



NETHERLANDS-HUNGARIAN CHAMBER OF COMMERCE
HOLLAND-MAGYAR KERESKEDELMI KAMARA

Annual Report 2015

NETHERLANDS-HUNGARIAN COMMERCIAL ASSOCIATION

Keep in touch with the Dutch!

18 January 2016

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LETTER BY THE CHAIRMAN

Dear Member,

thank you for continuously supporting the Netherlands-Hungarian Commercial Association by your membership and by actively visiting our events. During the past year we have continued to passionately promote interchange among our members on a personal as well as on a professional level in order to build a successful business in Hungary.

In this report we give you an overview of our activities in 2015 and share with you our plans for the coming year. We spent a lot of time and energy on redefining our Vision, Mission and Strategic Objectives which we wish to implement in the coming years. You can read about these plans in the "Marketing Objectives 2016" part.

Your feedback and constructive ideas are always welcome as we aim to consider these suggestions in order to improve our services in a way that it suits your expectations even more.

Naturally we would like to continuously improve and extend our activities in order to serve our current members and to attract new companies and individuals to become part of our community. If you happen to know someone whom you think could benefit from joining our Chamber as much as you do, please let us know!

Personally, I would like to thank the Staff and my fellow Board Members for their dedication and hard work in 2015.

I wish you all a prosperous 2016 and encourage you all to take an active role in our business community!

Yours sincerely,

Paul Stolk
Chairman
on behalf of the Board of the NHCA

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EXECUTIVE SUMMARY

ACTIVITIES 2015

Executive Summary	2015 Actual	2016 Objective
Members	81	90
Events	23	30
Event Participation	679	1000

Members

Number of members as of December 2015: 81

Out of which: 12 Strategic Partners, 17 Corporate Patron Members, 48 Corporate Members, 4 Personal Members

During 2015 we acquired 10 new members (1 SP; 2 CP; 7 CM; 0 PM)

Events

Number of events held January 2015-December 2015: 24

Total number of event participants: 679

Show-up percentage: 92%

Communication

Besides continuously updating our website, we communicate with our members via the monthly newsletters, online event invitations and our annual publication, the Bulletin which was published in 550 copies and mailed to our members, partner organizations and handed out at events.

Financials

Operational result 2015: - 236,473HUF

OBJECTIVES 2016

Strategic Direction

During the course of 2015 the board has taken appropriate time to review the current status quo of the NHCA, taking in consideration the members' input and analyzing the competitive environment. This exercise resulted in a revised Vision-Mission statement and Strategic Objectives that will be the basis of our activities as of 2016.

Vision

Be the preferred channel for conducting business with Hungary and the Netherlands.

Mission

The Netherlands-Hungarian Commercial Association supports its members' sustainable economic growth, advocates a pro-business climate and acts as a hub for knowledge sharing and networking. In order to achieve this aim we wish to

- create a hub for knowledge sharing and networking,
- leverage our current relationships with the embassies, business or professional associations, bilateral chambers,
- act as an advocate regarding various business challenges on behalf our members,
- promote Corporate Social Responsibility, and
- strengthen our relationships with the local community.

Events

We wish to continue our successful networking events and professional seminars with more targeted audience and topics. According to plans, our events will have more, relevant content in the future.

We plan to introduce new events in 2016:

Captains dinners: exclusive dinners for top executives of our member companies hosted by our board members to share success stories and discuss challenges

Brain Chain series: 6 members from different industries at the table, hosted by one of them and moderated by one of the board members

With these events we aim to enhance an even tighter co-operation among on our members and create a circle of trust. Depending on their success we can organize them on a regular basis.

We are confident that our on-topic business seminars provide our members a unique opportunity to show their expertise and share best practices. To this end we keep these as well on our agenda are open to your topic ideas in case you wish to take an active role in hosting or organizing such an event.

For the first time we will organize a festive ***Indonesian Rice Table***, which is a very popular event format in the Netherlands and plan to keep it on our agenda if you this inaugural event proves to be successful.

