

ESA Executive Committee

Minutes of Meeting held on 16th March 2016

Held at W.L. Gore's & Associates premises, Munich.

Those Present.

Mark Neal	ESA
Michael Werner	Teadit
Alberto Rocca	W. L.Gore & Associates
Wolfgang Bommers	Burgmann Packings
Ozan Devlen	Kastas
John Morton	John Crane
Mark Horton	Flexitallic Ltd

1. Apologies

Ulf-Oskar Homman ESA

2. Review of the Minutes 16th December 2015

During the review several actions arose.

MW confirmed that he was going to step down from his role on the Executive Committee. This would be announced at the AGM.

AR sought clarification on whether there would be any conflict of interest as he would also be working closely with the FSA as his role within WLG was changing slightly. It was agreed that there was no conflict. This would be seen as a positive move for the ESA/FSA and enable closer collaboration with our American counterparts.

AR had been in discussions with Heinz Scharl, CEO of Klinger who had expressed a desire to work more closely with the ESA. AR was to ask HS if he would commit to holding a position on the ESA Exec or whether he could nominate someone. MN expressed concern that the current chairman of the FGD, Stefan Piringer also from Klinger was not active and that this ought to be addressed and followed up with HS. Action AR.

Peter Needham, James Walker had also expressed an interest to AR in working closer with the ESA. AR to follow up.

If Klinger cannot commit then MN would discuss with Simone Wilson from IDT.

WB to confirm the election process for MN to follow at the AGM.

CSR. MN was to discuss with David Mitchell a refined version of the ESA Code of Conduct. It was agreed that an audit of new and existing members would not be practical to implement and that a refinement of the current new member application form would be sufficient together with a new Code of Conduct.

The minutes were approved.

3. Finance Overview

MN confirmed that the year end accounts had now been completed. MN to circulate to all members and the Exec Team. MW commented that traditionally the AGM had to be held in May because the accounts could not be completed any earlier. Producing the accounts earlier may enable us to reduce the costs of the AGM as booking hotels in Feb/March is considerably cheaper than May. MN to review with Burike Hezler, the German accountants.

MN also confirmed that 30 members had paid their membership fees before the end of February. Upto the 15th March this had risen to 36. It was agreed that 30 days grace following the Feb. deadline was reasonable before a follow up letter/reminder. This new grace period would not be circulated outside of the Exec.

MN outlined that the actual invoice value for 2016 was €213,000 Vs a budget of €240,000 (after the Early Settlement Discount). MN felt that we should ask the members at the AGM for an increase in fees to restore the central reserves. The activity levels of the ESA are higher and there

are further plans to develop the ESA which will attract some additional costs. There was also an overspend in the previous financial year of €17,000 but some of this would be incurred in bringing the website up to date and expanding it to hold the News Letter. It was agreed that instead of introducing an increase in fees we would reduce the early settlement discount to 5% from 13% but extend the deadline to the end of April with 30 days grace. It would have the same overall impact as increasing the fees but as cash flow wasn't an issue for the ESA then this was a more practical solution.

4. Strategy Development

MN gave a review of the work undertaken on developing an ESA Strategy. The mission statement is to be condensed into one sentence and a number of other revisions are to be made. A revised version of the presentation is to be circulated to the Exec team in the next few weeks by MN. Other significant issues to come out of this discussion were the following.

The ESA would cancel its agreement with Data Dynamics. AR had worked previously with a market research company who maybe able to provide us with a more specific data. The divisional chairmen were to ask their members what market statistics they would like to see if a report was written for them by an external company.

A new Forum (internal or external) for the website was not to form part of the future plans as it was seen as unmanageable.

The ESA Members would be consulted on which other magazines were seen as appropriate for the release of technical articles.

A New Members team (see point 8) is to be introduced and a member from each division is to participate. MN is to write to the divisional Chairmen and seek a nominee. Suggested areas that the new team could look at are:

- Whether it is right to ask for €1500 as a one off fee for joining. It costs the ESA very little to introduce a new member and maybe it would be better to incentivise new participants to join with a reduced first year fee.
- Potential New members target list with actions to be created.
- The current member categories to be clearly defined.
- A Universities member category to be created.

5. AGM 2016

The outline schedule was on the Web site. We had the potential to introduce two guest speakers to the AGM.

- Dr Susan Michaelis who is undertaking a research project on the effects of oil fumes from jet engines contaminating cabin air. This is largely a mechanical seals issue and opens the door potentially to aviation mechanical seals manufacturers rather than traditional industrial manufacturers.
- The BHR were also a potential guest speaker institution that had expressed an interest in presenting at the AGM. Now confirmed.

The suggestion is that SM attends the Mech Seals divisional meeting and presents at the General meeting on the Weds afternoon. The BHR will present at the CEO's lunch and attend the Divisional meetings. As many of the meetings are running simultaneously then they will only have limited time at each.

6. EGA/Potable Water Update – Standards and Legislation Director

David continues to build the picture on the Potable Water project. He had been to the EU earlier in the week and has now found a working group who were involved in products and materials that came into contact with drinking water. He would be circulating a report soon to the Exec Team.

The EGA progress is on hold at WTO level and we await confirmation as to whether Sealing Devices will be included in the final 16 product groups for zero import/export tariffs. JM confirmed that independently the Chinese had now reduced import tariffs on mechanical seals. JM to supply MN with the details. DM would be providing an update at the AGM on the Wednesday afternoon. Timing to be confirmed.

David had also visited the British Pump manufacturers Association. He had managed to gain an insight into how they lobby the EU (mainly through Europump and Orgalime) and it was suggested that MN arrange to visit (now arranged for 6th April). The BPMA are also in the process of updating their Code of Conduct and we now had a copy of this. DM was looking at how we might adopt something similar.

7. Valve World

VW confirmed that the ESA would have free stand space at the show. It was unclear as to which Divisions if any would be presenting papers.

8. New Member Initiative

Other than OD there were no new names to add to the list first created. During the strategy discussion (see point 4) a new approach was suggested utilising the members of each division as they would know more about who their competitors (ie potential members) were.

9. Statistics

Three ESA member organisations had expressed concern that their parent groups would not wish to participate going forward because of Anti Trust issues. There had also been some concern that the current statistics were not sufficiently accurate to warrant the continued expense. AR suggested that it may be possible to engage a private consulting firm to carry out a report every few years for each division. AR to send the details of the consulting company to MN

10. Project Development

MN felt that in order to attract members the ESA needed an active list of projects in each division. Whilst heavily reliant on volunteers it was necessary to ensure the longer term viability of the ESA. After some discussion it was decided to ensure the Chairmen of each division were given an outline of expectations (objectives) as currently no one (including the Chairmen) understands the expectations. This would be circulated to the Exec team for approval and then sent to the Chairmen in time for the AGM. Action MN

11. Exec Comm Expense Support

JM felt that any ESA Members needing to be involved in activities above and beyond any reasonable expectation should have some or all of their costs covered by the ESA. This was rejected by the Exec team.

12. A.O.B

There were no other issues

13. Date and Venue of the next Ex Comm.

Dinner on Tuesday 17th May at the AGM. If there were any agenda items to discuss then this would be done over dinner. The FSA to be invited, Action MN.

The next scheduled meeting was 20th October. W.L. Gore, Divisional Meetings on the 19th October, at the same location.

MN 22/03/16