



MINUTES

Participants

Johan Stevens (FEST President/Portugal)
Edgar Aker (FEST Vice President/Netherlands)
Sven Machielsen (Belgium)
Michal Jakubowski (Poland)
Tomasz Boruc (Poland)
Esther Estévez (Spain)
Rachel Chermain (France)
Magnus Siren (Finland)
Achim Laubenthal (Germany)
Jose Matos (Portugal)
Terje Røising (Norway)
Ron Kompeer (Netherlands)
Adam Petr (Czech Republic)
Kim Holst (Denmark)
Corrado Oppizzi (Italy)
Joacim Nordh (Sweden)
Tom Kieffer (Luxembourg)
John Newcomb (UK)

Staff

Sue Knight (FEST Director General)
Hassan Abou Jawhar (FEST Association Manager)

1. Welcome, Introduction

i. Welcome note by FEST Director General and a reminder of Compliance statement

Sue Knight (SK) welcomed everyone and reminded all participants of the Compliance Guidelines governing all FEST gatherings.

ii. Approval of previous minutes, 8 April 2020

A question was raised about the increase in Kellen's cost between 2019 and 2020, despite the 20% reduction. SK explained that Kellen had only been included from July to December in 2019 and therefore did not represent a full year's cost. All attendants approved the minutes of the last meeting of 8 April 2020.

2. Approval of the accounts

❖ FEST Profit & Loss Account 2020

The profit and loss account for 2020 (see Slide presentation) shows the reduction in income due to the reduction in subscription fees by 20% to both Regular and Associate members. SK added that the sponsorship from ISH Frankfurt was retained in 2020.



Regarding the expenses, SK highlighted the 20% reduction for Kellen services and 30% reduction for the Director General. There were various cost savings due to meeting and travel disruption as a result of the pandemic. Under the heading of Marketing costs, a promotional flyer has been produced at a minimal cost, to assist in broadening awareness of the FEST trade association within the EU.

❖ **FEST Balance Sheet as at 31/12/2020**

The Balance Sheet as at 31/12/2020 (see Slide presentation) shows the outstanding loan of €75,000 as the deposit on the hotel and other expenses relating to securing venues and speakers for the FEST Congress. This money will be recouped once the FEST Congress eventually takes place. With a healthy 2020 Balance Sheet, FEST is looking forward to continuing its support of the European wholesaler industry throughout 2021.

❖ **Approval of the 2020 Accounts**

The 2020 FEST accounts were prepared and finalized by Kellen accountants and audited in March 2021 by Dr. Henning and Mr. Feyereisen. In addition, they were also audited by external accountants in Brussels. They show a positive result of €28,201.84. There being no queries from the members, the accounts for 2020 were formally approved.

3. Re-Appointment of the Director General and Auditors

❖ **Vote on the appointment of Mrs. Sue Knight as FEST Director General for 2021-2023.**

Approval was sought to re-elect Sue Knight as the FEST Director General for the period of 2021-2023. There being no objections from the members, Sue Knight was formally appointed as FEST Director General.

❖ **Vote on the re-appointment of Mr. Henri-René Feyereisen and Dr. Hans Henning for 2021.**

Approval was sought to re-elect Hans Henning as the FEST Auditor for 2021. As Henri-René Feyereisen has retired in 2020, Esther Estevez from Spain nominated herself for the position of FEST Auditor. There being no objections from the members, Hans Henning and Esther Estevez were formally appointed as FEST Auditors for 2021.

4. Approval of Membership Fees 2021

Due to the outbreak of the Covid crisis in 2020, a decision was made to have a one-off reduction of 20% for the Regular and Associate members' fees. However, as the HVAC and sanitary industry was less impacted by the crisis than first thought, the membership fees for 2021 will revert to the annual subscription rates that were decided in Brussels in 2016 (see Slide presentation). These are traditionally based on the turnover figures submitted by each member country for the Almanac, which is printed prior to each bi-annual FEST Congress. There being no queries from the members, the membership fees for 2021 were formally approved.

5. Budget for 2021

The proposed budget for 2021 (see Slide presentation) shows a return to the 2019 Membership Subscription Fee and various other actions, including:

- ✓ A 20% reduction for Kellen;
- ✓ A 20% reduction for the Director General;
- ✓ Limited travel and meeting expenses;
- ✓ ETIM International costs technical support for the FEST EMDG;
- ✓ €10,000 of possible Congress costs (for the Interpreters);
- ✓ Cancellation of the Squadra maintenance charge;



✓ Cancellation of the Messe Frankfurt contract.

