

# Minutes of GDT Events Oversight Board Meeting

Sunday 23 April 2017, Chicago



## Members in Attendance

Member	Representative	Attendance
Chairman	Bill Shields	Yes
Arla Foods AMBA	Thomas Carstensen	Yes
DairyAmerica, Inc.	Blair Cole	Yes
Fonterra Co-operative Group Limited	Josh Sigmund	Yes
INTL FCStone Inc	Rob Chesler	Yes
NZX Limited	Nick Morris	Yes
Olam International Ltd	Anthony Pavlovic	Yes
OM Financial Limited	Nigel Brunel	Yes
Operational Attendees		
CRA International Inc.	Brad Miller	Yes
GlobalDairyTrade Holdings Limited	Eric Hansen	Yes
Legal Representative	Nicole Christiansen	Yes

Note: Under Rule 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

Nicole Christiansen (Fonterra)

## Meeting opened at 11:30am CST 23 April 2017

Chairman Bill Shields opened the meeting and welcomed members.

## Item 1: Apologies and Anti-trust Briefing

1. Apologies were received from Fromageries Bel SA, Gloria SA, Gujarat Co-operative Milk Marketing Federation Ltd., and The Kuwait Danish Dairy Company KCSC.
2. Anti-trust briefing provided by Fonterra legal advisor 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: Director's Report**

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Chairman referred members to the paper "Director's Report", which was circulated in advance of the meeting, taken as read and opened for questions and discussion.

Matters discussed included:

- Seller fees – noted changes to the fee structure that for most sellers will reduce the total fee charged;
- New sellers – noted the US lactose pool is currently going through legal review and is expected to launch second half of this year;
- Customer enhancements –the initiatives undertaken by GDT to provide more accessible online training; working on program of greater in-market presence for more contact with buyers such as exhibition stands at conferences and contracting of part time in-market sales consultants;
- Expert Judgment Principles – noted they have been completed as promised.

### **Item 4: Cessation Notification Requirements**

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Chairman referred members to the paper "Cessation Notification Requirements", which was circulated in advance of the meeting, taken as read and opened for questions and discussion.

Matters discussed included:

- To comply with Principle 10, proposal of a rule change (Rule 5.3) that would require a seller who has consented for their GDT prices to be used in financial instruments to give notice of at least six months prior to withdrawing the relevant products from GDT Events, except for force majeure circumstances.

Resolved:

- NOTED that GDT has proposed changes to the rules to require GDT and certain sellers to give advance notice of their intention to terminate GDT Events or temporarily or permanently withdraw certain products from GDT Events;
- NOTED that GDT will undertake further work on rewording the proposed change to promote a more proactive approach to changing behaviour rather than an after-the-fact review. Revised wording in the public consultation paper to be circulated to the Oversight Board members via email following completion of legal reviews.

### **Item 5: Multi-seller Pools**

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Chairman referred members to the paper "Multi-seller Pools" which was circulated in advance of the meeting, taken as read and opened for questions and discussion.

Matters discussed included:

- GDT actively pursuing opportunity to attract more sellers and deepen liquidity of GDT Events by developing a multi-seller pool for US lactose sellers;
- Acknowledged potential to expand concept to other US whey products and eventually to powders;
- Currently pending legal review in the EU and US.

Resolved:

- NOTED that GDT has formulated proposed rule changes to enable the establishment and operation of multi-seller pools;
- NOTED that, subject to the receipt of legal advice, GDT intends to undertake public consultation on proposed rule changes that will be materially consistent with the marked-up revisions included in the paper.

## **Item 6: Publication of Winning Prices**

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Chairman referred members to the paper “Publication of Winning Prices” which was circulated in advance of the meeting, taken as read and opened for questions and discussion.

Matters discussed included:

- Review of proposed wording and discussion whether for example use of “Announced Price” would cause confusion with the concept of a market determined price;
- View of the Board members present NOT to implement the proposed change retrospectively;
- General support of the proposed rule with additional consideration to the wording to minimise possible confusion.

Resolved:

- NOTED that GDT has formulated a proposed rule change to redefine the circumstances where a winning price is published;
- NOTED that, subject to receipt of legal advice, GDT intends to undertake public consultation on the proposed rule change that will be materially consistent with the wording in the paper.

## **Item 7: General Business**

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1. Next Meeting:

- 1.1. Next onsite meeting will be held in Singapore on the afternoon of 8 November 2017
- 1.2. A conference call meeting to be held prior to September to vote on the final proposed rule changes following completion of the public consultation process.

2. Seller Communication – request made to Oversight Board members that if any member becomes aware of any public statement by a seller that could impact the platform to alert GDT of such statements so it can react appropriately.

**Meeting concluded at 12:42 pm CST**

Signed as True & Correct

Bill Shields  
Chairperson