

## Regulatory Compliance Policy [Australia]

BayWa-AUS-PO-RegulatoryCompliance-001

### Version History

Version	Update Details	Date	Approved by
1.0	Regulatory Compliance Policy	19 May 2021	Nathan Everitt

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## 1 Scope

This policy applies to all Australian incorporated subsidiaries of BayWa r.e. AG which conduct business activities in Australia (except BayWa r.e Solar Systems Pty Ltd with ACN 614 035 620) (“**BayWa**”).

## 2 Purpose

This policy sets out BayWa’s approach to managing compliance with applicable regulatory requirements including: legislation, regulations, codes of practice, standards and alike relevant to its activities (“**Regulations**”). BayWa recognises that compliance with the Regulations is essential for conducting business in Australia and forms part of good governance practices.

## 3 Policy Statement & Principles

BayWa aims to comply with all applicable Regulations. BayWa aims to maintain the highest standards of diligence in compliance through its policies and management to meet its legal obligations under the Requirements.

BayWa compliance management is founded on the following principles:

- i. endorsement of compliance programs from the Managing Director(s);
- ii. engagement with employees and contractors to identify and adequately manage compliance issues/risks if and when they arise; and
- iii. requisite allocation of resources and training to manage compliance obligations.

## 4 Responsibilities

Responsibilities for compliance are delineated as follows:

- i. Directors – responsible for oversight and leadership, including the development and effective implementation of this policy;
- ii. Senior Management – responsible for development and implementation of appropriate plans and procedures applicable to the activities of the business; and
- iii. All staff.

BayWa aims to provide all employees and contractors with:

- i. any relevant information in relation to the Requirements;
- ii. requisite training to carry out their work in a safe and compliant manner.

## 5 Regulatory Environment

BayWa understands that conducting business in Australia, and in particular the development and operation of electricity generation assets, is carried out in a complex regulatory environment, the key elements of which are:

1. Legal and Financial
  - Federal, state and local laws;
  - Federal and State WHS legislation; and
  - Relevant Accounting Standards.
2. Operational (specifically in respect of the generation and sale of electricity)
  - Electricity Distribution Code;

- Electricity Industry Guideline No. 15 Connection of Embedded Generation;
- Electricity Safety Act 1998 (Vic) and related Regulations;
- The Blue Book (The Code of Practice on Electrical Safety for Work on or Near High Voltage Electrical Apparatus);
- Relevant Australian Standards including AS3000;
- National Electricity Rules (NER); and
- National Electricity Law.

### 3. Project-specific

In addition, and beyond the above, BayWa enters into project-specific obligations in respect of operational requirements including but not limited to:

- Grid Connection Agreements; and
- Generator Performance Standards (“automatic” or negotiated in association with the relevant project connection agreement).

## 6 Elements of Compliance Management

Successful implementation of this policy occurs via the following elements:

### 6.1 *Commitment, Culture & Accountability*

- Ongoing commitment to establish clear frameworks relating to compliance and provision of requisite resources to ensure best practices are adopted (or developed) by all employees and contractors.
- Through leadership emphasising the importance of compliance to encourage employees and contractors to take ownership of, and proactively raise, compliance issues (or deficiencies) when first noted.
- Ensuring no employee or contractor is disadvantaged as a result of reporting a compliance breach, and that repercussions of breaches are determined on a case-by-case basis.

### 6.2 *Implementation*

This Policy will be implemented via:

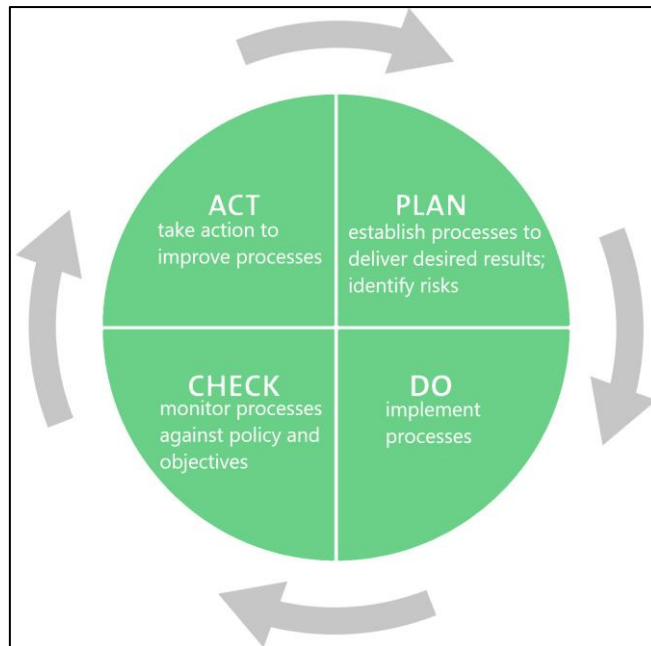
#### Plans

Management Plans will be developed and implemented to provide framework for the management of compliance such as:

- Plant Operation Management Plan [BayWa-AUS-MP-PlantOperation-001]
- Market Operations Management Plan (Non-scheduled) [BayWa- AUS-MP-MarketOperationsNS-001]
- Cyber Security Management Plan [BayWa-AUS-MP-CyberSecurity-001]

#### Procedures and Processes

Procedures and processes will be developed or adopted to ensure compliance with the Regulations. All BayWa processes will be developed and maintained using the Plan-Do-Check-Act cycle into which risk-based thinking, and continuous monitoring of outcomes and improvements, are embedded.



The procedures and processes will provide clear directions and assign roles and responsibilities in relation to the different activities of BayWa, for example:

- WHS Risk Management Procedure [BayWa-0-PRO-WHS Risk Management-200205-A]
- HV Electrical Safety Rules [BayWa-0-PRO-HV HV system]
- Contractor Management Procedure [BayWa-0-PRO-WHS ContractorManagement-200114-A]
- Isolation and Tag Out Procedure [BayWa-0-PRO-WHS IsolationTagOut -200214-A.docx]
- Performance Measurement [BayWa-0-PRO-WHS MeasuringPerformance-200114-A.docx]
- Event Procedures (including procedure for Non-Compliances relating to SCADA, Alarms, External Notifications (NSP or AEMO), Trip Events and Power Quality Events)

### 6.3 *Monitoring and Review*

Embedded in the above plans and procedures are obligations to undertake regular reviews. This is supported via annual reviews of procedures and specific investigations in response to any non-compliances.

For contractors and agents, compliance is a criteria for their selection to ensure they have robust policies, processes and systems that meet or exceed BayWa own.

Monitoring compliance of regulatory matters is managed using a method relevant to and effective for each matter.

This may be through methods such as regular and routine inspections, such as safety audits or use of automatic notification systems for plant technical compliance.

The implementation of these systems or processes may utilise, for example, internal resources, external consultants or software products or platforms, individually or in combination with each other.

#### 6.4 Management of Non-compliance

BayWa fosters a culture of compliance and no blame associated with the reporting of accidental breaches or those identifying process errors. However, employees or contractors committing deliberate or negligent breaches will be subject to disciplinary action.

Relevant procedures that provide a process for the reporting and investigation of compliance breaches or potential breaches to provide for appropriate action include:

- BayWa-0-PRO-WHS IncidentRecordingInvestigationAnalysis-200114-A.docx
- BayWa-0-PRO-WHS ReportingRecordsManagement-200205-A.docx

## 7 Related Documents

### 1. Corporate

- BayWa AG Corporate Policy: Compliance [Version 2 from 21 April 2020]
- BayWa AG Risk Management Manual [October 2018 Version]

### 2. Management Plans

- Plant Operation Management Plan [BayWa-AUS-MP-PlantOperation-001]
- Market Operations Management Plan (Non-scheduled) [BayWa- AUS-MP- MarketOperationsNS-001]
- Cyber Security Management Plan [BayWa-AUS-MP-CyberSecurity-001]
- WHS Risk Management Procedure [BayWa-0-PRO-WHS Risk Management-200205-A]

### 3. Procedures

- WHS Risk Management Procedure [BayWa-0-PRO-WHS Risk Management-200205-A]
- HV Electrical Safety Rules [BayWa-0-PRO-HV HV system]
- Contractor Management Procedure [BayWa-0-PRO-WHS ContractorManagement-200114-A]
- BayWa-0-PRO-WHS IsolationTagOut -200214-A.docx