Q1	
January	Annual General Members'
February	Tax Seminar
	Breakfast@my company
	Business Lunch
	Indonesian Rice Table
March	Business Drinks
	Brain Chain
	CEO Dinner
	HR/Leadership Seminar

Communication & Marketing

In order to gain more visibility and attract more guests to join our events, we decided to invest more in marketing and assign an external provider to help us put our plans into reality. The focus will be on online presence, more specifically social media. In order to establish an even better information flow with our members and reach additional companies and private entrepreneurs we will use the social media channels like Facebook and LinkedIn to share the latest updates, member news, reports in a more interactive way. The marketing plans also include updating our website and with better PR gain more media coverage.

Members

Despite the fact that members cancelled their membership during the year, we have a stable base by new companies joining us and our aim is to further expand our membership base in order to secure the financial stability of the NHCA and expand the networking and business opportunities for our current members. By introducing the non-corporate membership type we wish to broaden our spectrum with local chambers and other non-corporate institutions.

	2015 Objective	2015 Actual	2016 Objective
Strategic partner	10	12	12
Corporate patron member	25	17	18
Corporate member	60	48	50
Non-corporate			3
Personal member	5	4	7
Total	100	81	90

Financials

As a result of our planned activities, more participants at our events and broader membership base for 2016 we forecast a positive result.

1. EVENTS

1.1. Past events 2015



1	14-Jan	Annual General Members' Meeting
2	29-Jan	EKAER Seminar <i>Co-organized by the Netherlands Embassy and hosted by Szecskay Attorneys at Law</i>
3	18-Feb	Business Lunch with MVÜK
4	18-March	Breakfast at my company @ Dr. Rose
5	26-March	Sustainability Breakfast with Kitty van der Heijden <i>Co-organized with the Business Council for Sustainable Development</i>
6	2-April	EU-Chambers Business Drinks
7	15-April	Speed Business Meeting <i>Main organizer: French Chamber</i>
8	16-April	Business Brunch with Tibor Navracsics <i>Main organizer: Joint Venture Association</i>
9	21-April	Business Seminar on Operational Lease <i>Co-organized by Accace and Business Lease</i>
10	27-April	Oranjebal
11	6-May	Business Lunch with the Hungarian-Italian Chamber of Commerce
12	11-May	Green Economic Forum - From "Take-make-waste" model to the circular economy <i>Main organizer: EuCham</i>
13	8-June	EU-Chambers Business Drinks
14	2-Sep	Open day at Accell Hunland at Tószeg <i>Main organizer: The Netherlands Embassy</i>
15	9-Sep	Leadership Seminar - LEAN&Green <i>Co-organized and hosted by Hammel&Hochreiter</i>
16	17-Sep	Business Lunch with the Irish-Hungarian Business Circle
17	30-Sep	Speed Business Meeting <i>Main organizer: French Chamber</i>
18	1-Oct	2 nd Multimodal Logistic Boat Seminar <i>Co-organized by the Netherlands Embassy</i>
19	19-Oct	EU-Chambers Business Drinks
20	5-Nov	Leadership Seminar - Can money and work performance buy happiness? <i>Co-organized and hosted by Randstad Hungary</i>
21	9-Nov	Business Lunch with György Jaksity <i>Main Organizer: Swisscham</i>
22	18-Nov	International Taxation Seminar. In the spotlight: The Netherlands <i>Co-organized by Jalsovszky Law Firm and DBH-Group</i>
23	26-Nov	Business Lunch with Péter Krekó <i>Main organizer: Swedish Chamber</i>
24	15-Dec	EU-Chambers Christmas Drinks

1.2. Event Objectives 2016

We strive to bring a balanced mixture of on-topic events and network events. We will continue organizing events together with other Chambers to enhance the networking opportunities for our members. In addition, during the membership year 2016 we plan to introduce new event types that are more tailor-made to the members' needs.