SK explained in detail the anticipated income and expenditure within the proposed 2021 budget. She stated that Bosch was the only Associate Member that had failed to make the subscription payment in 2020. Consequently, a decision was made to write off this amount as a bad debt. Sven Machielsen from Belgium undertook to try and recover this by getting in contact with Gerd Vrieling. Fortunately, we received a payment fee from Uponor as a new Associate Member in 2020 and Grohe will also contribute in 2021.

SK reported that the estimated figures for Kellen, herself and the presidency expenses are on the basis that the FEST Congress will be held in 2021. However, this topic is up for discussion later in the meeting. In addition, there is a small amount included for a FEST Advisory Board meeting at the end of this year. The FEST Congress fee of €10.000 is the standard charge historically provided to cover the cost of interpreters. The marketing costs and website have increased to €5.500, €500 for the website maintenance, and an additional €5.000 for the potential marketing costs for the FEST EMDG. The FEST Board is in discussion with a marketing agency to finalize a logo to promote the FEST EMDG.

In conclusion, the draft budget resulted in a potential loss of €6.010. However, this was mainly due to the one-off payment for ETIM International of €25.000 to cover technical expertise and maintenance services. The 2021 budget was also dependent on the decision to hold the Congress this year. Members felt that FEST should retain a minimum cash reserve covering at least a period of 12 months operating expenses and there was general agreement that it would be better to avoid showing a budgetary loss. SK reminded members that the Balance Sheet is in a far stronger position than before, mainly thanks to the income contribution from Associate Members.

The draft budget was approved at this point, however it would be revised and re-issued later if the decision is made to postpone the FEST Congress until 2022.

6. Reports on the various Working Group topics

a. Communication/Newsletter/Membership Survey

With Communication a key initiative of FEST, members have been receiving the quarterly newsletter written in conjunction with Kramer Redaktions. Hopefully, members are able to share this material with their own membership and also provide input that could be included in future editions.

A FEST internal newsletter was produced for the Regular FEST members mid-2020. A 2021 version will be shared in the coming months to keep members updated on later internal events.

SK recapped on the main points highlighted by the FEST membership survey:

- There is a significant interest in Market data.
- In addition, there was an interest in Sustainability matters. This topic will be discussed later.
- It is apparent that some of the FEST member associations are more actively involved in lobbying their governments than others. Therefore, more cooperation amongst National Associations is envisaged in the product regulation WG.

John Newcomb commented that there is a need to raise awareness of FEST heating and plumbing sector amongst UK members. HAJ will contact Hannah (BMF marketing manager) to follow up on this topic.



Action: HAJ to contact Hannah (BMF marketing manager) to follow up on raising awareness of FEST amongst UK members.

b. FEST EMDG

JS gave a brief outline of ARGE's position, highlighting their discontent regarding the ownership of the FEST EMDG and their request to have more involvement in the decision-making process by having several representatives from ARGE within the Steering committee. In addition, they sought to have a common marketing engagement with the release of the EMDG, with all these points listed in a Letter of Intent.

The FEST Board had agreed to speak to the FEST members before agreeing to any of the points raised. As a result, several FEST members did not agree on the key points raised, reiterating that FEST is the main founder of this initiative. As the latest update, JS has received a response from ARGE on 24th March 2021, stating that ARGE do not agree with the Letter of Intent drafted by the FEST Board. Hence, the FEST Board will have to discuss these latest developments and decide on the next steps in the coming days. In the meantime, we will prioritize the launch of the FEST EMDG in the coming weeks. JS specified that it is important to keep negotiations open with ARGE as most of the FEST Associate members are also members of ARGE.

Magnus Siren stated that the FEST EMDG could be ready for release in the coming weeks. There are still some minor issues to be finalized in the FEST Technical Expert Group that could take the place of the controversial Steering Committee.

c. Product Regulation WG

HAJ gave a brief update about the FEST Product Regulation WG. He will circulate the work plan for 2021 that includes many European policy developments that the WG has been focusing on. These initiatives were chosen based on their level of priority and timeline. By drafting the work plan, the WG will be able to assess their achievements at the end of the year. There are 3 main objectives:

- The first objective aims at monitoring industry related regulatory topics and how it affects the FEST members.
- The second objective aims at strengthening the cooperation between the FEST National Associations. The WG will aim to identify and share best practices.
- The third objective aims at strengthening the connection with EU stakeholders including governmental and regulatory bodies outside of FEST.

