

Czech Grid Holding, a.s.

Work Health, Safety, and Environmental Protection Committee

Terms of Reference

1. Purpose and scope

The Work Health, Safety, and Environmental Protection (WHS) committee (Committee) is appointed as a committee of the Board of Directors of the Company ("the Board").

Czech Grid Holding, a.s. ("the Company") is a safety critical business, consequently it is essential it has in place the appropriate management systems and operational frameworks to ensure effective delivery of its obligations.

The role of the Committee is to assist the Board to fulfil its responsibilities in relation to Work Health, Safety, and Environmental Protection (in short "WHS") matters of the Company.

The main objective for the Committee is to provide independent assurance to the Board regarding the adequacy and effectiveness of the Company's WHS management systems and their application.

The Committee has the delegated authority of the Board in respect of the functions and powers but only to the extent set out in these terms of reference.

The Committee shall carry out its function for the Company and its subsidiaries as appropriate.

2. Membership

2.1. The Committee shall comprise of a Chairman and a representative for each shareholder.

2.2. Other Directors can attend the Committee as observers.

2.3. The Committee Chairman can request members of the Management Team, to be in attendance, this will normally include the Chief Executive, the Company Secretary, Chief Assets Officer (CAO), Chief Operations Officer (COO) and Chief Services Officer (CSO) - responsible for WHS - and ESG & Security Director. Other representatives of the business and external advisers may be invited to attend.

2.4. In the event that a member of the Committee is unable to attend a meeting, his/her alternate on the Board can attend the meeting on behalf of that member with the prior consent of the Chairman of the Committee provided that if a member does not have an alternate on the Board, in the case of a shareholder appointed member, the member may nominate another director appointed by the same shareholder to attend on behalf of that member.

2.5. The Board shall appoint the Chairman of the Committee. In the absence of the Chairman of the Committee and any appointed deputy, the remaining members present shall elect another Committee member present to chair the meeting.

3. Secretary

3.1. The Company Secretary or his/her nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Quorum and voting

4.1. The quorum necessary for the transaction of business shall be two members of the Committee.

4.2. If any conflicts of interest exist with a particular member of the Committee on any particular issue, then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest and shall not count in the quorum in respect of such issue.

5. Frequency of meetings

5.1. The Committee shall meet at least four times per annum (1x per quarter) and at such other times as the Chairman of the Committee or any of its members shall require.

6. Notice of meetings

6.1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee, any of its members or the CSO responsible for WHS.

6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be circulated or made available electronically to each member of the Committee and any other person required to attend, no fewer than seven days prior to the date of the meeting to enable proper consideration of the relevant issues.

7. Minutes of meetings

7.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2. The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3. Following the review of the Chairman of the Committee, minutes of Committee meetings shall be circulated to all members of the Committee for approval not later than the next following Committee meeting.

7.4. Once agreed, minutes of the meetings shall be signed by the Committee Chairman.

7.5. The Chairman of the Committee or, in his or her absence, another member of the Committee, will report to the Board on meetings of the Committee.

7.6. Approved minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chairman of the Committee.

8. Duties

8.1. The duties of the Committee shall be to:

- a) provide the Board with assurance as to the adequacy and effectiveness of the Company's WHS management systems and their application;
- b) proactively review and provide guidance on WHS strategies, policies, initiatives, risk exposure, targets and performance of the Company and, where appropriate, of its suppliers and contractors;
- c) make recommendations to the Board it deems appropriate on any area within its remit and refer all key WHS strategic and policy decisions to the Board for approval;
- d) support management in the development of their annual WHS Management Plan, targets and supporting initiatives;
- e) monitor the WHS performance of the assets;
- f) review operational performance – a review of key performance indicators, lost time injuries and other reporting measures being adopted by the Company in relation to WHS matters, the root cause analysis and associated action plans, near miss and non-conformance trends;
- g) review the impact of the Company's operations on the environment, including contaminated land, and how the Company adapts its business in the light of climate change, as well as general environmental matters;
- h) review third-party interference and damage trends and any associated action plans;

- i) review contractor safety and environmental performance focusing specifically on the assurance programme for the management of hazardous activities;
- j) form a view on the WHS culture or the organisation and identify changes needed to achieve a more robust WHS culture;
- k) consider forthcoming legislation and other requirements relating to WHS matters;
- l) monitor the demonstration of management commitment to WHS; and
- m) consider any external reporting on WHS matters that is not otherwise covered above.

9. Chairman of the committee

9.1. The Chairman of the Committee or, in his or her absence, another member of the Committee shall:

- a) be directly notified of any Work Health, Safety, and Environmental Protection related event that the CEO deems of appropriate materiality based on the severity of the matter, reputational issues, and media interest, and ensure the Board is so informed;
- b) on a monthly basis, receive WHS reports presented to the Executive Committee of the Board;
- c) on a semi-annual basis, receive a Board report from Company's ESG & Security Director that is further shared and presented to the CGH Board (per article 13 of this document);
- d) update the CGH Board on topics and decisions discussed during each Committee meeting, matters requiring board approval, and on WHS matters of significance with details of follow-up action plans;
- e) as envisaged in Section 9 below, advise the Audit Committee of WHS risks and compliance matters which the Committee has considered.

10. WHS audits

10.1. The Committee shall, in relation to WHS audits:

- a) quarterly, receive an update on the audits that occurred in the time period.
- b) annually, receive a report on the audits carried out across the Company;
- c) annually, receive list of planned audits for the forthcoming year;

11. Committee performance and terms of reference

11.1. The Committee shall, on a regular basis, but no less than annually, review its own performance, constitution and terms of reference and seek approval of the Board to any changes. The Board should also review the Committee's effectiveness annually.

12. Site visits, training and meetings with employees

12.1. Members of the Committee should, where reasonably practicable, plan to attend at least two site visits a year. Such visits include site visits undertaken in the context of the Board program of site visits.

12.2. The Committee shall consider, on a regular basis, whether training, meetings with Company employees and Committee site visits to the Company's facilities should also be organised by the CSO responsible for the purpose of furthering the members' understanding of safety, health and environment issues within the Company and observing business operations.

13. Committee's interface with other Committees

13.1. The Committee will provide an update to the Board on a 6 monthly (semi-annual) basis and prepare annual WHS report for approval by the Board.

14. Authority

14.1. Subject to any restrictions imposed by law, the Committee is authorised to seek any information it requires from any employee of the Company and its subsidiaries in order to perform its duties.

14.2. The Committee is authorised to call any member of staff to be present at a meeting of the Committee as and when required.

14.3. The Committee has the authority to access sufficient resources and professional advice as is reasonable, at the Company's expense, in order to carry out its duties, including access to the Company Secretariat for assistance as required.

14.4. Members shall be provided with training as appropriate, both in the form of an induction programme for new members and on an ongoing basis for all members.

14.5. As required, commission and consider where external reviews, investigations or audits as may be beneficial, with the approval of the Board.