

Members in Attendance

Bill Shields (Chairman), Nigel Brunel (OM Financial Limited), Robert Chesler (INTL FCStone Inc.), Vince Curtin (Burt Lewis Ingredients LLC), Kishore Jhala (Gujarat Co-operative Milk Marketing Federation Limited), Nick Morris from 3:24pm (NZX Limited), Niels Erik Larsen (Arla Foods AMBA), Joshua Sigmund (Fonterra Co-operative Group Limited)

Operational Attendees

Eric Hansen (Market Administrator, GlobalDairyTrade Holdings Limited)

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

Secretary

Eric Hansen (GDT)

Meeting opened at 3:18pm Singapore

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

Apologies were received from Hafid Brhama (Falait SPA) and Linhui Kang (Inner Mongolia Mengniu Dairy (Group) Co. Limited).

A late item relating to recent developments in AMF prices was added as a discussion topic on General Business .

Item 2: Minutes and Matters Arising from previous meeting

Members agreed that the Minutes of the previous meeting be signed by the chairman as final.

On Matters Arising the chairman noted that implementation of contingency plans for vendor insolvency have been delayed until after launch of the refreshed trading platform.

Items 3: Replacement of Oversight Board Member

Nick Morris joined the meeting.

Chairman briefed Members on communications with Falait SPA regarding their inability to regularly attend meetings, and with Nestrade S.A. regarding their nomination for election to the Board.

Resolved:

- ENDORSED the Chairman's action to terminate Falait SPA's role as a Member of the Oversight Board;
- APPROVED unanimously that Nestrade S.A. be elected to become a Bidder Group Member of the Oversight Board for the balance of the Board's current term that ends on 31 December 2020.

Items 4a and 4b: Director's Report and Operations Report

Chairman referred members to the papers "Director's Report" and "Operations Report". Matters discussed included:

- Platform refresh: Eric Hansen provided further clarity on the causes of the delayed launch and commented that with the upcoming holiday season that the launch date will be at least March next year. Members commented that it would be useful for future communications with bidders to be clearer about the issues and prospective launch timing.
- European platform: Eric Hansen briefed Members on the latest status of the project.

Resolved:

- NOTED the contents of the Directors Report;
- NOTED that the key performance indicators show a stable environment over the past two quarters since the previous meeting;
- 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 4c: Compliance Report

Chairman referred members to the paper "Compliance Report" and drew Members attention to the changed wording in paragraph 24(h) of the Conflict of Interest Statement compared to the previous annual report.

Resolved:

- NOTED that GDT has submitted key findings from the Market Surveillance Report, Conflict of Interest Statement, Confidentiality Deed Compliance Review, the Anti-Trust Compliance Review, and the triennial Anti-Trust Review.

Item 5: General Business

Members agreed that the next meeting be held in Chicago on the afternoon of Sunday 26 April 2020, and that the following meeting may be held in conjunction with the INTL FCStone conference scheduled to be held in Budapest in September 2020 (dates to be determined).

Members also discussed the added agenda item regarding recent developments in the relative prices of the AMF product specifications. Members discussed the need to ensure the price outcomes remain credible and to ensure that information regarding supply conditions are as clear as possible to bidders (and also to financial market participants).

GDT agreed to work with Fonterra and NZX on possible options covering:

- Whether it is feasible and desirable to ensure a fixed relative pricing between product specifications in a sales group (and how the options are likely to impact the NZX Dairy Derivative Market);
- Appropriate ways of communicating supply conditions through the supply parameters.

GDT to also consider:

- Whether the round by round price increment parameters involving AMF, Butter and the Cream Group is systematically causing the duration of Trading Events to be longer than otherwise would occur;
- Possible future enhancements to the End of Round information published to bidders to give better clarity on the relationship between the bid ratio and price increments.

Information on the above to be provided for discussion at the April meeting, with a Director's Update circulated to Members between meetings..

Meeting concluded at 3:55pm Singapore

Signed as True & Correct

Bill Shields
Chairperson

