

Wording of the counterproposal of the shareholder, the Czech Republic – Ministry of Finance (hereinafter referred to as "MF" or "Shareholder"), to item 3 of agenda of the annual General Meeting of ČEZ, a. s., to be held on June 28, 2022

Draft resolution (1) according to the counterproposal of MF:

The General Meeting of ČEZ, a. s., approves the distribution of the Company's 2021 profit amounting to CZK 4,406,893,805.66 and a portion of retained earnings amounting to CZK 21,416,614,626.34 as follows:

- Share in profit to be distributed to shareholders (the "dividend") CZK 25,823,508,432.00

The dividend is CZK 48 per share before tax.

The record date for entitlement to the dividend is July 4, 2022. Entities that will be shareholders of the Company as at the record date for entitlement to the dividend will be entitled to the dividend.

The above-mentioned amount of the dividend is calculated from the total number of Company shares issued. The dividend allocated to treasury shares held by the Company as at the record date for entitlement to the dividend will not be paid. The amount corresponding to the dividend on treasury shares held by the Company as at the record date for entitlement to the dividend will be transferred to the retained earnings account.

The dividend is payable on November 1, 2022. The dividend will be paid through Česká spořitelna, a.s., company reg. No. 45244782, having its registered office at Olbrachtova 1929/62, Praha 4, postcode 140 00, in the manner presented to this General Meeting and published on the Company's website at www.cez.cz under the "Investors" link, in the subsection concerning the 2022 General Meeting in the "General Meetings" section together with the Board of Directors' draft resolution within this item of the General Meeting agenda, with the exception of (i) information on the payment date of the dividend, which shall be November 1, 2022, and (ii) deadline for the payment of the dividend, which shall be October 31, 2026.

Draft resolution (2) according to the counterproposal of MF:

The General Meeting of ČEZ, a. s., approves a change in the method of payment of profit shares (dividends) approved by the General Meeting of ČEZ, a. s., for distribution to the shareholders of ČEZ, a. s.:

- On the agenda item 5 of June 27, 2019 (Decision on the Distribution of Profit of ČEZ, a. s.);
- On the agenda item 5 of June 29, 2020 (Decision on the Distribution of Profit of ČEZ, a. s.);
- On the agenda item 4 of June 28, 2021 (Decision on the Distribution of Profit of ČEZ, a. s.);

in a way that from November 1, 2022 onwards, dividends approved for distribution to shareholders in the years 2019 to 2021, if the shareholders are still entitled to their payment on November 1, 2022, shall be paid in the manner presented to this General Meeting for the purpose of paying dividend approved for distribution to shareholders at this General Meeting and published on the Company's website at www.cez.cz under the "Investors" link, in the subsection concerning the 2022 General Meeting in the "General Meetings" section. Dividend payment deadlines and the possibility of paying dividends in cash after December 31, 2022, according to individual resolutions of the General Meeting of ČEZ, a. s., approving the distribution of profit to shareholders in 2019 to 2021 remain unaffected.

Rationale for the counterproposal to the item “Resolution on the Profit Distribution of ČEZ, a. s.”

The Shareholder’s counterproposal consists in increasing the dividend to CZK 48 per share, with the ordinary dividend increasing to CZK 41 per share, i.e. CZK 22 billion, corresponding to approximately 100% of CEZ Group’s adjusted consolidated net profit for 2021. The Shareholder proposes to keep the extraordinary dividend component of CZK 7 per share, i.e. CZK 3.8 billion, which reflects the contribution of the sale of Bulgarian assets to CEZ Group’s total debt capacity, at the same level. In total, the profit share (dividend) payment amounts to CZK 25.8 billion.

The Shareholder proposes a higher dividend distribution, which however remains within the dividend policy in force for 2021, on the basis that the need for funds on the part of shareholders at this time is higher than would be expected in the normal circumstances of the year.

The Shareholder further proposes to postpone the payment of the dividend for the following reasons. All energy companies in Europe have had to deal with recent cash flow pressures due to high margin deposits on energy exchanges resulting from the threat of natural gas shortages and the associated sharp increase in electricity prices on the markets. For these companies, some countries are resorting to rescue financing packages provided by the government or state development banks. In view of these developments, the Shareholder is inclined to postpone the proposed dividend payment date so that the company has a longer period of time to ensure sufficient liquidity. Therefore, the Shareholder proposes to postpone the dividend payment date to November 1, 2022.

In its proposal, the Board of Directors has decided to modify the method of dividend payment approved for distribution to shareholders at the General Meeting held in 2022, with the provision that the new rules (with some exceptions) will also apply to the method of dividend payment approved for distribution to shareholders at the 2019–2021 General Meetings. The Shareholder does not intend to change anything conceptually about the new dividend distribution rules, except to defer the effectiveness of these changes in respect of dividends approved for distribution to shareholders at the 2019–2021 General Meetings, so that these changes will take effect on the dividend payment date approved for distribution at this General Meeting as per the Shareholder’s counterproposal.

As a result of postponing the dividend payment date approved in 2022 by 3 months, it is also proposed to postpone the cut-off date to October 31, 2026.