbered to Article 18 and the following changes are proposed in Sections 5, 6 and 8:

In Section 5:

- new version of Letter g) is:

elect and recall members of the board of directors in the manner provided for in Article ~~27 of the Articles of Association~~ 20.

In Section 6:

- new version of Letter f) is:

~~selection of the auditor for the regular, extraordinary drafting a contract with the auditor that has been chosen by the general meeting to check the company's financial statement and consolidated financial statement and drafting the contract with such an auditor,~~

- new version of Letter l) is:

merger by amalgamation with a company, whose all shares with voting rights  $\tau$  (or, as the case may be, business interest in a foreign company) are owned by the company, whereas the company is also the successor company ~~(the provision of Section 220e (13) of the Commercial Code shall remain unaffected thereby),~~

new version of Letter m) is:

~~conclusion of a contract on the basis of which the company shall acquire or alienate property where value of the property acquired or alienated within one accounting period shall exceed one third of the company's own capital ensuing from the last consolidated financial statements; stipulation of Article 13 Section 1 pursuant to Section 193 Paragraph 2 of the Commercial Code; provision of Article 8., Section 1 Letter m)~~ shall remain unaffected,

In Section 8:

new version of Letter d) is:

increase in the registered capital pursuant to Article ~~35~~,31,

**Proposal for Amendment to Article 25:**

Article 25 (Number of Supervisory Board's Members and Their Terms of Office) is renumbered to Article 19 and the new version of Section 1 thereof is as follows:

The supervisory board shall have 12 members.

**Proposal for Amendment to Article 26:**

The whole existing version of Article 26 is omitted.

**Proposal for Amendment to Article 27:**

Article 27 (Supervisory Board's Meetings and Decision-Making) is renumbered to Article 20 and the new version of the first sentence of Section 4 is as follows:

The chairman of the supervisory board shall be obligated to convene a meeting of the supervisory board in the event a member of the supervisory board or the board of directors or shareholders specified in ~~Article 9 Section 181 Paragraph 7-1~~ of the Commercial Code.

**Proposal for Amendment to Article 28:**

Article 28 (Committees of the Supervisory Board) is renumbered to Article 21 and the new version of Section 1 is as follows:

1. The supervisory board shall be entitled to establish certain committees (hereinafter "supervisory board committees") ~~, in particular an audit committee~~. Only a member of the supervisory board may serve on a supervisory board committee.

**A new part VI Audit Committee is inserted into the Articles of Association and it includes Articles 22 to 24 as follows:**

**Article 22**

**Status and Powers of the Audit Committee**

1. Audit committee is a company's body whose task is to perform the following without affecting the responsibility of the directors and of supervisory board members:

a) monitors the procedure of drawing up the financial statement and the consolidated financial statement,

b) evaluates the efficiency of inner supervision in the company, inner audit and possibly the risk management systems,

c) monitors the process of the statutory audit of the financial statement and of the consolidated financial statement,

d) assesses the independence of the statutory auditor and auditing company and especially the provision of complementary services of the company,

e) recommends an auditor to check the company's financial statement and the consolidated financial statement.

2. On a continuous basis the auditor provides the audit committee with reports on significant facts arising from the statutory audit, especially about deficiencies of the inner audit in relation to the process of drawing up the financial statement and the consolidated financial statement.

3. The members of the audit committee shall exercise their competences with due care of a careful manager and keep confidential all information and facts where the disclosure thereof to third parties might be to the Company's detriment. The confidentiality duty shall remain effective after the termination of their term of office.

4. Members of the audit committee take part in the general meeting of the company and they are obliged to present the outcomes of their activities to the general meeting.

**Article 23**

**Number of Audit Committee's Members and Their Terms of Office**

1. The audit committee shall have 5 members that are elected and removed from office by the general meeting, be they members of the supervisory board or third persons. Audit Committee members can be neither directors nor proxies. At least one member of this committee must be independent of the company and must have at least three-years experience in the field of accounting and statutory audit.

2. The audit committee shall elect its chairman and vice chairmen.

3. The term of office of each members of the audit committee shall be four years.

4. Should a member of the audit committee decease, resign, be removed from office, or its term of office be otherwise terminated, the supervisory board shall appoint a replacement member until the

nearest general meeting.

