



NOTICE OF GENERAL MEETING

The Board of Directors of ČEZ, a. s., a joint-stock company with its registered office at Duhová 2/1444, Prague 4, postcode 140 53, company reg. No. 45274649, registered in the Commercial Register administered by the Municipal Court in Prague, Section B, Entry 1581, hereby **convenes the Annual General Meeting, which will be held on June 22, 2018, at 11:00 a.m. at the Prague Congress Center, No. 65, 5. května, Prague 4.**

Agenda of the Annual General Meeting:

1. Board of Directors' Report on the Company's Business Operations and Assets for 2017, Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act, and Conclusions of the Related Parties Report for 2017
2. Supervisory Board Report
3. Audit Committee Report on the Results of Its Activities
4. Approval of the Financial Statements of ČEZ, a. s., and Consolidated Financial Statements of CEZ Group for 2017
5. Decision on the Distribution of Profit of ČEZ, a. s.
6. Appointment of the Auditor to Perform the Statutory Audit for the Accounting Period of the Calendar Year of 2018
7. Decision on Donations Budget
8. Information on Reasons for Contemplating CEZ Group Transformation
9. Removal and Election of Supervisory Board Members
10. Removal and Election of Audit Committee Members

Record Date for Attendance at the General Meeting and Explanation of Its Significance

The record date for attending the General Meeting is June 15, 2018 (the "Record Date"). The significance of the Record Date is that the right to attend a General Meeting and to exercise the rights of a shareholder, including voting, is vested in each person recorded as a shareholder in the statutory register of investment instruments (Central Securities Depository) on the Record Date, unless it is proven that the record does not correspond to facts. The extract from the register is to be obtained by the Company.

Attendance at the General Meeting

1. Registration and Representation of Shareholders at the General Meeting

Shareholders will check in at the General Meeting's venue at 10:00 a.m. on the day the General Meeting is held.

Shareholders attend a General Meeting in person or by proxy. Personal data of individuals that may attend the General Meeting as shareholders or their proxies will be processed in connection with the General Meeting; details are provided on the Company's website at www.cez.cz under the "Investors" link, in the subsection concerning the 2018 Annual General Meeting in the "General Meetings" section.

A power of attorney must be in writing and must indicate whether it was granted for representation at one or several General Meetings. A shareholder may grant a power of attorney by completing a form that the Company will make available in hard copy at the Company's registered office and in e-copy on the Company's website on May 22, 2018. For more details, refer to section 2.e of this Notice.

A shareholder may also notify the company of the granting or revocation of a power of attorney in electronic form at valna.hromada@cez.cz. Such a notification must be signed with an advanced electronic signature based on a qualified certificate for electronic signature or a qualified electronic signature pursuant to Act No. 297/2016 Sb., on trust services for electronic transactions, as amended. Shareholders may also send a notification according to the first sentence of this paragraph to the Company's data box at: yqkcds6. A notification of the granting of a power of attorney must also contain, in particular: the name, date of birth, and place of residence of the principal and the agent, if they are natural persons; the business name, registration number, and registered office of the principal and the agent, if they are legal entities; whether the power of attorney is granted to the proxy for the Company's Annual General Meeting held on June 22, 2018, or for multiple General Meetings; whether the agent may grant a substituted power of attorney; and the date of the granting of the power of attorney. A notification of the revocation of a power of attorney must also contain, in addition to the identification of the principal and the agent as above, information about the revoked power of attorney, including the date of the granting of the power of attorney and the scope of the authorizations granted under the power of attorney, and the date of revocation of the power of attorney. If a notification of the granting or revocation of a power of attorney does not allow the Company to assess the compliance of the power of attorney or the revocation with legal requirements or unambiguous identification of the signatory (in particular, if it is not signed with an advanced electronic signature based on a qualified certificate for electronic signature or a qualified electronic signature pursuant to Act No. 297/2016 Sb., on trust services for electronic transactions, as amended, in e-mail communication), the Company is entitled, but not obliged, to request additional information to prove the shareholder's representation or its revocation. If a shareholder's notification of the granting of a power of attorney to represent the shareholder at the General Meeting meets all specified requirements, the Company will not request that the power of attorney be handed over during shareholder registration.

