

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 11 (*Information on the Preparation of a New Nuclear Plant at Dukovany*) 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. 11 "*Information on the Preparation of a New Nuclear Plant at Dukovany*".

1. ITEM 11 "INFORMATION ON THE PREPARATION OF A NEW NUCLEAR PLANT AT DUKOVANY"

1.1 Rationale

General Remarks on the General Meeting's Powers in Strategic Matters

Pursuant to Article 8(1)(p) of the Articles of Association of the company ČEZ, the General Meeting's powers include decisions on the company's business policy and changes thereto.

The Qualified Shareholder would like to add that the conceptual and strategic matters described below fall outside business management, as business management does not include making decisions on the company's long-term strategic goals, which are within the scope of powers of the General Meeting, as is also suggested by literature¹. Apart from this, valid Articles of Association of the company ČEZ in Article 8 (1) (p) expressly place decisions on the business policy of the company ČEZ and changes thereto within the scope of powers of the General Meeting.

Rationale of the Proposal

The market capitalization of the company ČEZ as of June 8, 2020 was CZK 270 billion. With reasonable and safe debt, it values all existing assets of the company ČEZ, i.e. 4 units of the Dukovany nuclear power plant, 2 units of the Temelín nuclear power plant, all existing coal, steam and other power plants, and heating plants with a total installed capacity of 13,711 MW, renewable sources with a capacity of 1,137 MW as of December 31, 2019, with a total production of almost 65 TWh of electricity in 2019, all very valuable distribution of electricity in the Czech Republic, Bulgaria, Romania, ESCO activities in the Czech Republic and abroad, all other foreign assets, but also coal mining in the Czech Republic and many other sub-assets.

In comparison with such market-valued existing assets included in the balance sheet of the company ČEZ, the Board of Directors of the company ČEZ wishes to make investments worth CZK 250 to 350 billion (overnight investment costs, including financial costs) in a single unit of the Dukovany nuclear power plant with a capacity of max. 1,200 MW with an annual production of max. 9 TWh, which apparently exceeds any rational limits and reasonable criteria for an individual investment in the context of the value of the company ČEZ as a whole.

It is apparently clear that it is the minority shareholders who will bear the consequences of the decision of the management of the company ČEZ and the controlling entity – the Czech Republic, while the decision to invest in the new unit of the Dukovany nuclear power plant is associated with disproportionate risks, including the burden on the market value of the company ČEZ, which are completely inadequate for the company ČEZ as a whole. The upcoming guarantee of electricity prices or a state loan in the amount of 70% of the ČEZ project's value do not change anything. Certainly not in the form as they are presented today by the management of the company ČEZ and its majority shareholder.

The Qualified Shareholder emphasizes that it is not acceptable for minority shareholders in a private commercial company to bear disproportionate burdens related to investments in nuclear energy arising from the decision of the controlling entity (Czech Republic) to implement its energy policy through the company ČEZ, but completely ignoring the interests of other shareholders of the company ČEZ. Such an approach is also unacceptable in view of the fact that the legal system provides the majority shareholder, including the company ČEZ, with a number of options for proceeding in the event that such a fundamental project is implemented, while considering the rights of minority shareholders.

1.2 Draft resolution

The General Meeting of ČEZ, a.s. adopts in accordance with Article 8(1)(p) of the Articles of Association of the company ČEZ, the following resolution:

"The General Meeting of ČEZ, a.s. acknowledges that, in view of the investment size, the

¹ ŠTENGLOVÁ, Ivana, HAVEL, Bohumil. Sec. 435 [Position of the Board of Directors]. In: ŠTENGLOVÁ, Ivana, HAVEL, Bohumil, CILEČEK, Filip, KUHN, Petr, ŠUK, Petr. Zákon o obchodních korporacích. 2nd edition. Prague: C. H. Beck, 2017, p. 774. From January 1, 2021, identically Sec. 435 (3) of the BCA.

overall financial, time and technological complexity of the construction of one unit of the Dukovany nuclear power plant (hereinafter as "JEDU"), the real negative course of construction of all nuclear power plant units in the relevant EU and US markets, including those realized by parties interested in the construction of the unit in Dukovany, but also the difficulty to estimate the provision of sufficient water for cooling the concurrent operation of the new JEDU unit and all current units in the period between 2036 and 2045, and all risks associated with these facts in the context of ČEZ, a.s., or the entire CEZ "Group" respectively, and its market capitalization, the company's Board of Directors exposes the minority shareholders of the company ČEZ, whose shares are traded on public markets, to disproportionate risk and damage to the market valuation of the shares they own, i.e. their private property. Especially when the Board of Directors of ČEZ, a.s. openly and uncritically supports the intention of the controlling entity – the construction of a large nuclear source, aimed at fulfilling government goals within the state energy policy and thus does not respect equal access to all shareholders and thus risks even the market position of the company when betting on a single scenario which, however, can very easily prove completely unrealistic at various stages of the project.

Given that there are legal options to resolve this conflict of interest in access to individual groups of shareholders, the General Meeting requires the Board of Directors to resolve this conflict within available legal means and submit to shareholders a solution to the situation with the possibility of eliminating risks for minority shareholders, i.e. to consider the complete separation of the investment project for the construction of a new unit of the JEDU nuclear power plant from the property of ČEZ, a.s., and to possibly ensure an offer to cooperate on the project or, conversely, a clear settlement with minority shareholders before the implementation of this project. The put option itself for the sale of the subsidiary JEDU II, a.s., a 100% subsidiary of ČEZ, cannot be considered an acceptable solution under unclear conditions."

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 HAMAFAIN RESOURCES LIMITED
3. Certificates of Incorporation for J&T SECURITIES MANAGEMENT PLC, TINSEL ENTERPRISES LIMITED, and HAMAFAIN RESOURCES LIMITED
4. Certificates of Directors and Secretary for J&T SECURITIES MANAGEMENT PLC, TINSEL ENTERPRISES LIMITED, and HAMAFAIN RESOURCES LIMITED
5. Extract from the CSD