5. A member of the audit committee may resign from his/her office at any time by virtue of a written statement delivered to the supervisory board. Each such resignation shall be discussed by the supervisory board. The office of such member of the audit committee shall be terminated as of the date on which the supervisory board discussed or was to discuss such notice of resignation. The supervisory board shall be obligated to discuss such resignation at its subsequent meeting held after the delivery of such notice.

6. The office of a member of the audit committee shall be terminated upon the election of a new member by the general meeting, but no later than after three months following the termination of such member's term of office, save for pursuant to the provisions of Sections 4 and 5 of this article.

#### **Article 24**

##### **Audit Committee's Meetings and Decision-Making**

1. The audit committee shall decide by a simple majority of the votes of all its members. The audit committee shall constitute a quorum when a simple majority of its members are attending. Each member of the audit committee shall have one vote.

2. The procedure of the supervisory board shall be governed by the audit committee's rules of procedure adopted by the audit committee. The audit committee's rules of procedure shall be adopted or amended by a simple majority of votes of all its members.

3. The audit committee shall hold its meetings at least once every two months.

**The existing title of Part VII. changes to “Joint Provisions on the Activities of the Board of Directors, the Supervisory Board and the Audit Committee”**

##### **Proposal for Amendment to Article 29:**

Article 29 (Conditions for Incumbency in Company's Bodies, Remuneration and Royalties for Company's Bodies' Members) is renumbered to Article 25 and the following changes in Sections 1 and 6 are proposed:

new version of Section 1:

Costs related to the organization of meetings and to other activities of the board of directors ~~and~~ the supervisory board and the audit committee shall be borne by the company.

new version of Section 6:

The company may, in accordance with legal regulations, provide to members of ~~the board of directors and supervisory board~~ its bodies emoluments ~~other than remunerations and royalties~~, such emoluments to be paid pursuant to the rules for the provision of voluntary emoluments to members of the supervisory board approved pursuant to Article 43 ~~8~~ Section 4 ~~1~~. Letter d) ~~of the Articles of Association~~ by the general meeting, pursuant to rules for provision of voluntary emoluments to members of the audit committee approved pursuant to Article 8 Section 1. Letter v) by the general meeting, pursuant to rules for provision of voluntary emoluments to directors approved pursuant to Article 24 ~~18~~ Section 5 ~~5~~. Letter i) of the Articles of Association by the supervisory board.

##### **Proposal for Amendment to Article 30:**

Article 30 (Acting and Signing for and on behalf of the Company) is renumbered to Article 26.

##### **Proposal for Amendment to Article 31:**

Article 31 (Method of Profit Distribution and Loss Coverage) is renumbered to Article 27.

##### **Proposal for Amendment to Article 32:**

Article 32 (Quarterly Results of Operations) is renumbered to Article 28.

##### **Proposal for Amendment to Article 33:**

Article 33 (Reserve Fund and Other Funds) is renumbered to Article 29.

##### **Proposal for Amendment to Article 34:**

Article 34 (Increase in Registered Capital) is renumbered to Article 30.

- new version of Section 3, Letter b) thereof is:

in the notice of the general meeting, the requisites specified in Article ~~44~~ 9 Section 5., shall be included as well as requisites specified in Section 202 (2) through to (4) of the Commercial Code,

##### **Proposal for Amendment to Article 35:**

Article 35 (Increase in the Registered Capital by the Board of Directors) is renumbered to Article 31.

##### **Proposal for Amendment to Article 36:**

Article 36 (Method of Share Issue Price Repayment and Consequences of Breach of Obligation to Timely Pay Up Subscribed Shares) is renumbered to Article 32 and new Section 7 is added. It consists in transferring the existing Article 17, Section 11, Letter a).

The version of the new Section 7 is as follows:

A shareholder may not exercise a voting right attached to an interim certificate if the shareholder is in default with the payment of the issue price of unpaid shares or a part thereof.