A shareholder may be represented at the General Meeting or for the exercise of other rights attached to shares by a person registered in a register of investment instruments or a register of dematerialized securities as an administrator and/or as a person entitled to exercise rights attached to a share. The authority of such an administrator or person to represent the shareholder at the General Meeting is evidenced by an extract from the statutory register, which is to be obtained by the Company. This is without prejudice to the satisfaction of the obligations of the shareholder, their representative or their proxy on registration for the General Meeting pursuant to the following paragraph.

A shareholder that is an individual proves their identity on registration by presenting their identity card. A member of the statutory governance body of a shareholder that is a legal entity proves their identity on registration by presenting their identity card and submits an original or an authenticated copy of an extract from the commercial register or other document certifying the existence of the legal entity and the manner in which the statutory governance body acts on behalf of the legal entity. In addition, a shareholder's proxy (other than an administrator and/or person entitled to exercise rights attached to a share registered in a register of investment instruments or a register of dematerialized securities) is required to submit a written power of attorney with an officially certified signature of the principal unless the Company was duly notified of the authorization in advance in electronic form in accordance with the rules indicated above. A representative whose right to represent a shareholder is based on a fact other than authorization is required to present documents attesting such right.

Documents authenticated by foreign authorities by virtue of which a shareholder or their representative proves their identity are to be superlegalized or provided with a stamp of apostille (certification), unless an agreement on legal assistance exists between the Czech Republic and the country where the document was authenticated. If the aforementioned documents or authentication certificates are executed in a foreign language, they must also bear a certified translation into Czech.

2. Rights of Shareholders Associated with Attendance at the General Meeting and the Manner of Exercising Such Rights

Shareholders may exercise their rights at the General Meeting, that is, in particular, vote, request and receive (at the Meeting, before the Meeting and after the Meeting, if statutory conditions are met) explanations about matters relating to the Company or entities controlled by the Company if such an explanation is necessary for assessing the matters on the General Meeting's agenda or for exercising shareholder rights at the General Meeting, and submit proposals and counterproposals under the conditions imposed by the law or the Articles of Association. Shareholders may exercise such rights in person or by proxy.

Shareholders bear their own expenses for attending and participating in the General Meeting.

Requests for explanations and protests are to be submitted to the chairperson of the General Meeting, generally in writing, by delivery to the information center. If a shareholder asks for an explanation verbally, they must formulate their statement so as to make it brief and understandable.

The Company will provide the shareholder with an explanation unless no response need be given under the law. Explanations may be provided as a summary response to multiple questions with similar contents. The Company will explain matters relating to the current General Meeting directly at that General Meeting. If that is not possible due to the complexity of the explanation, the Company will provide the explanation to the shareholder within 15 days following the date of the General Meeting.

a. Number of Shares and Voting Rights

The Company's registered capital is CZK 53,798,975,900 (that is: fifty-three billion seven hundred ninety-eight million nine hundred seventy-five thousand nine hundred Czech crowns) and is divided into 537,989,759 shares (that is: five hundred thirty-seven million nine hundred eighty-nine thousand seven hundred fifty-nine shares), each with a nominal value of CZK 100 (that is: one hundred Czech crowns). One vote is attached to each Company's share with a nominal value of CZK 100; the total number of votes attached to shares thus amounts to 537,989,759 (that is: five hundred thirty-seven million nine hundred eighty-nine thousand seven hundred fifty-nine). All the shares are issued as dematerialized bearer securities and have been admitted to trading on a European regulated market. Shareholders are not required to exercise the voting rights attached to all their shares in the same manner.

b. Attendance and Voting at the General Meeting

Attending shareholders are registered in an attendance list, specifying the business name or the name and the registered office of the legal entity or the name and the place of residence of the individual that is a shareholder, and/or a proxy of the same, the number and nominal value of shares entitling the holder to vote or, as the case may be, information that such a share does not entitle its holder to vote.

Voting at the General Meeting takes place after the General Meeting has been informed of all duly and timely submitted shareholder proposals and counterproposals concerning the item on the agenda that is to be voted on; firstly, the Board of Directors' proposals are voted on; secondly, the Supervisory Board's proposals are voted on; thirdly, proposals and counterproposals submitted by shareholders are voted on in the order of submission. Once a submitted proposal is approved, no other proposals or counterproposals contradicting the approved proposal are voted on.

