

Members in Attendance

Bruce Turner (Meeting Chair) (Fonterra Co-operative Group Limited), Thomas Carstensen (Arla Foods AMBA), Liam Fenton (StoneX Group Inc.), Nick Garden (alternate for Nick Morris, representing SGX Limited), Mike McIntyre (Jarden Securities Limited), Andrew Sullivan (alternate for Patricia Smith, DairyAmerica Inc), Jessica Lee Hiu Sun (Zhongshan Right On Trading CO. LTD)

Operational Attendees

Eric Hansen (Market Administrator, GlobalDairyTrade Holdings Limited)
Sascha Siegel (observer, European Energy Exchange AG)

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 2:07pm Chicago

In the absence of an independent chair, the Members unanimously elected Bruce Turner to chair the meeting.

Chairman Bruce Turner opened the meeting by welcoming Nick Garden and Andrew Sullivan as alternates for Nick Morris and Patricia Smith, respectively. Sascha Siegel was also welcomed as an observer.

Apologies and Agenda

Apologies were received from Bruno Spire (Nestrade S.A.), Rushikesh Ved (Majan Food Industries LLC). Apology for lateness received from Liam Fenton.

The agenda was re-ordered by bringing the CEO report to the top of the agenda.

The chair also referred members to the meeting protocols provided with the Agenda regarding the GDT Guiding Principles and summary of anti-trust obligations.

CEO Report (Item 3a)

Eric Hansen elaborated on the CEO Report in the following areas.

The sales and marketing strategy, including the progress made with the recent announcements of Darigold and Valley Milk as new sellers, and the outlook for further new sellers in Europe, US and Australasia. Regarding the US, Members discussed the inexperience of small- to medium-size exporters relative to European dairy companies in managing key export processes such as payment security, importing-country requirements, export documentation and logistics.

Liam Fenton joined the meeting part way through the above discussion.

The strategic goals and initiatives, with a particular focus on the liquidity goal and the challenges involved in developing suitable projects in this area. Members discussed the potential for increased liquidity to smooth out price cycles across the major supply regions while also acknowledging the complexity and risks involved in developing initiatives to meet the needs of a wide cross section of participants, for example the difficulty faced by Chinese-domiciled participants in managing foreign currency transactions.

On More Frequent Price Discovery, Bruce Turner provided an update confirming that Fonterra continues to support the GDT Pulse initiative and is likely to add SMP as a second product.

The likelihood that GDT will bring to the next meeting a number of rule change proposals for consideration. The aim of the proposals will be to enhance our ability to attract new sellers, ensure the participation incentives they face are appropriate, and to enable GDT to better manage situations where a seller has ceased to participate effectively and contribute value to the platform.

Resolved:

- NOTED the contents of the CEO Report.

Risk Report (Item 2a)

Members discussed the mitigating controls listed to protect against the risk labelled as Participant Manipulation, including the independent nature of the market monitoring activity conducted separately by GDT, CRA and NZX/SGX, and the absence of the information sharing agreement that previously existed between GDT and NZX.

The discussion concluded that cooperation between the Singapore and New Zealand regulatory agencies meant that appropriate information would likely be available to SGX Compliance in appropriate circumstances.

Members discussed the paper's comments on competitor landscape, including GDT's increased attractiveness under the new ownership structure and the apparent lack of growth being achieved by competitors.

Resolved:

- NOTED that GDT introduced a Risk Management Framework and established a Management Risk Committee, responsible for the oversight and monitoring of GDT's risk management culture and ensuring the effective management of risk.
- ENDORSED GDT's assessment that one new High inherent risk, previously included within vendor management risk, be added to the risk register since the previous Risk Report in May 2022.
- ENDORSED GDT's assessment that risk of IT systems failure be split into two separate risks relating to Cyber Security and System Obsolescence, respectively, both assessed as Significant inherent risks.
- NOTED that GDT will continue to monitor the adequacy of existing mitigation controls and investigate opportunities to further reduce these risks.

Audit Transition Report (Item 2b)

Resolved:

- ENDORSED GDT's proposal that no audit be conducted on GDT's compliance with the GDT Governance Principles and Confidentiality Protocols for the FY23 year (1 August 2022 to 31 July 2023).
- NOTED that the regular audit schedule would be re-established from FY24 onward.

Operations Report (Item 3b)

Members discussed the comments in the paper on the reduction in the minimum price increment that applied for a brief time during the review period, noting the feedback that GDT had received from several stakeholders.

Resolved:

- 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.

Compliance Report (Item 3c)

Resolved:

- NOTED the notifications provided by GDT as required by GDT Trading Event Rule B4.6.
- NOTED that GDT has submitted the Anti-Trust Review of changes in anti-trust laws and implications for GDT's protocols, policies and procedures.

General Business (Item 4)

The minutes of meetings held on 8 November 2022 and 8 March 2023 were adopted as a true and correct record. Members agreed that the next meeting be held in Singapore at 8-10am on Wednesday 20 September 2023, with Liam Fenton proposed to chair the meeting if an independent chairperson has not been appointed.

The following meeting is proposed to be held during ADPI 2024 Conference in Chicago, on either the Monday or Tuesday.

Meeting concluded at 4:01pm Chicago

Signed as True & Correct



Bruce Turner
Chairperson

19 May 2023