

## 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

---

Eric Hansen (GDT)

## Meeting opened at 8:02am Auckland

---

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

---

No apologies were received.

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

---

Members agreed that the revised Minutes of the previous meeting displayed on screen during the meeting (and to be circulated post-meeting) be signed by the chairman as final.

It was also noted that the Minutes of this and future meetings would be signed as final by the chairman if no comments are received within two weeks of being circulated, compared to the current process where we wait for the following meeting.

On Matters Arising the chairman noted that development of contingency plans for vendor insolvency has been reactivated with the aim of completing plans by the end of 2020.

## Items 3: Risk Report

---

Chairman referred members to the paper "Risk Report" and drew Members attention to the new section on COVID-19 risk assessment, the increase in residual risk on partner failure due to COVID-19, and re-initiation of vendor insolvency contingency plans.

Eric Hansen and Brad Miller commented on the successful operation of two Trading Events via remote working caused by COVID-19.

Eric Hansen also commented on increased risk rating on Competitor Actions due the increasing activity of competitors and the delay GDT has experienced in launching the refreshed platform.

Resolved:

- ENDORSED GDT's assessment that there has been no material change to the 'high' risks since the previous Risk Report in May 2019 but that one additional 'significant' risk has been added;
- NOTED that GDT will continue to monitor the adequacy of existing mitigation controls and investigate opportunities to further reduce these risks;
- NOTED that development of GDT vendor insolvency contingency plans for the relevant service providers is being re-initiated with a view to completing by the end of 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*

Members discussed the pros and cons of launching the new platform in two stages versus a single launch. These included:

- Whether or not a two-stage approach would delay the launch of the second stage (which is not expected to be the case),
- The need in a two-stage approach for communications to be very clear about the desktop vs mobile versions, and
- The need to ensure that bidders could still use the first stage desktop version on their mobiles (as per current platform).

Members preferred a launch of at least the major elements of the refreshed platform as early as possible but recognised that the final decision would depend on the timing of when the different stages are completed relative to available launch windows. GDT to provide further information in due course on a precise timing and approach for managing the expectations of bidders if a two-stage approach is adopted.

### *Liquidity*

Members discussed the concepts underlying several of the possible initiatives to enhance liquidity in the physical and financial dairy markets identified in the Report. Further investigation is planned and a more detailed discussion is expected at the next Oversight Board meeting.

Resolved:

- NOTED the contents of the Directors Report;
- 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.

Nick Morris joined the meeting.

## **Item 4c: Compliance Report**

---

Chairman referred members to the paper "Compliance Report" and commented that no compliance reports were due for this meeting and no notifications were required.

Resolved:

- NOTED that no compliance reports were required to be submitted for the meeting.

## **Item 5: General Business**

---

Members agreed that it is preferable for the next meeting to be held in-person, especially if the agenda will be covering strategic or industry development issues.

Any in-person meeting will be subject to the lifting of travel restrictions imposed due to COVID-19. In addition to the differing restrictions imposed by countries, many companies are imposing their own travel restrictions and in future are likely to differentiate between travel to high density trade shows and conferences and travelling to smaller meetings. An in-person meeting that is not associated with a trade show or similar large gathering may be the best approach.

If we do proceed with a meeting associated with a larger conference then first preference remains the meeting currently scheduled for Dublin in early September, with second preference being FiE in Frankfurt in early December.

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

### **Meeting concluded at 9:07am Auckland**

Signed as True & Correct

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

Bill Shields  
Chairperson