The professional seminars offer our members a podium to present themselves and to share their knowledge and experience with other members and guests. We aim to create a platform to share common interests, being it new business development or sharing stories on experiences on doing business in Hungary.

As the topics of the events are based on your needs, we warmly welcome any ideas and suggestions. Also, if you would like to share your knowledge with others, support the NHCA and have the perfect opportunity to promote your company at the same time, please do not hesitate to contact us for information on sponsorship opportunities and share your ideas with us.

For more details on our upcoming events, please visit our website at www.dutcham.hu

2. Charity & CSR

2.1. Charity & CSR 2015

Dutcham has been supporting St. Miklós Primary School, EGYMI, College and Children's Home in Budapest for a couple years now. The institution educates children with special educational needs (learning disabilities and integrated trainable mentally handicapped and autistic) in school grades 1-8. They put a special emphasis on music and performing arts as part of the education program.

In 2015 together with CBRE we donated clothes as well as 240,000 HUF with the aim to support outside activities, summer vacation and other excursions. Moreover, we organized a tulip planting with the children in the fall. The management's and the staff's motivation, care and commitment to these children always makes a deep impression on us. For more information about their activities please visit their website: <http://szent-miklos-iskola.webnode.hu/>



Planting at Királyhágó tér



and at Narancs Ovi

Dutcham donated 700 tulip bulbs to 12th district on 22 October. Zoltán Pokorni, the major of the district actively participated in the planting and welcomed the nice initiative.

In the frame of AkzoNobel's Let's colour 2015 project, Dutcham donated 500 tulip bulbs for Narancs Ovi kindergarten. We planted the tulips together with the children on 21 October. The kindergarten has 6 groups and each of them has a dedicated area in the garden for planting. The children did a nice job, we are looking forward to see the flowers blossoming next April.

There was another element of our active participation in the Let's Colour: the swimming hall of Újlipótváros won the special price by AkzoNobel and Dutcham. The swimming hall is the part of the Herman Ottó Primary School but also from other schools come to swim here. The event that Dutcham supported with 150,000 HUF was a great community event on 9 July 2015 with around 75 volunteers.



2.2. Charity & CSR Objectives 2016

The NHCA will continue to support initiatives in the field of charity as well as organize community events.

Our general goal is to find niche areas where our long-term contribution really makes an impact and shows our dedication towards the project. In line with this aim we plan to continue supporting Szent Miklós Primary School and Children's Home in Budapest in 2016 and hope to get your contribution as well.

3. Marketing & Communication

3.1. Marketing & Communication 2015

Besides continuously updating our website, we continued using the online invitations and monthly newsletters to promote our events, share member news, reports and special offers. These platforms proved to be very effective communication channels for some of our members and we encourage all members to proactively send us press releases and reports that help us create colourful and readable content to share.

The Bulletin was published in 550 copies and sent to all members, as well as handed out at all our events throughout the year. The Netherlands Embassy in Budapest and the Embassy of Hungary in the Hague also helped us promote the Association by sharing this publication with individuals and companies for whom it would be interesting to join our business community.

3.2. Marketing Objectives 2016

We wish to expand our current marketing tools with additional online platforms in order to put our knowledge sharing and networking ambitions to a higher level. For this purpose we will enter the social media as well and trust that our members will also find these new channels a good opportunity to help us create unique content by leveraging their professional knowledge.

In order to establish an even better information flow with our members and reach additional companies and private entrepreneurs we will use Facebook and LinkedIn to share the latest updates, member news, reports in a more interactive way.

The Bulletin will remain our annual publication and published in Q3 2016.

In 2015 the NHCA will continue to focus on direct contact with members. We realize that the strength of our Association is the personal contact and the special atmosphere at our events. We aim to keep ourselves to our slogan "Keep in touch with the Dutch" in terms of the context of our activities.

The objectives for 2016 include maintaining contact with all our members on a regular basis, promoting direct contact among them and by doing so creating a stable basis for our Association.

