

Invitation to an Extraordinary General Meeting of the Shareholders of CEZ Electro Bulgaria AD

Dear Shareholders,

The Management Board of CEZ Electro Bulgaria AD, a joint-stock company incorporated and existing under the laws of the Republic of Bulgaria, having its seat and address of management at: 140, G. S. Rakovski Street, Sredets Region, 1000 Sofia, registered with the Trade Registry at the Registry Agency under Uniform Identification Code 175133827, and having its official web-site on the Internet at <http://www.cez.bg> (hereinafter referred to as the “**Management Board**” and the “**Company**”, respectively) took a resolution for convening an extraordinary session of the General Meeting of the Shareholders of the Company (hereinafter referred to as the “**General Meeting**”), on the grounds of Art. 223, Par. 1, first sentence of the Law on Commerce and Art. 43, first sentence of the By-Laws of the Company.

In performance of the resolution, the Management Board does hereby invite you to attend the General Meeting. The General Meeting will be held on 29 May 2015 at 11:00 a.m. in Sofia at the following address: 1000 Sofia, Sredets Region, 140, G. S. Rakovski St., 5th floor, with the following agenda and draft resolutions:

- 1. Adopting a resolution on the authorization of the Management Board of the Company for the entering into a framework agreement for supplies of electricity with CEZ Trade Bulgaria EAD, which supplies exceed or may exceed the thresholds under Art. 114, Par. 1, item 1 and 2 of the Law on Public Offering of Securities**

Draft resolution: “The General Meeting, on the grounds of Art. 114, Par. 1, items 1 and 2 in relation to Art. 114a, Par. 6 of the Law on Public Offering of Securities, authorizes the Management Board of the Company to enter into, in accordance with the rules on the representation of the Company before third parties, a framework agreement for supply of electricity under the following essential terms and conditions:

- (a). *parties to the framework agreement:*

CEZ Trade Bulgaria EAD (as the supplier) and CEZ Electro Bulgaria AD (as the client)

- (b). *subject-matter of the framework agreement:*

The subject-matter of the framework agreement is supply of electricity (and services auxiliary to such supply) designated for end clients, to whom CEZ Electro Bulgaria AD is required by law and under its licenses to sell electricity at freely negotiated prices.

The supply will be done in accordance with bulk contracts or individual contracts concluded periodically within the framework of the agreement.

Under the bulk contracts, the supplier supplies the electricity and bears the costs for forecasting and balancing, which costs are related to the end clients on the free market, and the client pays the market price of such electricity increased by such costs and by a premium for the risks assumed by the supplier.

Under individual contracts, the supplier supplies the electricity, and the client pays the market price of such electricity and bears the costs for forecasting and balancing, which costs are related to the end clients on the free market.

- (c). *expected yearly volume of supplied electricity:*

The total annual consummation of electricity by end clients on the free market is expected at the outset to be circa 200,000 MWh per year. Due to the fact that the free market is still in the process of inauguration, the actual consummation at any given moment could substantially deviate from the expected one.

(d). *price of the electricity:*

In the bulk contracts the price of the supply includes: (i). the price of the electricity at which the supplier purchases it from selected producers or on regulated markets; (ii). the direct expenses of the supplier for the purchase of such electricity from such selected producers or on such regulated markets and for the shaping of such electricity in accordance with the needs of the client; (iii). a mark-up for the costs for forecasting and balancing, updated periodically to market levels in accordance with transfer pricing documentation; and (iv). a premium on the risks assumed by the supplier, updated periodically to market levels in accordance with transfer pricing documentation.

In the individual contracts, the price of the supply includes: (i). the price of the electricity at which the supplier purchases it from selected producers or on regulated markets; and (ii). the direct expenses on the purchase of such electricity from such selected producers or on such regulated markets and for the shaping of such electricity in accordance with the needs of the client.

(e). *duration of the framework agreement:*

from 1 July 2015 onwards until its termination in accordance with the terms and conditions of the framework agreement

(f). *beneficiaries of the framework agreement:*

CEZ Electro Bulgaria AD and CEZ Trade Bulgaria EAD

(g). *other essential terms and conditions of the framework agreement:*

CEZ Electro Bulgaria AD places orders for bulk supplies and individual supplies in accordance with the consumer needs of the end clients on the free market.

