

## Members in Attendance

Bill Shields (Chairman), Nigel Brunel (OM Financial Limited), Thomas Carstensen (Arla Foods AMBA), Robert Chesler (INTL FCStone Inc.), Gilbert Chow (Inner Mongolia Mengniu Dairy (Group) Co. Limited), Vince Curtin (Burt Lewis Ingredients LLC), Kimberly Fisk (Nestrade S.A.), Kishore Jhala (Gujarat Co-operative Milk Marketing Federation Limited), Nick Morris (NZX Limited), Bruce Turner (Fonterra Co-operative Group Limited)

## Operational Attendees

Eric Hansen (Market Administrator, GlobalDairyTrade Holdings Limited)

Brad Miller (Trading Manager, CRA International Inc.)

Note: Under Clause 4.4 of the GDT Events Oversight Board Charter, GDT and CRA are not formal members of the Oversight Board. They are present to provide specific comment or information regarding their respective functions and roles in respect of the auction platform.

## Secretary

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Eric Hansen (GDT)

## Meeting opened at 8:03am Auckland

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Chairman Bill Shields opened the meeting and noted that the Agenda and all relevant papers had been circulated in advance of the meeting and would be taken as read. Chairman also noted the Guiding Principles and anti-trust compliance requirements attached to the Agenda.

## Item 1: Apologies and Agenda

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No apologies were received.

## Item 2: Minutes and Matters Arising from previous meeting

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Chairman noted that the Minutes of the previous meeting had been signed as final and published on the GDT website.

On Matters Arising, Eric Hansen commented that the contingency plan for CRA had been determined and would be subject to cost/benefit analysis prior to any decision to implement.

## Item 3a: Director's Report

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Chairman referred members to the paper "Director's Report" which was taken as read.

Members discussed GDT's US and Latam sales activities, the platform refresh, GDT Marketplace, and potential liquidity initiatives. This included comments by Eric Hansen and Brad Miller on the status of the platform refresh.

Chairman referred members to the final section of the paper on Membership of the Oversight Board, noting that the current term of the Board is due to end on 31 December 2020.

Chairman and Members discussed how the extraordinary circumstances arising from the globally disruptive Covid-19 event had prevented meetings from being held in person to discuss substantive matters and the undesirability of significantly changing the membership of the Oversight Board at this time given the continuing uncertainty

arising from the official and corporate responses to Covid-19.

Chairman proposed that it would be preferable to extend the term of the current Oversight Board by 12 months as an extraordinary measure to ensure the continued effective and efficient operation of the Oversight Board during 2021, noting that he had discussed this with Fonterra as the owner of GDT and they supported this approach.

A change would be required to the Oversight Board Charter either as a one-off exception or with a new clause enabling future extensions under extraordinary circumstances. Members were unanimous in support of considering a possible amendment to the Charter.

*Action: GDT to draft a possible amendment to Charter for consideration by Members*

Resolved:

- NOTED the contents of the Directors Report.

### **Item 3b: Operations Report**

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Chairman referred members to the paper "Operations Report" which was taken as read.

Eric Hansen drew Members attention to the typo in paragraph 3 that incorrectly stated the traded quantity for the 12 months to September 2020 as 669,937 MT, with the correct amount being 699,937 MT.

Eric Hansen also commented on Figure 4 showing the lowest number of quarterly participating bidders over the past five years and to Figure 6 showing the longest quarterly average duration of Trading Events over the past five years. Other operational statistics were within their normal ranges.

Resolved:

- NOTED that the key performance indicators show a stable environment over the past two quarters;
- NOTED GDT's judgement that GDT Events continues to provide a good basis for price outcomes to reflect the balancing of demand and supply conditions.

### **Item 3c: Compliance Report**

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Chairman referred members to the paper "Compliance Report" which was taken as read.

Resolved:

- NOTED that GDT had submitted findings from the following reviews:
  - a. Market surveillance report
  - b. Conflicts of interest statement
  - c. Confidentiality Deed compliance review
  - d. Anti-trust compliance review (annual)
  - e. Governance Principles compliance audit.

Eric Hansen commented that PwC had been appointed as the new auditor for items c and e, with the result that some areas requiring further documentation had been identified.

### **Item 5: General Business**

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Members agreed that the next meeting should be held towards the end of Q1 2021 as a Teams meeting, with a watching brief thereafter for when an in-person meeting may become feasible for the majority of members to form a meaningful quorum.

The decision will be made by consensus to ensure health & safety and travel restrictions are managed appropriately.

**Meeting concluded at 9:10am Auckland**

Signed as True & Correct

A handwritten signature in black ink, appearing to read 'Bill Shields', written in a cursive style.

Bill Shields  
Chairperson

16 November 2020

