

MEMBERS IN ATTENDANCE

Chairman	Bill Shields
Company	Representative
Arla Foods AMBA	Thomas Carstensen
DairyAmerica, Inc.	Steve Gulley
INTL FCStone Inc	Robert Chesler
Fonterra Co-operative Group Limited	Josh Sigmund
Gloria SA	Roberto Bustamante
OM Financial Limited	Nigel Brunel
The Kuwaiti Danish Dairy Company KCSC	PT Joseph
NZX Limited	Kathryn Jaggard

OPERATIONAL ATTENDEES

Company	Representative
CRA International Inc.	Brad Miller
GlobalDairyTrade Holdings Limited (representing the owner of GDT)	Eric Hansen

Note: Under Rule 4.4 of the GlobalDairyTrade 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

Nicole Christiansen

MEETING OPENED AT 1:36 PM CDT 24 APRIL

Chairman Bill Shields opened the meeting and welcomed members.

ITEM 1: APOLOGIES AND ANTI-TRUST BRIEFING

- a. Apologies were received from Amul, Fromageries Bel SA and Olam International Limited.
- b. Anti-trust briefing provided by legal representative Nicole Christiansen.

ITEM 2: MINUTES OF PREVIOUS MEETING

Chairman noted the minutes from the previous meeting had been signed off as final and provided to the Oversight Board Members.

ITEM 3: QUESTIONS ARISING FROM GDT AND CRA BACKGROUND PAPERS

Chairman referred members to the papers “Briefing on GDT” and “Briefing Paper on CRA’s Role as Independent Trading Manager” which were circulated in advance of the meeting, taken as read and opened for questions and discussion.

Matters discussed included:

- Product deliveries with less than 50% shelf life remaining – noted this is a matter between buyer and seller under the seller’s terms and conditions
- Relationship between the eligibility level a seller assigns to a bidder relative to supply quantity – noted that there is no necessary relationship between the two
- The need to better understand compliance framework for Trading Events – noted this would be discussed under Item 6 below
- The need to agree surveillance and compliance framework, including links to financial markets – noted this to be discussed under Item 6
- Extent of any regulatory jurisdiction over GDT - noted this was likely to reflect the credibility of the GDT governance framework.

ITEM 4: OVERSIGHT BOARD FUNCTIONS AND PRIORITIES

Chairman referred members to the paper “Oversight Board Functions and Priorities” which was circulated in advance of the meeting and taken as read. GDT representative Eric Hansen provided a brief review of the paper’s content and opened for discussion.

Matters discussed included:

- The proposed approach that the Board focus first on establishing the governance principles and reporting framework prior to reviewing the rules – noted general agreement to this approach
- The potential for the future review of rules to include review of the Charter itself – noted for future discussion when appropriate.

ITEM 5: GOVERNANCE PRINCIPLES

Chairman referred members to the paper “Governance Principles” which was circulated in advance of the meeting and taken as read.

Chairman put forward the resolution that the principles established by the International Organization of Securities Commission (“IOSCO”) be adopted, as relevant, as the framework for developing the GDT governance principles. All members present and the Owner voted in favour of the resolution.

RESOLVED:

THAT the IOSCO principles be adopted, as relevant, as the framework for developing the GDT governance principles.

Matters discussed as input to the next paper included:

- Applicability of IOSCO principles: The extent to which GDT should regularly review the use of its price measures as reference prices in financial contracts
- Principle 9: That rather than reporting the frequency of expert judgement, the focus of GDT principle should be on assessing the validity of expert judgement
- Principle 10: The merit of providing more detail on the full range of anti-trust compliance processes
- Principle 11: The need for a clear framework within which expert judgements are made
- Principle 14: The need to add a new principle on surveillance and compliance regarding seller input of starting prices and bidder input of bid quantities rather than try fit within confines of the principles.

ITEM 6: GENERAL BUSINESS

- a. GDT representative Eric Hansen led a discussion on the future development of GDT Trading Events.
- b. Next meeting: confirmed for SIAL, Paris, 16-20 October 2016

Meeting Closed at 4:20pm CDT

ACTIONS ARISING FROM MEETING:

- GDT to draft proposed GDT Governance Principles to be presented to the Oversight Board at the next meeting for review, discussion and adoption.
- GDT to research further developments to GDT Trading Events as discussed under Item 6a and circulate proposed changes among the Oversight Board members prior to the next meeting.

Signed as True & Correct

Bill Shields
Chairperson