4. Revised Charter

With regard to the entry into force of the New Civil Code of Hungary (Act V of 2013) the Articles of Association of the Chamber shall be amended until 15 March 2016.

Please find here the updated Charter in [English](#) and in [Hungarian](#).

The main amendments are the following:

- the new address (1124 Budapest, Csörsz utca 41. Gellért Tower 3rd floor) of the Chamber shall be inserted into the Articles of Association;
- the term of the office of each member of the Board of directors shall be 2 years;
- the term of the office of each member of the Financial Committee (new name: Supervisory Board) shall be 2 years;
- the Financial Committee shall be transformed into a Supervisory Board and the competence of the Supervisory Board shall be supplemented according to the New Civil Code;
- certain provisions of New Civil Code of Hungary shall also be inserted into the Articles of Association concerning the following topics – these modifications mean rather technical modifications and do not mean substantive changes in the operation of the Chamber.

5. Board of Directors and Cash Committee

5.1. Board of directors 2015

The Board of Directors, as elected at the AGMM of 14 January 2015 composed of:

Mr. Paul Stolk	Shine Management
Mr. Lóránt Kibédi-Varga	CBRE
Mr. Frido Diepeveen	Randstad Hungary
Mr. Rick Enders	Marriott International
Mr. Balázs Erényi	Norbi Update
Mr. Dror Harel	KLM Royal Dutch Airlines
Mr. Joris Huijsmans	HEINEKEN Hungary
Mr. Tamás Sellyey	Work-Force
Mr. Gergely Szűcs	Akzo-Nobel Decorative Coatings



5.2. Board of Directors Structure 2015

In 2015 the Board consisted of the following positions:

- Chairman
- Vice-Chairman
- Treasurer
- Charity Manager
- PR / Communications Manager
- HR Manager
- EU-Chambers Manager
- CSR Manager
- Event Manager

5.3. General Responsibilities of Board Members

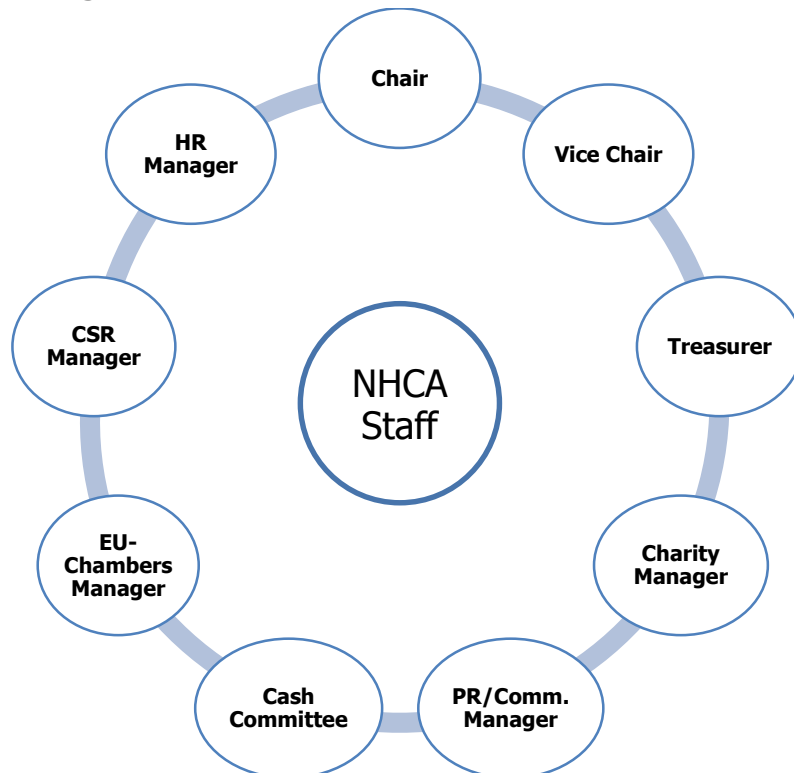
- Representation: represent the general interest of Dutch businesses in Hungary within the Board
- Participation: active participation at NHCA events, representation of NHCA at external events
- Relationship Management: maintain contact with current members and partners, actively recruit new members
- Support: financially or otherwise (e.g. contribution to contents of website, newsletters) support the NHCA

