



DECISION ON DONATIONS BUDGET

Draft resolution (1):

The General Meeting of ČEZ, a. s., approves a 2021 donations budget of CZK 110 million.

Draft resolution (2):

The General Meeting of ČEZ, a. s., approves increasing the 2020 donations budget by CZK 30 million as compared to the resolution passed by the General Meeting on June 27, 2019, that is, to a total of CZK 140 million.

Draft resolution (3):

The General Meeting of ČEZ, a. s., approves the making of a nonmonetary donation with a total value of CZK 50,752,450 in 2020.

Rationale:

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

Donations Strategy for 2021

CEZ Group cares about being perceived as a good partner in the regions where it operates, especially in the neighborhood of its generating facilities. It wants to be a natural part of and contribute its part toward the improvement of everyday local life. It has long been contributing to infrastructure improvement and community life development and supporting projects in the field of education, culture, sports, healthcare, environmental protection, etc. through corporate donations according to its motto "We Help Where We Operate."

Through continued donation activities with impact on infrastructure development and community life promotion, it significantly helps build one of the strategic pillars of sustainable development—Being a Good Partner.

The ČEZ Foundation, as one of the earliest corporate foundations, has been helping throughout Czechia for 18 years. For municipalities, hospitals, schools and nursery schools, as well as not-for-profit organizations and other entities, the ČEZ Foundation has been a vital partner in their operations and development. Every year it makes several calls for grant applications to respond to society's current needs and make people's lives better. A total of 1,049 projects with a total value of CZK 170.4 million were supported through the ČEZ Foundation in 2019. Information about all supported projects is published in ČEZ Foundation annual reports every year.

The EPP—Move to Help mobile app has found favor with more than 450,000 users during the past 5 years. It is the users who have control over where the ČEZ Foundation's support will be directed. The Foundation provided financial support of CZK 25 million to 341 projects in 2019.

CEZ Group employees are also greatly engaged in donations. They contributed a record-breaking amount of CZK 3.165 million in their traditional collection campaign named "Granting Wishes, Thinking about Others" in 2019. The ČEZ Foundation doubled the amount and provided the aid to 103 people who faced a difficult situation in their lives due to severe illness or injury.

The 2019 Annual Report of ČEZ, a. s., includes a link to www.cez.cz/dary on page 135. The Web page shows a list of all beneficiaries of donations made by the Company in 2019, including donation purposes. The list does not show the amounts of donations. This is to prevent the discrimination of beneficiaries that apply for donations or subsidies from other donors and institutions.

Proposed terms for financial donations in 2021:

- The total amount of funds that the Company can use to give donations in 2021 will be CZK 110 million.
- We estimate that approximately CZK 50 million of that amount will be transferred to the ČEZ Foundation's account in 2021 in connection with projects undertaken through the ČEZ Foundation.
- In the context of the operation, construction, and renovation of ČEZ generating facilities and distribution grids, we estimate that donations of approximately CZK 60 million will be given to selected entities directly by ČEZ, a. s., rather than through the ČEZ Foundation, in order to maintain positive relations with the affected regions.

Amendment of terms for financial donations in 2020:

The General Meeting of ČEZ, a. s., approved a budget of CZK 110 million that the Company may use to provide donations in 2020 on June 27, 2019.

The ČEZ Foundation speedily responded to the situation relating to the Covid-19 pandemic. It made a call for grant applications under a Covid-19 Emergency Assistance program on March 26, 2020. The grant program generated much interest among local authorities, not-for-profit organizations, and volunteer fire departments, and 651 projects were supported with a total of CZK 30.7 million within two weeks. The support went most often to purchasing protective equipment, disinfectants, or material for mask making.

Therefore, we are proposing that the 2020 donations budget be increased by CZK 30 million, which is to be transferred to the ČEZ Foundation.

Proposed terms for financial donations in 2020:

- The total amount of funds that the Company can use to give donations in 2020 will be CZK 140 million.

Proposed terms for nonmonetary donations in 2020:

Concerning nonmonetary donations, we are presenting the General Meeting with one specific project for its approval. It is the making of a nonmonetary donation to the municipality of Týn nad Vltavou, consisting in the gratuitous transfer of a group of purpose-built buildings of the Blanice housing compound in the cadastral district of Týn nad Vltavou (the "**Blanice compound**"), including its movable assets and residual plots of land.

The group of purpose-built buildings, the Blanice housing compound, served to provide back-office and support services for the construction of the Temelín Nuclear Power Plant. Its utilization decreased over time after the construction was completed; recently, it has only been used for accommodation of seasonal workers and its operation is unprofitable on the whole. An expert work group analyzed options for adapting the facilities to the needs of ČEZ, a. s., or other commercial use, concluding that such a project would be uneconomical and recommending that the Blanice compound be transferred to a third party.

The current net book value of the Blanice compound is CZK 41.2 million.

An expert valuation appraised the open market value of the Blanice compound at CZK 50.2 million, the value of its movable assets at CZK 161,450, and the value of residual plots of land at CZK 391,000.

However, getting a bid at a comparable level in an auction sale is unlikely due to the condition, nature, and location of the facilities. The potential transfer was duly discussed with the municipal council of Týn nad Vltavou, which passed resolution No. 107/2020 recommending the municipal assembly to enter into a donation agreement with ČEZ, a. s. ČEZ, a. s., has long been supporting municipalities in the emergency planning zone of the Temelín Nuclear Power Plant and considers the donation of the Blanice housing compound to be a helpful and mutually beneficial step.