

Minutes of the **1st Extraordinary (COVID-19) Meeting** of
the Board of the Australian Institute of Petroleum Ltd
via Teleconference, on Tuesday 7th April 2020, 10:15-11:15 am

Present:

Scott Wyatt (Chairman)	Viva Energy Australia
Frédéric Baudry	BP Australia
Matt Halliday	Caltex
Riccardo Cavallo	ExxonMobil
Paul Barrett	AIP
Nicky Reading (Company Secretary)	AIP
Nathan Dickens	AIP
Peter Gniel	AIP

1 Apologies

No apologies: all Directors present.

2 Interim ACCC Authorisation

The Board noted the engagement that AIP has had with the ACCC over the past month in dynamic response to COVID-19 and, on 3rd April 2020, the ACCC granted an interim authorisation to AIP and its member companies for the purpose of dealing with the effects of the COVID-19 pandemic on Australia's fuel products supply chain. The Board noted the ACCC Interim Authorisation commences immediately and remains in place until it is revoked or the date the ACCC's final determination comes into effect.

The Board noted the ACCC Interim Authorisation applies to specified allowable conduct and is subject to specific conditions and notification requirements, namely reporting of material arrangements entered into, the provision of information to ACCC on request, and ACCC approval of any future parties to the authorisation. The Board discussed the ACCC obligations and notification requirements (on Material Arrangements) under the Interim Authorisation. These conditions seek to ensure there is transparency, over the agreements reached and strategies implemented at the highest level (the AIP Board) under the Proposed Conduct.

All present noted their general understanding of the provisions of the Competition and Consumer Act 2010 (Cth) and the prohibition on anti-competitive practices generally, as well as the scope of the Authorisation. The attendees acknowledged and agreed that the attendees, as competitors (or representatives of competitors) in the oil industry, do not and will not carry out or be involved in any anti-competitive practices in respect of their involvement on the AIP Board, and specifically in relation to the ACCC Authorisation, except as authorized by the Authorisation. Attendees agreed

that if they have any questions regarding the scope of the Authorisation, that they will promptly refer those to internal or external legal counsel.

3 Material Arrangements under the Interim ACCC Authorisation

The Board discussed and agreed establishment of a Supply Response Committee with the focus to be on dealing with the effects of the COVID-19 pandemic on Australia's fuel products supply chain. The Board agreed to each nominate one primary company representative plus one alternate for the Committee.

The Board agreed that the draft Committee Charter be reviewed by company representatives and lawyers for confirmation at the next Extraordinary (COVID-19) AIP Board Meeting. The Board noted that there are already established coordination processes and AIP working groups in place, to address some current industry operational and policy issues, that would not ordinarily raise competition law concerns (e.g. fuel waivers, shipping and quarantine, priority testing for refinery workers). In that light, the Supply Response Committee, and its associated Charter, will address specific COVID-19 supply planning and management issues only (the proposed conduct specified in s10 of the Interim Authorisation) which would otherwise not occur due to competition law.

The Board agreed that company legal departments consider the appointment of an independent competition lawyer to attend each Supply Response Committee Meeting to provide advice where necessary and protect the interests of the parties and representatives during and beyond COVID-19, and that this be addressed as part of the Charter review.

The Board agreed that all Committee Minutes be presented to the AIP Board. Additionally, the Board agreed that any bilateral Meetings be appropriately convened, attended by an AIP representative (and potentially, a lawyer) and Minuted. These Minutes would also be presented to the AIP Board.

The Board noted that AIP will ensure all required notifications, information or clarification will be provided to the ACCC, including that, in accordance with the Interim Authorisation, the ACCC must be advised not less than 24 hours before any material arrangement is implemented.

4 Immediate Refinery Relief Measures

The Board noted the industry representation on different Government groups and processes.

The Board noted Government requests for the tendering of options by industry to provide relief and support to the industry in meeting current market challenges. BP advised that they have a group policy to not access short-term governmental financial assistance in direct response to COVID-19. Caltex advised their preference is for a focus on longer term viability following COVID-19 impacts on industry.

5 Longer Term Refinery Coordination

The Board discussed the longer term challenges faced by the refinery sector and development of options for longer term coordination, noting the expected 12 month duration of the authorisation. The Board agreed to the establishment of a Refinery Response Committee to address these matters during and potentially post COVID-19 and that a Charter would be developed for this Committee and Representatives and Alternates nominated.

6 Next Meeting

The Board agreed that the next Extraordinary Meeting during COVID-19 (Meeting 2) will be scheduled following progress of the drafting of the Supply Response Committee Charter.

Approved by:



Scott Wyatt
Chairman
23 April 2020