Voting is by ballot according to instructions given by the chairperson of the General Meeting. In their ballot, each shareholder makes their choice for a proposed resolution that is voted on by crossing through "FOR" or "AGAINST" and signing the ballot. If a shareholder wishes to abstain from voting, they do not submit their ballot. Unsigned ballots are invalid. Ballots that do not allow identifying the shareholder's choice are also invalid. If a shareholder submits an invalid ballot or a ballot other than the one that should have been used for voting on the given item, the shareholder is deemed to abstain from voting.

The General Meeting decides by a simple majority of votes of attending shareholders, unless the law or the Company's Articles of Association require a different majority.

c. Right to Raise Proposals and Counterproposals

Shareholders may present proposals and counterproposals on matters included on the General Meeting's agenda. If a shareholder wishes to present a proposal or a counterproposal on a matter listed on the agenda, they must deliver the proposal or counterproposal to the Company in writing no later than 10 days before the General Meeting is held; the foregoing does not apply to proposals to elect or remove particular individuals to/from the Company's governance bodies. The Board of Directors will, in the manner prescribed for convening the General Meeting, communicate the text of the shareholder's counterproposal to the shareholders, together with its standpoint, in compliance with the law and the Articles of Association. The foregoing does not apply if the communication were to take place less than 2 days before the General Meeting is held or if the expenses incurred were in gross disproportion to the significance and content of the counterproposal or if the text of the counterproposal contains more than 100 words. If the counterproposal contains more than 100 words, the Board of Directors will communicate the substance of the counterproposal together with its standpoint to shareholders and publish the counterproposal on the Company's website at www.cez.cz under the "Investors" link, in the subsection concerning the 2018 Annual General Meeting in the "General Meetings" section.

d. Right to Request That a Particular Matter Be Included on the General Meeting's Agenda

If so requested by a shareholder or shareholders of the Company holding shares whose total nominal value is at least 1% of the Company's registered capital, the Board of Directors will include a matter requested by them on the agenda, provided that each such matter is supplied with a draft resolution or a rationale. If such a request is delivered after the notice of the General Meeting is published, the Board of Directors will publish a supplement to the agenda no later than five days prior to the Record Date for attendance at the General Meeting in the manner that the law and the Articles of Association prescribe for convening a General Meeting.

e. Availability and Location of Documents

From May 22, 2018, to the date of the General Meeting (inclusive), shareholders may:

- inspect the annual financial statements of ČEZ, a. s., and consolidated financial statements of CEZ Group for 2017, the Related Parties Report for 2017, and other documents relating to the General Meeting's agenda, unless the law implies otherwise, the General Meeting's draft resolutions, including shareholders' relevant proposals and counterproposals, the rationales thereof, or, as the case may be, comments of the Board of Directors on individual items on the agenda, with all the foregoing to be available in the Company's registered office at Duhová 2/1444, Prague 4, postcode 140 53, as well as in the building at Duhová 1/425, Prague 4, postcode 140 00, on business days from 8 a.m. to 4 p.m.
- obtain a printed power of attorney form to represent a shareholder at the General Meeting in the Company's registered office at Duhová 2/1444, Prague 4, postcode 140 53, as well as in the building at Duhová 1/425, postcode 140 00, on business days from 8 a.m. to 4 p.m., or, as the case may be, request in person at the addresses given above or in writing at the Company's registered office that a printed copy of the form be sent to them at their own expense and at their own risk
- download the following documents in electronic format from the Company's website at www.cez.cz under the "Investors" link, in the subsection concerning the 2018 Annual General Meeting in the "General Meetings" section:
 - the power of attorney e-form, or have the e-form mailed by sending a request to that effect to valna.hromada@cez.cz
 - documents regarding the General Meeting's agenda, unless the law implies otherwise, including the full version of annual financial statements of ČEZ, a. s., and consolidated financial statements of CEZ Group for 2017 and the Related Parties Report for 2017
 - General Meeting draft resolutions, including shareholders' relevant proposals and counterproposals, the rationales thereof or, as the case may be, comments of the Board of Directors to individual items on the agenda
- familiarize themselves with the notice of the annual General Meeting at the Company's registered office, on the Company's website at www.cez.cz under the "Investors" link, in the subsection concerning the 2018 Annual General Meeting in the "General Meetings" section, and in the *Obchodní věstník* (the official Commercial Bulletin) and, as the case may be, in other information sources.

