



GRANTING CONSENT TO THE CONTRIBUTION OF A PART OF THE ENTERPRISE, “NJZ ETE” (NEW NUCLEAR POWER PLANT TEMELÍN), TO THE REGISTERED CAPITAL OF ELEKTRÁRNA TEMELÍN II, a. s. AND CONSENT TO THE CONTRIBUTION OF A PART OF THE ENTERPRISE, “NJZ EDU” (NEW NUCLEAR POWER PLANT DUKOVANY), TO THE REGISTERED CAPITAL OF ELEKTRÁRNA DUKOVANY II, a. s.

In June 2015, the Czech Government approved the “National Action Plan for the Development of Nuclear Energy” (“NAP NE”), drawn up on the basis of the valid State Energy Policy. All of the three possible investment model variants defined in the NAP NE require, directly or indirectly, spinning off the projects for the preparation and construction of new nuclear power plants at the Temelín and Dukovany sites into separate subsidiaries.

In line with the conclusions of the NAP NE, the meeting of the Board of Directors of ČEZ, a. s. held on August 17, 2015 approved the plan to establish a wholly owned subsidiary named Elektrárna Temelín II, a. s. and a wholly owned subsidiary named Elektrárna Dukovany II, a. s. The Supervisory Board of ČEZ, a. s. then granted its prior consent to the establishment of the two companies on September 24, 2015. Subsequently, both Elektrárna Temelín II, a. s. and Elektrárna Dukovany II, a. s. were entered in the Companies Register on December 23, 2015.

The key reasons for spinning off the projects for new nuclear power plant preparation and construction into Elektrárna Temelín II, a. s. and Elektrárna Dukovany II, a. s. are, in particular, higher flexibility in the selection of a future investment model for the construction and possibility to change the model in the future (allowing investment by the government, a strategic investor, or technology supplier). Additional advantages of this are a wider range of options for financing the projects, including some project-based funding instruments, and transparent separation of the costs of new unit preparation and construction from the operation of existing generating facilities.

Based on prior legal and tax analysis, contribution of a part of the enterprise to the registered capital of a separate subsidiary was chosen for spinning off the projects for the preparation and construction of new nuclear power plants at the Temelín and Dukovany sites. Pursuant to Section 421(2)(m) of the Business Corporations Act, the decision on spinning off the projects for new nuclear power plant preparation and construction by contribution of a part of the enterprise is subject to the consent of the General Meeting of ČEZ, a. s.

The contribution to the Elektrárna Temelín II, a. s. and Elektrárna Dukovany II, a. s. subsidiaries consists of relevant parts of the enterprise, including but not limited to: intangible and tangible fixed assets, land needed for the construction of the NJZs, equipment and inventories registered under the spun-off entities, structures on the land needed for the construction, construction work in progress and advances paid under the projects, short-term receivables, provisions, short-term payables, and low-value assets in operational records.

Draft agreements on the contribution of parts of the enterprise and the relevant statements of an expert institute have been available for review on the Company's website since the date of publication of the notice on the General Meeting. These draft agreements and the related expert's opinions have also been available for review at the Company's registered office since the date of publication of the notice on the General Meeting and are also available for shareholders' review at this General Meeting's information center.

GENERAL MEETING DRAFT RESOLUTION

The General Meeting of ČEZ, a. s.

1. grants, in compliance with the provision of Section 421(2)(m) of Act No. 90/2012 Sb., on commercial companies and cooperatives (Business Corporations Act) and the provision of Article 8(1)(j) of the Articles of Association of ČEZ, a. s., its consent to contribution of the part of the enterprise of ČEZ, a. s. represented by the “NJZ ETE” organizational unit to the registered capital of Elektrárna Temelín II, a. s., having its registered office at Duhová 1444/2, Michle, 140 00 Prague 4, ID No. 046 69 134, in the form of an increase of its registered capital;
2. grants, in compliance with the provision of Section 421(2)(m) of Act No. 90/2012 Sb., on commercial companies and cooperatives (Business Corporations Act) and the provision of Article 8(1)(j) of the Articles of Association of ČEZ, a. s., its consent to contribution of the part of the enterprise of ČEZ, a. s. represented by the “NJZ EDU” organizational unit to the registered capital of Elektrárna Dukovany II, a. s., having its registered office at Duhová 1444/2, Michle, 140 00 Prague 4, ID No. 046 69 207, in the form of an increase of its registered capital.

Rationale:

Spinning off the projects for the preparation and construction of new nuclear power plants at the Temelín and Dukovany sites by contribution of parts of the enterprise to separate subsidiaries will provide higher flexibility in the future selection of an investment model for the construction and possibility to change the model in the future. Pursuant to the applicable provisions of the law and the Company's Articles of Association, consent to the contribution of a part of the enterprise to a separate company is to be granted by the Company's General Meeting.