5.4. Position-Related Responsibilities of Board Members

- Chairman
 - Convene and preside the meetings of the Board
 - Procure that a register is kept, from which the content, date and place and number of persons being for and against the decision can be seen of the resolutions of the Board
- Vice-Chairman
 - In case of absence of the President, Vice President takes over the above mentioned responsibilities
- Treasurer
 - Track, revise and control the financial situation of the NHCA
 - Cooperate with the Cash Committee
- Charity Manager
 - Assist in developing and monitoring the NHCA's charity strategy
 - Active participation in charity-related events, representation of NHCA in charity issues
 - Maintain relationship with institutions supported by the NHCA, track the effectiveness and correct spending of NHCA support
- PR / Communication manager
 - Assist in developing and monitoring the NHCA's PR / Communication strategy
 - Provide contents for website and newsletters
- HR Manager
 - Assist in developing and monitoring the NHCA's HR events
 - Actively participate in organizing and attending HR events
 - Cooperate with the HR committee

- EU-Chambers Manager
 - Assist in developing and monitoring the NHCA's relationship with other Chambers of Commerce, governmental institutions, NGO's, embassies, HITA etc.
 - Actively participate in organizing and attending all EU-Chambers activities
- CSR Manager
 - Manage the CSR topic within the Chamber
- Events Manager
 - Assist in developing and monitoring the NHCA's events strategy
 - Actively participate in organizing and attending events

5.5. Organizational Structure of the NHCA



5.6. Candidates for the Board of Directors Membership Year 2016

The candidates for the Board of Directors positions are:

Mr. Paul Stolk	Shine Management
Mr. Lóránt Kibédi-Varga	CBRE
Mr. Frido Diepeveen	Randstad Hungary
Mr. Rick Enders	Marriott International
Mr. Balázs Erényi	Bon Pharma Kft.
Mr. Dror Harel	KLM Royal Dutch Airlines
Mr. Joris Huijsmans	HEINEKEN Hungary
Mr. Tamás Sellyey	DBH Group

After the election the newly appointed Board Members will allocate the available positions within the Board during the first Board Meeting.

5.7. Cash Committee 2015

During last year's AGMM the elected candidates for the Cash Committee were:

- | | |
|---------------------------|------------------------|
| 1. Mr. László Pálmai | Personal member |
| 2. Mr. László Rónai-Horst | Business Lease Hungary |
| 3. Mrs. Júlia Varga | TMF Hungary |



The cash committee has the following responsibilities:

- hold quarterly discussions with the Treasurer and NHCA Staff
- issue a half-yearly statement to the Board of Directors
- review and approve the closed book year of NHCA

5.8. Supervisory Board 2016

With regard to the entry into force of the New Civil Code of Hungary (Act V of 2013) the Articles of Association of the Chamber shall be amended until 15 March 2016 in several points, including the transformation of the Financial Committee into a Supervisory Board and the competence of the Supervisory Board shall be supplemented according to the New Civil Code.

The Supervisory Board candidates available for the three positions in 2016 are:

- | | |
|---------------------------|------------------------|
| 1. Mr. László Pálmai | BI-KA Logisztika |
| 2. Mr. László Rónai-Horst | Business Lease Hungary |
| 3. Ms. Alinka Tóth | Erste Bank |