The e-mail address valna.hromada@cez.cz is reserved solely for the purposes listed herein.

Information for shareholders will be provided at the General Meeting venue's information center on the date the General Meeting is held.

General Meeting draft resolutions and the rationales thereof or comments of the Board of Directors on the individual items on the General Meeting's agenda:

Item 1: Board of Directors' Report on the Company's Business Operations and Assets for 2017, Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act, and Conclusions of the Related Parties Report for 2017

Board of Directors' comment:

The Board of Directors' Report on the Company's Business Operations, the Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act, and Conclusions of the Related Parties Report for 2017 are presented to the General Meeting in compliance with the law and the Company's Articles of Association. This agenda item is not voted on.

Item 2: Supervisory Board Report

Board of Directors' comment:

The Supervisory Board Report is presented to the General Meeting in compliance with the law and the Company's Articles of Association. The Supervisory Board Report includes comments on the Company's annual financial statements and consolidated financial statements and on the proposal for the distribution of the Company's profit pursuant to Section 447(3) of the Business Corporations Act and Article 18(5)(c) of the Company's Articles of Association and on the Related Parties Report pursuant to Section 83(1) of the Business Corporations Act and Article 18(5)(c) of the Company's Articles of Association. This agenda item is not voted on.

Item 3: Audit Committee Report on the Results of Its Activities

Board of Directors' comment:

The Audit Committee Report on the results of its activities is presented to the General Meeting in compliance with the Company's Articles of Association. This agenda item is not voted on.

Item 4: Approval of the Financial Statements of ČEZ, a. s., and Consolidated Financial Statements of CEZ Group for 2017

Draft Resolution (1):

The General Meeting of ČEZ, a. s. hereby approves the financial statements of ČEZ, a. s. prepared as of December 31, 2017.

Draft Resolution (2):

The General Meeting of ČEZ, a. s. hereby approves the consolidated financial statements of CEZ Group prepared as of December 31, 2017.

Rationale:

Pursuant to the respective stipulations of the law and the Company's Articles of Association, the Board of Directors hereby presents both sets of financial statements to the General Meeting for approval. Pursuant to the requirements of the Accounting Act, the financial statements of ČEZ, a. s. and the consolidated financial statements of CEZ Group as of December 31, 2017 were prepared in accordance with International Financial Reporting Standards, discussed by the Board of Directors of ČEZ, a. s., audited by an independent auditor giving the opinions cited in this material, and reviewed by the Supervisory Board of the Company, which concluded that it recommends that the General Meeting approve them.

Item 5: Decision on the Distribution of Profit of ČEZ, a. s.

Draft Resolution:

The General Meeting of ČEZ, a. s. approves the distribution of the Company's 2017 profit amounting to CZK 5,105,174,054.40 and a portion of retained earnings amounting to CZK 12,669,487,992.60 as follows:

▪ Share in profit to be distributed to shareholders (the "dividend")	CZK 17,753,662,047
▪ Share in profit awarded to members of the Board of Directors and Supervisory Board (the "royalty")	CZK 21,000,000
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Total	CZK 17,774,662,047

The dividend is CZK 33 per share before tax.

The record date for entitlement to the dividend is June 28, 2018. Entities that will be shareholders of the Company as at the record date 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 will not be paid. The amount corresponding to the dividend on treasury shares held by the Company as at the record date will be transferred to the retained earnings account.

The dividend is payable on August 1, 2018. The dividend will be paid through Česká spořitelna, a.s., ID 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 heading "Investors" in the "General Meetings" section in the subsection concerning the 2018 General Meeting. The dividend will be paid until July 29, 2022.

The royalty will be distributed to members of the Board of Directors and Supervisory Board as follows: The share of each member of the Board of Directors and Supervisory Board will be determined in proportion to the time the member served on the relevant body during 2017. The royalty will be distributed to individual members of the Board of Directors and Supervisory Board in accordance with the foregoing rule by the Board of Directors. Members of the Supervisory Board are not eligible for any royalty where granting it is not permitted by law.