##### **Proposal for Amendment to Article 37:**

Article 37 (Decrease of Registered Capital) is renumbered to Article 33 and the new version of Section 3, Letter b) is as follows:

in the notice of the general meeting and in the invitation thereto, the requisites specified in Article 44-9 Section 5 shall be included as well as requisites specified in Section 211 (1) of the Commercial Code,

**Proposal for Amendment to Article 38:**

Article 38 (Parallel Reduction of and Increase in the Registered Capital) is renumbered to Article 34.

**Proposal for Amendment to Article 39:**

The whole existing version of Article 39 is omitted.

**Proposal for Amendment to Article 40:**

Article 40 (Publishing, Notices, and Information) is renumbered to Article 35.

**Proposal for Amendment to Article 41:**

Article 41 is renumbered to Article 36 and the new version of Section 1 is as follows:

The general meeting shall decide on amendments of these Articles of Association as specified in Article 17-~~12~~.

Resolution:

**The general meeting approves the submitted Proposal for Amendment to the Articles of Association.**

The board of directors has not received any proposal or counterproposal for amendments to the Articles of Association within the statutory period.

On voting ticket no. 6 the shareholders voted on the approval of the amendment to the Articles of Association. There were 392,950,066 votes in favour which represents 99.84% of the votes present.

The general meeting approved the submitted Proposal for Amendment to ČEZ, a. s. Articles of Association.

Ad agenda item No.: 9: Ing. Tomáš Pleskač presented a proposal for an increase in and an adjustment of the volume of financial resources intended for sponsorship.

The proposal including its reasoning was at the shareholders' disposal during the general meeting.

*Maxim Chadzitaskos asked what the relation between this year's and last year's amount was. He also wants to know what the relation is with respect to sponsorship of other donors.*

*Ing. Tomáš Pleskač answered that the amount was more or less the same year-on-year. The question involving the comparison with other donors shall be answered in writing.*

*Ing. Miroslav Kříž proposed to increase the amount for Temelín region to CZK 20 million.*

Ing. Zelený announced that all questions ad this agenda item had been answered and he asked the shareholders to vote on the board of directors' proposal first.

On voting ticket no. 7 the shareholders voted on the submitted proposal. There were 392,677,780 votes in favour which represents 99.78% of the votes present.

ČEZ, a.s. general meeting approved financial resources intended for sponsorship in the amount of CZK 262 million for 2010.

Out of these financial resources:

CZK 50 million shall be donated to Nadace ČEZ,

CZK 25 million shall be transferred to the account of Ústí Region on grounds of the Agreement on Mutual Cooperation,

CZK 160 million shall be divided in relation to the renovation of production resources,

CZK 14 million shall be transferred to municipalities in the area around Dukovany nuclear power plant on grounds of agreements on mutual cooperation,

CZK 13 million shall be transferred to municipalities in the area around Temelín nuclear power plant in relation to the construction of used fuel storage facility.

Ad agenda item No.: 10: On behalf of the shareholder Ministry of Finance of the Czech Republic Ing. Jan Zelený presented a proposal for removing MUDr. Josef Janeček and Ing. Tomáš Hüner from their office on the supervisory board and proposed electing Ing. Miloš Kebrdle and Ing. Vlastimil Jiřík members of the supervisory board.

Ing. Zelený announced that no proposals or counterproposals had been submitted ad this agenda item and he asked the shareholders to take a vote.

On voting ticket no. 8 the shareholders voted on the removal of MUDr. Josef Janeček and Ing. Tomáš Hüner from their office on the supervisory board. There were 392,057,711 votes in favour of MUDr. Josef Janáček's removal which represents 99.72% of the votes present. There were 392,057,711 votes in favour of Ing. Tomáš Hüner's removal which represents 99.72% of the votes present.

The general meeting removed MUDr. Josef Janeček and Ing. Tomáš Hüner from their offices on the supervisory board.

*Milan Pospíšil asked if the proponent had justified its proposal.*

*Ing. Jan Zelený said that no and he added that that was not a proponent's duty.*

On voting ticket no. 9 the shareholders voted to elect Ing. Vlastimil Jiřík and Ing. Miloš Kebrdle members of the supervisory board. There were 383,188,572 votes in favour of the election of Ing. Vlastimil Jiřík which represents 97.47% of the votes present. There were 382,594,855 votes in favour of the election of Ing. Miloš Kebrdle which represents 97.32% of the votes present.