CEZ Trade Bulgaria EAD assumes – under the bulk contracts – the risks, related to forecasting and balancing of the differences between the volumes of forecasted and actually consummated electricity by the end clients on the free market.

The parties do not commit themselves to any obligations for delivery or receipt of electricity of any guaranteed volume.

The metering of the supplied electricity is done in accordance with the requirements of the applicable law and the usual commercial practices in similar cases.

The payment of the price of the supplies is done on a monthly basis.

2. Miscellaneous

Any and all shareholders of the Company are invited to attend the General Meeting. Please, note the following terms and conditions to the preparation for, participation in, and voting at, the General Meeting:

1. *Record Date of Holding Shares for the Purpose of the General Meeting*

Shareholders – natural persons – will be required to evidence their identity by way of presentation of an identity card or passport.

People, who are statutory representatives of legal entities – shareholders, will be required to evidence: (a). their identity, as shown in the preceding paragraph; and (b). their representative power by way of presentation, in a hard-paper original counterpart, of an excerpt from the registry or other record by a competent authority, which is assigned by applicable law with the keeping of the corporate (or other, as relevant to any specific type of legal entity) files of the respective type of legal entity, such excerpt or other record containing the name and position of the respective statutory representative/s and being updated as of not earlier than 3 (three) months before the date of holding of the General Meeting, i.e. not earlier than 1 March 2015. Where the excerpt or other record is originally prepared in a foreign language, the excerpt or other record will be required to bear an Apostille seal or be otherwise legalized for use in Bulgaria, as required by Bulgarian law, and have translation of the relevant information into Bulgarian, which is done by a sworn translator.

3. Representation by Power of Attorney

Each shareholder has the right to authorize an individual or a legal entity for representation at the General Meeting by receiving the materials for, participation in, and voting at, the General Meeting in the name and at the expense of the shareholder by way of Power of Attorney.

No shareholder may be represented by a member of the Management Board or the Supervisory Board of the Company, unless the shareholder has expressly specified the manner of voting on each of the items on the agenda in the Power of Attorney.

The attorney-in-fact has the same rights as the shareholder represented by him. The attorney-in-fact is obliged to exercise the voting rights in accordance with the instructions of the shareholder contained in the Power of Attorney (if any).

An authorized attorney-in-fact may represent more than one shareholder at the General Meeting. In such event, the authorized attorney-in-fact may vote in a different manner with the shares held by the different shareholders represented by him.

The Power of Attorney for the representation of a shareholder at the General Meeting should be: granted for the specific session of the General Meeting; express; set out in written form; and having the following requisites at the least: details of the shareholder and the attorney-in-fact; number of the shares, to which the Power of Attorney refers; the agenda of the items proposed for discussion; the draft resolutions on each of the items on the agenda; the manner of voting on each of the items on the agenda, if applicable; date and signature. In the event that the Power of Attorney does not contain the manner of voting on any or all of the items on the agenda, the Power of Attorney needs to contain the statement that the attorney-in-fact has full discretion as to whether or not and, if yes, how to vote.

A form of a Power of Attorney for the General Meeting will be prepared by the Company and made available to the shareholders for use from the date of announcement of this present invitation at the Trade Registry until the date of holding of the General Meeting, as follows: (a). in a hard-paper copy amongst the materials for the General Meeting at the address of management of the Company; and (b). in an electronic form at the official web-site of the Company on the Internet.

In the event that a shareholder authorizes an attorney-in-fact for the General Meeting, a copy of the Power of Attorney will be required to be sent to Ms. Kremena Stoyanova, Executive Director of the Company by any of the following means: (a). by registered post to the address of management of the Company specified hereinabove; or (b). by e-mail to the following address:

invitation at the Trade Registry until the date of holding of the General Meeting, as follows: (a). in a hard-paper copy amongst the materials for the General Meeting at the address of management of the Company; and (b). in an electronic form at the official web-site of the Company on the Internet.