Rationale:

Pursuant to the applicable provisions of law and the Company's Articles of Association, decisions on the distribution of profit are within the powers of the General Meeting. The proposal for the distribution of the Company's 2017 profit and a portion of retained earnings as presented by the Board of Directors to the General Meeting for approval is in compliance with the applicable provisions of law and the Company's Articles of Association and reflects the Company's dividend policy.

Item 6: Appointment of the Auditor to Perform the Statutory Audit for the Accounting Period of the Calendar Year of 2018

Draft resolution:

The General Meeting of ČEZ, a. s. appoints Ernst & Young Audit, s.r.o., company ID No. 26704153, having its registered office at Na Florenci 2116/15, Nové Město, 110 00 Praha 1, as the auditor to perform the statutory audit for the accounting period of the calendar year of 2018.

Rationale:

In accordance with the Audit Committee's recommendation, the Supervisory Board is presenting to the General Meeting a proposal for appointing Ernst & Young Audit, s.r.o. as the auditor to perform the statutory audit.

Ernst & Young Audit, s.r.o. is a member of the multinational corporation Ernst & Young, which is one of the largest global audit firms and covers all areas where CEZ Group has business operations.

Item 7: Decision on Donations Budget

Draft resolution:

The General Meeting of ČEZ, a. s. approves a donations budget of CZK 110 million for 2019.

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.

Item 8: Information on Reasons for Contemplating CEZ Group Transformation

Board of Directors' comment:

The topic of contemplating CEZ Group transformation became widely debated by the expert and investor public and Company shareholders as well as in the media. In this connection, the Board of Directors considers it appropriate to provide shareholders with basic information on the reasons why a transformation is contemplated by the Company management, and an adequate platform for providing such information is the General Meeting. However, the purpose of including this item on the General Meeting's agenda is not to take any General Meeting decision in respect of CEZ Group transformation.

As such, this item is of a purely informative nature and will not include voting on any draft resolution.

Item 9: Removal and Election of Supervisory Board Members

Board of Directors' comment:

This item will be discussed depending on proposals possibly submitted by shareholders. Service contracts will be concluded with newly elected members of the Supervisory Board using the template wording approved by the Company's General Meeting on June 3, 2016.

The Board of Directors would also like to point out that this item on the General Meeting's agenda anticipates potentially voting on two relatively independent sets of issues, namely the removal of current members of the Supervisory Board and the election of new members. The two sets will be debated separately, meaning that if proposals are submitted on this item, any proposals to remove members of the Supervisory Board will be voted on first (in the order specified by the Company's Articles of Association—see also above in section 2.b of this Notice) and only then will any proposals for the election of new members of the Supervisory Board be voted on in the appropriate order. It is therefore needed that shareholders submit any proposals to elect or remove members of the Supervisory Board separately.

The Board of Directors believes that the foregoing procedure will ensure, among other things, that it is clear in advance how many vacancies on the Supervisory Board, arisen after the potential removal of existing members, can be filled by electing new members.

Item 10: Removal and Election of Audit Committee Members

Board of Directors' comment:

This item will be discussed depending on proposals possibly submitted by shareholders. Service contracts will be concluded with newly elected members of the Audit Committee using the template wording approved by the Company's General Meeting on June 3, 2016.

The Board of Directors would also like to point out that this item on the General Meeting's agenda anticipates potentially voting on two relatively independent sets of issues, namely the removal of current members of the Audit Committee and the election of new members. The two sets will be debated separately, meaning that if proposals are submitted on this item, any proposals to remove members of the Audit Committee will be voted on first (in the order specified by the Company's Articles of Association—see also above in section 2.b of this Notice) and only then will any proposals for the election of new members of the Audit Committee be voted on in the appropriate order. It is therefore needed that shareholders submit any proposals to elect or remove members of the Audit Committee separately.

The Board of Directors believes that the foregoing procedure will ensure, among other things, that it is clear in advance how many vacancies on the Audit Committee, arisen after the potential removal of existing members, can be filled by electing new members.

Board of Directors of ČEZ, a. s.