

IN PERSON TO THE MAIL ROOM

ČEZ, a. s.
Duhová 2/1444
14053 Prague 4
Czech Republic

Attention: Daniel Beneš, Chairman of the Board of Directors

In Prague on June 12, 2020

Re: Proposal concerning a matter included as item 8 (*Decision to Amend the Company's Articles of Association*) on the agenda of the General Meeting of the company ČEZ, a. s.

Dear Sirs,

We turn to you as a group of shareholders, which consists of **Ing. Michal Šnobl**, date of birth May 25, 1970, with permanent residence at Zvolenská 134, 386 01 Strakonice, Czech Republic, and **J&T SECURITIES MANAGEMENT PLC**, with registered office at Klimentos, 41-43 Klimentos Tower, 2nd floor, Flat/Office 22, 1061 Nicosia, Republic of Cyprus, **TINSEL ENTERPRISES LIMITED**, with registered office at 41-43 Klimentos Tower, 2nd floor, Flat/Office 23 Nicosia, Republic of Cyprus, and **HAMAFIN RESOURCES LIMITED**, with registered office at Akropoleos, 59-61 Savvides Center, 1st floor, Flat/Office 102, 2012 Nicosia, Republic of Cyprus (hereinafter collectively the "**Qualified Shareholder**"), who own shares the number of which amounts to more than 1 % of the registered capital of the company ČEZ, a. s., with registered office at Praha 4, Duhová 2/1444, postcode 140 53, Czech Republic, company ID: 45274649, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1581, (hereinafter the "**company ČEZ**"), and are therefore a qualified shareholder of the company ČEZ in the meaning of the provisions of Section 365 (3) of Act No. 90/2012 Coll. , on Business Companies and Cooperatives (the Business Corporations Act) (hereinafter the "**BCA**"), in connection with the General Meeting of the company ČEZ, which will be held on June 29, 2020 from 10:00 am at the Prague Congress Center, at the address 5. května 65, Prague 4 (hereinafter the "**General Meeting**"). The notice on the General Meeting was published by the company ČEZ on the website www.cez.cz. and included the agenda of the General Meeting proposed by the Board of Directors (hereinafter the "**GM Agenda**").

Pursuant to Section 361 (1) of BCA and Article 13 (1) of the valid and effective Articles of Association of the company ČEZ, we hereby submit the proposal concerning the item included in the GM Agenda as No. 8 "*Decision to Amend the Company's Articles of Association*".

1. ITEM 8 "**DECISION TO AMEND THE COMPANY'S ARTICLES OF ASSOCIATION**"

1.1 Rationale

The company ČEZ is a registered private company whose shares are actively traded on the Prague Stock Exchange and to which all corporate rules of capital companies enshrined in Czech law, in particular the Business Corporations Act, apply. For the sake of completeness, the Qualified Shareholder notes that the company ČEZ is not a state or semi-state company, regardless of the fact that the Czech Republic has the majority shareholder status in it.

This means, among other things, that duties of the members of the Board of Directors of the company ČEZ include the proper performance of their functions consisting mainly in the proper management of assets of the shareholders of the company ČEZ and their appreciation, and in ensuring financial stability of the company ČEZ.

Related to this is the fact that it is necessary to perceive the context of any planned investments with the market capitalization of the company ČEZ. If there is a clear disparity between the planned investments and the market capitalization of the company ČEZ, then this fact the market valuation of the company ČEZ on public markets. In the event that such an investment is to take place (especially if it is publicly presented by the majority shareholder of the company ČEZ), the Board of Directors must strive timely and in advance to meet and ensure the basic parameters of financial stability of the company ČEZ and demonstrable assurance of profitability based on the principle of generally perceived financial and capital market rules.

The Qualified Shareholder has fundamental reservations about the current practice of the decision-making of management of the company ČEZ on the implementation of investments, as well as their management, which is why the Qualified Shareholder proposes to amend the Articles of Association of the company ČEZ so that the highest body of the company ČEZ, which is the General Meeting, decides on strategic investments that meet specific parameters.

The alleged shortcomings in management and administration of the company ČEZ (primarily with regard to the company's investments) also justify the proposed amendment of the Articles of Association of the company ČEZ with the new competence of the General Meeting, which should be the decision to adopt the basic principles of effective corporate governance. By adopting the rules (especially in the form of a code), the management of the company ČEZ would be bound, which is undoubtedly in the interest of all shareholders of the company ČEZ.