On a final point, the FEST members requested to have all Key policies accessible as a "Library information". This information will be available in the "Member's Area" on the FEST website. All the necessary information will be shared with the members in the coming days.

Action list:

- **HAJ to share workplan with FEST Board for approval. Following approval from the FEST board, HAJ will share the workplan 2021 with the FEST members.**
- **HAJ to contact Denmark and UK to discuss the opportunity to have events in Q3 and Q4 2021, sharing knowledge and insight about their government relations.**
- **HAJ to share all the necessary information regarding the key policies available on the FEST members area on the FEST website.**



d. Logistics WG

HAI gave a brief update about the FEST Logistics WG. It is focusing on article identification to establish best practice and suggest an optimized process that delivers efficiencies and cost savings to all stakeholders in the supply chain. During previous workshops, the WG invited guest speakers from the food sector and from GS1 organization to learn from the developments made in their sectors.

For 2021, the aim of the WG is to form a Logistic Experts group to finalize the workplan and start with the developments. The countries contacted are the Nordics, Germany, Belgium, France, Poland. Positive responses received from both Belgium, Germany. Ron Kompeer, the Chairman of the WG, stated that members from the south and north of Europe need to participate in the FEST Logistics Experts group. JS offered to provide a Portuguese representative from his company to take part in the WG.

Action: RK to contact JS to have a logistics expert that would take part in the FEST Logistics Expert group.

e. Market Statistics/ Market Data

SK informed the members that she has been in contact with several companies like the European Heating Industry (EHI) that have produced a valuable report that would be of interest to the FEST members. She is trying get their permission to share this information. In addition, she has been in contact with several other companies like: GfK, BRG and Simon Kucher Consultants. John Newcomb from the UK will get in contact with SK by email to put her in touch with his senior contact at GfK. She will follow up with these companies in order to acquire market reports for the FEST members at an affordable price. SK will keep the members updated on this topic.

HAI presented the FEST Heating and Plumbing Wholesalers Sales Statistics for 2020 (see Slide presentation for more details). He shared the heating and plumbing wholesalers quarterly accumulated sales for 2019 and 2020. The countries included are Germany, France, Netherlands, Italy, Poland, Denmark, Finland, Norway and Sweden. He is still awaiting the updated figures from France for 2020 in the coming months. In addition, the UK association (BMF) will be able to provide data to the FEST secretariat starting from 2021.

f. Sustainability WG

When the WG was formed in 2019, Mr. Mats Rosman from Sweden was originally appointed as the WG Chair. However, he retired that same year. Therefore, FEST would like to see if there are any members interested in chairing this WG. As stated in the FEST survey, the FEST membership showed strong interest in sustainability. The UK association is very interested in leading this topic.

7. Future plans for FEST Congress

Due to the current crisis, JS proposed to postpone the FEST Congress, originally due to be held on 1-3 October 2020 in Lisbon, then rescheduled for the 16-18 September 2021. He is worried that the number of participants will be very low, and that the Portuguese government would not allow for such events to happen. He is also concerned that sponsors will pull out of the FEST Congress, resulting in financial issues. Finally, he mentioned that networking could also be an issue under the current circumstances. All members present agreed that FEST Congress should be postponed until 2022 for the reasons outlined by JS. The proposed date for the FEST Congress is 22 until 24 September 2022.

Action: SK to finalize the Budget after members agreed to postpone the Congress and share it with the members along with the minutes.



8. Proposal to host a Virtual Webinar with Associate members

JS shared the proposal to host a virtual webinar in second half of September 2021. The potential cost would be around €7.250 (€5.400 + VAT Retaildetail + €1.850 for David Moody as moderator). The members agreed not to charge participants. The event format would be as follows:

- Presentation by a Retaildetail specialist (45 min)
- Panel discussion with + - 6 people (wholesalers and suppliers)
- Q&A

Topics:

- Post-Covid trends and impact on HVAC and sanitary sector
- Strong growth on-line
- New retail: “phygital” world

Members agreed to have this event in September 2021. The FEST Board will finalize the proposal and share more details with the members in the coming weeks.

9. Any Other Business

Finally, JS thanked all members, in particular the support provided by SK and Kellen in helping to accomplish all the FEST’s objectives. The call ended at 15H30 CET.