The general meeting elected Ing. Vlastimil Jiřík, born on 1 September 1968, resident at Nerudova 231/10, Děčín, and Ing. Miloš Kebrdle, born on 23 June 1950, resident at Hyacintová 20/3181, Prague 10 members of the supervisory board.

Ad agenda item No.: 11: Mgr. Zdeněk Pasák presented drafts of agreements on the execution of the office of supervisory board member and a proposal for emoluments provided on the basis of the agreements.

The proposal including its reasoning was at the shareholders' disposal during the general meeting.

With respect to the fact that no proposals or counterproposals had been submitted, neither via the information service nor from the plenary, and nor had there been any questions asked, the chairman of the general meeting asked the shareholders to take a vote.

On voting ticket no. 13 the shareholders voted on the approval of agreements on the execution of office for supervisory board members Petr Gross and Lubomír Klosík, on the approval of Annex no. 1 to the Agreement on the Execution of Office for Jan Demjanovič, on the approval of the template agreement on the execution of office of the supervisory board member who is at the same time an employee of a government agency, an MP, a senator and on the approval of agreement on the execution of office of the supervisory board member who is not an employee of a government

agency, an MP or a senator. There were 392,171,051 votes in favour which represents 99.75% of the votes present.

ČEZ, a.s. General Meeting approved:

1. An agreement on the execution of office between ČEZ, a. s. and Mr. Petr Gross, born on 14 November 1953. The agreement was concluded on 2 February 2009.
2. An agreement on the execution of office between ČEZ, a. s. and Mr. Lubomír Klosík, born on 16 September 1951. The agreement was concluded on 2 February 2009.
3. Annex no. 1 to the Agreement on the Execution of Office between ČEZ, a. s. and Ing. Jan Demjanovič, born on 22 October 1953. The agreement was concluded on 1 July 2008.
4. A template agreement on the execution of office of the supervisory board member who is at the same time an employee of a government agency, an MP, a senator.
5. A template agreement on the execution of office of the supervisory board member who is not an employee of a government agency, an MP, a senator.

Ad agenda item No.: 12: On behalf of the shareholder Ministry of Finance of the Czech Republic, the chairman of the general meeting presented a proposal for the election of audit committee members.

With respect to the fact that no proposals or counterproposals had been submitted and neither had any questions been asked, Ing. Zelený asked the shareholders to take a vote.

On voting ticket no. 11 the shareholders voted on the submitted proposal. There were 392,168,460 votes in favour of the election of Martin Kocourek which represents 99.75% of the votes present, there were 392,168,460 votes in favour of the election of Ivan Fuksa which represents 99.75% of the votes present, there were 392,067,859 votes in favour of the election of Zdeněk Hrubý which represents 99.73% of the votes present, there were 392,067,859 votes in favour of the election of Drahoslav Šimek which represents 99.73% of the votes present, there were 392,067,859 votes in favour of the election of Lubomír Klosík which represents 99.73% of the votes present.

The general meeting elected Martin Kocourek, Ivan Fuksa, Zdeněk Hrubý, Drahoslav Šimek and Lubomír Kosík members of the audit committee.

Ad agenda item No.: 13: Mgr. Zdeněk Pasák presented a proposal for the template agreement on the execution of audit committee member office.

The proposal including its reasoning was at the shareholders' disposal during the general meeting.

With respect to the fact that no proposals or counterproposals had been submitted and neither had any questions been asked, Ing. Zelený asked the shareholders to take a vote.

On voting ticket no. 12 the shareholders voted on the submitted proposal. There were 392,066,779 votes in favour which represents 99.73% of the votes present.

ČEZ, a.s. General Meeting approved the template agreement on the execution of audit committee member office and it also approved rules for remuneration of audit committee members and other emoluments for audit committee members.

The chairman of the general meeting summarized the course of the proceedings and closed the general meeting at 15.10.

Date: 13 May 2009



Chairman.....

Minutes clerk.....

Minutes Verifying Clerks.....