In the event that a shareholder authorizes an attorney-in-fact for the General Meeting, a copy of the Power of Attorney will be required to be sent to Ms. Kremena Stoyanova, Executive Director of the Company by any of the following means: (a). by registered post to the address of management of the Company specified hereinabove; or (b). by e-mail to the following address: generalmeetings.elek@cez.bg; or (c). by fax to the following fax number of the Company +359 (2) 987 18 52, by 5:00 p.m. Sofia time on the last working day before the date of holding of the General Meeting, i.e. by 28 May 2015. The notice of the authorization could also be given by use of electronic means – the e-mail of the Company announced at the official web-site of the Company on the Internet. The original hard-paper counterparts of the Powers of Attorney will be required to be presented upon the registration of the shareholders for participation in the General Meeting. The original hard-paper counterparts of the Powers of Attorney will be required to be presented upon the registration of the shareholders for participation in the General Meeting.

4. No Voting by Correspondence or Electronic Means

To the General Meeting will not apply the rules for voting by correspondence or by electronic means provided for in Art. 115, Par. 2, item 5 of the Law on Public Offering of Securities.

5. Rights of the Shareholders Associated with the General Meeting

5.1. Number of Shares and Voting Rights

The total of all shares of the Company as at the moment of the resolution of the Management Board on the convocation of the General Meeting is 5,000 (five thousand). Each of these shares entitles to 1 (one) vote at the General Meeting. The total of all votes at the General Meeting is 5,000 (five thousand).

5.2. Statements, Questions and Proposals for Resolution

Each shareholder has the right to make statements, ask questions and, subject to compliance with the statutory procedure for that – propose resolutions on any and all of the items of the agenda of the General Meeting, as announced by this present invitation. Unless otherwise required by law, the deadline for exercising the right to propose resolutions is the end-time of the regime of discussions on the respective item of the agenda and before the start-time of the regime of voting on the item. The questions of the shareholders may also refer to matters, which are not covered by the announced items of the agenda of the General Meeting.

5.3. Addition of Items to the Agenda

Shareholders who/which, individually or collectively, hold shares representing at least 5% of the registered capital of the Company may, after the announcement of this present invitation at the Trade Registry, include other items in the agenda of the General Meeting. For that, they should submit for announcement at the Trade Registry a list of the items for adding to the agenda and the draft resolutions on such items not later than 15 days before the date of holding of the General Meeting. By their announcement in the Trade Registry, the items should be considered included in the proposed agenda. Not later than the next working day after the announcement, the shareholders should present the list of items, the draft resolutions and the written materials at the seat and the address of management of the Company and to the Financial Supervision Commission.

6. Rules of Procedure of the General Meeting

The session of the General Meeting will be held in compliance with the Rules of Procedure of the General Meeting of CEZ Electro Bulgaria EAD, as approved on the Regular Annual General Meeting of the shareholders of the Company, held on 27 June 2013.

7. *Inadmissible Resolutions*

The General Meeting cannot take resolutions concerning issues, which have not been announced in accordance with Art. 223 and 223a of the Law on Commerce, except where all shareholders of the Company are attending or are represented at the General Meeting and no one objects to the raised issues being discussed.

8. *Lack of Quorum*

In the event of lack of quorum, pursuant to Art. 227, Par. 3 of the Law on Commerce and Art. 46, Par. 3 of the By-Laws of the Company will be held a new session of the General Meeting on 12 June 2015 at 11:00 a.m., at the same place and with the same agenda.

9. *Availability of the Materials for the General Meeting*

As from the date of announcement of this present invitation at the Commercial Registry until the date of holding of the General Meeting, the materials relating to its agenda will be made available to the shareholders and their representatives at the address of management of the Company: 140, G. S. Rakovski Street, Sredets Region, 1000 Sofia, and will be provided, upon request by a shareholder or a representative of a shareholder, at no cost. Throughout the same period of time, the materials will also be available at the official web-site of the Company on the Internet.

10. *Breach of the Requirements for Registration and Representation by Power of Attorney*

In the event of breach of any of the requirements for registration and/or representation by Power of Attorney, as set out in items 2 and 3 of this present invitation, in any respect whatsoever, the shareholder or statutory representative of a shareholder or proxy of a shareholder will not be allowed to participate in the discussion and vote on any or all the of items of the agenda of the General Meeting, as the case may be, or where he has participated or voted so, his statement/s and vote/s will be disqualified.