

Minutes of the FEST General Assembly held in Milan on 15th March, 2018

Present

Caroline Van Marcke (President), Sue Knight (Director General), Beatrix Ostermann (Vice President), Robert Just, Sven Machielsen, Kim Holst, Magnus Sirén, Raphaël Flipo, Achim Laubenthal, Corrado Oppizzi, Henri-René Feyereisen, Terje Røising, Tomasz Boruc, Krzysztof Osipowicz, José de Matos, Johan Stevens, Esther Estevez, David Juan Navarrete, Mats Rosman, Keith Jones.

Apologies

Benedikt Mahr, Eric Piers, Hans Henning, Koos Gerestyn, Richard Wachter, Franz-Xaver Brücker, John Newcomb.

Welcome

Mrs Gloria Gualdi of Reed Exhibitions welcomed everyone to Mostro Convegno and hoped everyone had a productive visit to the trade fair.

Compliance Guidelines

SK circulated a copy of the FEST Compliance Guidelines and reminded everyone that these were the rules governing the meeting and any social interaction between the members over the 2 days.

1) President's Opening Address

CVM gave a chronology of FEST activities during her 2-year presidency, culminating in a summary of both her's and her predecessor, Benedikt Mahr's, achievements over the last four years. Between them they have succeeded in bringing far greater industry recognition to FEST and broadened the membership significantly with the addition of some key suppliers.

CVM reiterated the need to continue the work already undertaken on the 3 major strategic initiatives, (e.g. Lobbying, Market Statistics and Master Data), emphasising, in particular, the wider utilisation of ETIM as the common classification model for industry product data across Europe.

Moving forward into a more digitised world, she stressed the need for wholesalers to reinvent themselves in both the services and solutions they offer customers, not forgetting their environmental responsibilities in the process. Likewise, wholesaler members should feel motivated to explain to industry suppliers the importance of FEST and its aims and objectives in maintaining a 3-tier supply chain.

2) Approval of the 2017 Accounts and Re-appointment of the Auditors

SK presented the Balance Sheet and P&L for 2017, highlighting FEST's current strong financial position following the successful recruitment of a number of Associate members. Last years performance had been better than budget, despite a cost overrun on the Field Trip to Paris.

Kim Holst questioned the outstanding debtors and these were explained as overdue subscriptions now collected, with the exception of the €4,000 fee from Ideal Standard. This would be chased.

(Action SK).

Approval was then sought to re-elect the Auditors, Mr Henri-René Feyereisen and Dr Hans Henning, for the coming year. The motion was carried by the members.

CVM then sought approval to re-elect the Director General, Mrs Sue Knight, and introduce Mr Johan Stevens of Portugal as the nominee for the role of future Vice-President. Again, the motion was carried and the members voted unanimously in favour of the election of Mr Stevens following a brief résumé of his prestigious career in the industry.

Finally, CVM handed over the FEST Presidency to Mrs Beatrix Ostermann and wished her every success in her new role.

3) The New President's Vision

BO congratulated CVM on her excellent legacy and expressed a willingness to continue in her footsteps. She then went on to explain her vision for FEST and to outline her objectives whilst in office. Most importantly, FEST's strategy would continue to be focused on three main drivers, namely lobbying, master data management and market analysis, with the latter presenting a clear picture of future economic development in Europe as well as an indicator and possible early warning signal for future industry developments.

BO went on to say that after a period of recession across Europe, most countries are beginning to experience a level of economic growth from which we, as wholesalers, might expect to benefit. However, growth has also led to a shortage of skilled installers and we need to develop strategies and policies to make our industry a more attractive employment opportunity and to support training programmes for trades people. Our suppliers recognise the bottleneck in getting products to market and are looking for alternatives, so we need to find ways to improve the entire value chain.

The increasing digitisation facing the industry is both an opportunity and a risk, however, our focus on Master Data management will create a foundation for competitiveness in the future. Over the past 2 years, we have managed to establish ETIM as an industry data standard. FEST needs a strong common voice to exert more pressure on our suppliers to make their technical product data available in a standardised format.

BO then asked Magnus Sirén to bring everyone up to speed with progress on Master Data and present an overview of the 2017 Market Statistics.