6. FINANCIALS

6.1. Financial Year 2015

	Budget 2015	Actual 2015 FY	Variance
	Budget	31 December	Actual/Budget
Income	20,220,000	19,574,911	97%
Membership Fees	13,420,000	12,947,412	96%
The Bulletin	600,000	625,000	104%
Barter contracts	250,000	1,087,087	435%
Website	100,000	0	0%
Event Participation	4,300,000	4,168,220	97%
Event Sponsorship	1,000,000	732,968	73%
Other Sponsoring	500,000	10,000	2%
Other income (interest, rounding)	50,000	4,224	8%
Expenses	18,947,450	19,811,384	105%
Salaries & Related Costs	11,447,450	10,930,153	95%
Rental costs	600,000	495,786	83%
Marketing materials	500,000	694,380	139%
Website	300,000	9,400	3%
Events	3,500,000	4,418,607	126%
Charity	500,000	280,000	56%
Utilities (electricity, IT maintenance, internet, service costs)	400,000	976,355	244%
Office Maintenance	500,000	150,353	30%
Financial Administration	200,000	181,943	91%
Post and Courier Services	100,000	89,961	90%
Depreciation	100,000	108,426	108%
Other Costs	100,000	250,355	250%
Non Refundable VAT	700,000	1,225,665	175%
Balance	1,272,550	-236,473	

The 2015 financial result of the Association lag behind the planned budget of 2015. The negative balance is primarily due to a lower income from Event participation; for various reasons we could not organize a few planned events, while on the expenses side we had more costs regarding the realized events than originally planned.

As every year, a few companies cancelled their membership fees, on the other hand we welcomed new members. The income from Membership fees reflects this solid membership basis.

For 2016 a positive balance is expected and strived for in order to maintain secure operation for the Association. We trust that our current members will continue to support us and, on the other hand new companies will join our community and we will be able to raise your interest by our planned activities.

As to the Non Refundable VAT: the Chamber operates with proportionate VAT recovery. The result shows the proportion between the VAT-able and non-VAT-able income. We strive for a better percentage for this coming year to lower this cost.

6.2. Statement from the Cash Committee Financial Year 2015

The Cash Committee reviewed the financial administration of the NHCA related to the 2015 financial year. In the course of this review the Cash Committee did not identify material errors and therefore suggests that the members approve the NHCA's financial administration for the year 2015.

6.3. Proposed Membership Fee 2016

The Board of Directors proposes to keep the current membership fees for the corporate members and lower the fee for personal members in order to attract more private entrepreneurs to the Association. The Non-corporate Member membership type would make it possible for partner organizations to join and provide an additional layer to the membership base.

Membership type	Annual fee 2015	Proposed annual fee 2016
Strategic Partner	410,000 HUF	410,000 HUF
Patron Member	210,000 HUF	210,000 HUF
Corporate Member	140,000 HUF	140,000 HUF
Non-corporate Member		80,000 HUF
Personal Member	70,000 HUF	50,000 HUF

6.4 PROPOSED BUDGET 2016

The Board of Directors proposes the budget below for the 2016 Membership Year.

	Actual 2015 FY	Budget 2016
Income	19,574,911	22,000,000
Membership Fees	12,947,412	12,820,000
Marketing	625,000	1,400,000
Barter contracts	1,087,087	1,170,000
Event Participation	4,168,220	5,000,000
Event Sponsorship	732,968	1,500,000
Other Sponsoring	10,000	100,000
Other income (interest, rounding)	4,224	10,000
Expenses	19,811,384	20,764,800
Salaries & Related Costs	10,930,153	11,500,000
Rental costs	495,786	600,000
Marketing	703,780	1,715,000
Events	4,418,607	4,000,000
Charity	280,000	400,000
Utilities	976,355	1,031,000
Office Maintenance	150,353	270,000
Financial Administration	181,943	148,800
Post and Courier Services	89,961	100,000
Depreciation	108,426	100,000
Other Costs	250,355	100,000
Non Refundable VAT	1,225,665	800,000
Balance	-236,473	1,235,200

The proposed budget is in line with our plans for this year.

We aim to utilize our current marketing tools even better and develop our online presence that needs investment, this is why we extended our marketing budget.

Based on our events calendar for 2016 we plan to generate more income than last year from Event participation and Event sponsorship.

Finally, as mentioned earlier we aim to optimize a better balance between VAT-able and non-VAT-able income to lower the cost of non-refundable VAT.