The Qualified Shareholder also rejects the proposal to expand the powers of the Board of Directors (albeit with the approval of the Supervisory Board), which explicitly envisages the almost uncontrolled use of the surcharge as a financing instrument for the directly controlled person, without the General Meeting of the company ČEZ having commented or being able to comment on it. According to the proposal of the Board of Directors, this adjustment is to be implemented through a proposal to amend Article 14 (9) of the Articles of Association, which is to consist, among other things, in adding the new wording of Article 14 (9) (d), according to which the Board of Directors is obliged to request the prior consent of the Supervisory Board to implement the following decisions of the Board of Directors:

“provision of a monetary or non-monetary surcharge for the creation of equity outside the registered capital of a person directly controlled by the company, if the amount or value of the surcharge exceeds CZK 500,000,000 (in words: five hundred million Czech crowns), and/or granting the company's consent to provide a monetary or non-monetary surcharge by a person controlled by the company (the "surcharge provider") to create equity outside the registered capital of a person indirectly controlled by the company, if the amount or value of the surcharge exceeds CZK 500,000,000 (in words: five hundred million Czech crowns);”

With regard to the above, the Qualified Shareholder proposes to amend the Articles of Association of the company ČEZ so that a decision about provision of a monetary or non-monetary surcharge for the creation of equity outside the registered capital of a person directly controlled by the company, if the amount or value of the surcharge exceeds CZK 500,000,000 (in words: five hundred million Czech crowns), and/or granting the company's consent to provide a monetary or non-monetary surcharge by a person controlled by the company (the "surcharge provider") to create equity outside the own equity of the person indirectly controlled by the company, if the amount or value of the surcharge exceeds CZK 500,000,000 (in words: five hundred million Czech crowns), would be made by the highest body of the company ČEZ, which is the General Meeting.

In addition, it can be assumed that the amendments to the Articles of Association of the company ČEZ proposed by the Board of Directors are a preparation for the planned construction of the Dukovany nuclear power plant. The Qualified Shareholder believes that issues related to such significant investments should be under the control of the shareholders of the company ČEZ.

1.2 Draft Resolution

With effect from the day following the day when this General Meeting ends, **the General Meeting of ČEZ, a.s.**, decided to amend the company's Articles of Association as follows (there are several separate resolutions):

- (a) In Article 8 (1) of the Articles of Association, letter t) is added after letter s) as follows:

“decisions on the implementation of the company’s investment project or granting of the company’s consent to the implementation of an investment project of a directly or indirectly controlled company if the expected cumulative value (including all costs of assessment and preparation of such investment) of the company’s or controlled company’s investment project exceeds CZK 20,000,000,000 (in words: twenty billion Czech crowns);”

- (b) In Article 8 (1) of the Articles of Association, letter u) is added after the existing letter t) as follows:

“decisions on adopting the basic principles of effective corporate governance and their changes;”

- (c) In Article 8 (1) of the Articles of Association, letter v) is added as follows:

“decisions on the provision of a monetary or non-monetary surcharge for the creation of equity outside the registered capital of a person directly controlled by the company, if the amount or value of the surcharge exceeds CZK 500,000,000 (in words: five hundred million Czech crowns), and/or granting the company's consent to provide a monetary or non-monetary surcharge by a person controlled by the company (the "surcharge provider") to create equity outside the registered capital of a person indirectly controlled by the company, if the amount or value of the surcharge exceeds CZK 500,000,000 (in words: five hundred million Czech crowns);”

and the current letter t) becomes letter w).

Subject to the adoption of the amendments to the company's Articles of Association proposed by the Board of Directors under item No. 8 of the GM Agenda, the following applies:

- (a) The Article 8 (1) (t) of the company's Articles of Association proposed by the Qualified Shareholder is referred to as letter v);
- (b) The Article 8 (1) (u) of the company's Articles of Association proposed by the Qualified Shareholder is referred to as letter w);
- (c) The Article 8 (1) (v) of the company's Articles of Association proposed by the Qualified Shareholder is referred to as letter x).
- (d) The existing Article 8 (1) (t) of the company's Articles of Association is referred to as letter (y).

Signature:

Name: Ing. Michal Šnabr
In person and based on a power of attorney

Annexes:

1. Powers of attorney
2. Certificates of Registered Office for J&T SECURITIES MANAGEMENT PLC, TINSEL ENTERPRISES LIMITED, and HAMAFIN RESOURCES LIMITED
3. Certificates of Incorporation for J&T SECURITIES MANAGEMENT PLC, TINSEL ENTERPRISES LIMITED, and HAMAFIN RESOURCES LIMITED
4. Certificates of Directors and Secretary for J&T SECURITIES MANAGEMENT PLC, TINSEL ENTERPRISES LIMITED, and HAMAFIN RESOURCES LIMITED
5. Extract from the CSD