Master Data

MS confirmed that efforts to standardise technical data for sanitary and HVAC products was progressing within a number of small groups across Europe, in close conjunction with bodies from the Electrical wholesale industry and ETIM. He accepted that FEST could not become directly involved in this work but should undertake to support the group's activities and present a strong voice to the suppliers.

Market Statistics

Of the 9 country members currently submitting data, Germany and France represent the largest share of the turnover. In total, the resulting figure was estimated at roughly half that of the total FEST membership. BO said that she expected Austria to contribute turnover numbers in the future, likewise Belgium hoped to provide annual figures from its members.

CVM suggested MS provide members with a more detailed breakdown of the French and German statistics as this would hopefully demonstrate to other members, not currently submitting, the benefits of such valuable market place trends (**Action MS**). As an example, the decrease in sanitary was a likely indication of the effects of the Internet on the traditional wholesalers' business. In the same way, any decrease in HVAC numbers might indicate a gradual move by the suppliers away from 3-tier distribution channel.

It was further agreed that SK would endeavour to purchase Supplier market data from GfK for general circulation as a means of utilising existing funds to members' benefit (**Action SK**).

Lobbying

Our Lobbyist, Tim Krögel, provided a brief overview of current industry relevant issues by way of a short slide presentation. However, it was unanimously agreed that FEST needed to work more proactively with Tim in order to make best use of the relationship. As such, Kim Holst, as member of the Drinking Water Alliance, agreed to take the lead in monitoring the Drinking Water Directive, aided by expert representatives from Austria, Germany and Belgium. KH will begin by writing a summary of the situation for FEST once there is a mandate from the EU Commission (**Action KH**).

Returning to the subject of her vision, BO remarked on the speed at which digitisation is rapidly changing the way business is conducted. Given an environment, where the 3-tier channel is increasingly under pressure due to greater price transparency, wholesalers need to constantly rethink their role and find creative ways to add value and be the preferred partner for customers

and suppliers. She hoped to use her presidency to encourage all member countries to share best practice, learn from each other and derive practical and pragmatic solutions. She would begin by sharing some examples of best practice within her own organisation during the Congress. Both FEST and the industry can be strengthened by working hard and with mutual trust. She looked forward to everyone's full support and encouraged members to share common goals amongst their own association members.

4) The Vienna Congress

BO briefly outlined the programme of speakers and activities planned for September and encouraged each country Director to promote the event to their wholesaler members at the earliest opportunity (**Action All Members**). The event is being sponsored by many leading suppliers, including excellent attendance from their highest ranking management. In addition to the business programme, the Congress offers members a fabulous opportunity to visit famous Viennese sights and experience the Austrian culture.

Email invitations/registration reminders are being sent out to the addresses of those wholesalers whose local associations have provided contact information, however, a promotional brief will also be sent to all member associations to be featured in the local trade press, where possible.

BO is determined to make a success of the Congress and is prepared to speak directly to the CEO of any wholesaler contemplating attending the event. More specifically, she is mindful of the need to satisfy the suppliers, whose sponsorship the Congress is reliant on, and to whom she owes a responsibility to deliver a good cross-section of wholesaler attendees.

5) Presentation by Jan Janse, President of ETIM International

Mr Janse gave a full overview of ETIM International's role in progressing the development of a common classification system across Europe. A system that is already actively used in the Electrical wholesaler industry to provide standardised technical data to describe product on wholesalers websites, and now broadening its reach across several sanitary and HVAC businesses.

He urged all FEST members to work collectively in helping ETIM present a sound business case to suppliers as they remain the greatest hurdle to progress (**Action All Members**).

6) Country Trading Reports

Please see Appendix to these minutes.

7) Any other business

* Date for the next workshop - This was provisionally agreed as 4th June, 2018 in Düsseldorf.

NOTE: This date has subsequently been changed to 21st June, 2018 in Düsseldorf

* ISH Frankfurt, accommodation issues - SK reported that she was struggling to find hotel accommodation close to the ISH fair for March, 2019. **SK will notify members within the coming few weeks if she is successful in securing a block booking (Action SK)**. Otherwise, members should go ahead and make their own hotel arrangements (**Action All Members**). FEST would look to compensate members up to an agreed level, as necessary.

The meeting closed at 13H00.