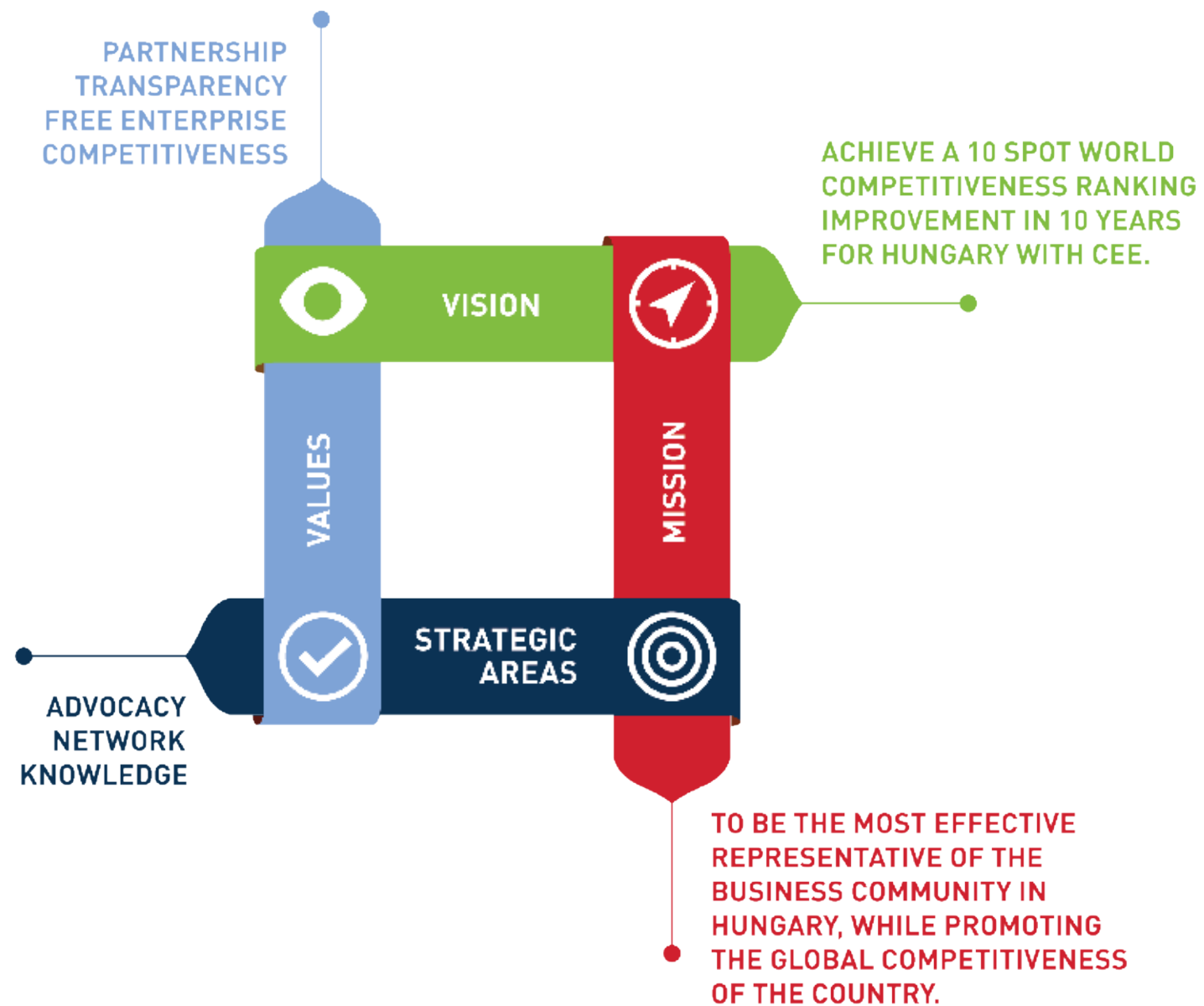




ANNUAL REPORT 2015





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LETTER FROM THE PRESIDENT

Ferenc PONGRÁCZ
President



Dear Members,

Last year you entrusted me to be the voice of a powerful group of AmCham member companies. My personal goal since then has been to grow AmCham and strengthen its position as the “most effective representative of business community in Hungary.” I am very proud to say that we have stabilized the number of our members, while the number of Patron companies grew from 24 to 30, indicating the trust of the business community in our professional agenda.

As a result of hard work with the board and committee chairs, we formulated our new vision and reconfirmed our mission. We have outlined four key areas where AmCham can contribute to improving the competitiveness of Hungary: Investment; Talent; Innovation; and Healthy nation, and we aligned our working structures to more efficiently support these objectives.

In June we launched our first “Policy Agenda” document, highlighting the most important priorities for our advocacy work between 2015-17. I am proud to say that in the past six months we have made significant progress in achieving the goals set in the Agenda; let me highlight some of these accomplishments.

Meetings and discussions with decision-makers – Prime Minister Orbán, Ministers Balog, Varga, Szijjártó, and Trócsányi, and State Secretaries Palkovics, Pankucsi, Rákossy, and Czomba, and Dr. József Pálincás, Government Commissioner responsible for tasks related to the establishment of the National Research, Development and Innovation Office, just to mention a few

– have paved the way for a continuous dialogue, enabling us to ensure business considerations are borne in mind when it comes to decisions.

The strategic agreement with the Hungarian Investment Promotion Agency (HIPA) signed at the beginning of the year provides an excellent framework for programs promoting the competitiveness of the country. HIPA – together with the National Council for Telecommunications and Information Technology and the Ministry for Human Capacities – has been an effective partner in organizing the flagship events of the Investment and Talent Policy Task Forces – the “Business Meets Government Summit” and the “Competitive Education Conference,” respectfully. We are also proud to be a partner of the Brain Bar Budapest, a cooperation we will continue in 2016. Recommendations and commitments from these three high level events have been formulated into a document to be handed over to the Prime Minister in December. We have developed excellent working relationship with the new ambassadors who link Hungary and America. Ambassadors Szemerényi and Bell were our guests at several occasions providing powerful insight for our members.

Needless to say, none of these achievements would have been realized without the dedicated professional work of our board, our policy task forces and our committees, our members and of course the AmCham staff. Let me give my sincere thanks to all of you!

Last year, when I embarked this journey, I could foresee an exciting 12 months ahead of us. Looking back, I am proud to see that the reality was even better than my imagination.

AMCHAM BOARD MEMBERS 2014-2015

	President Ferenc PONGRÁCZ IBM Hungary		First Vice President Norbert FOGARASI Morgan Stanley Hungary Analytics Ltd.		Second Vice President Dr. Andrea JÁDI NÉMETH bpy Jádi Németh Attorneys at Law
	Secretary Treasurer Péter FÁTH Honorary Member		Board Member Farkas BÁRSZÓNÉ GE Hungary Kft.		Board Member Liam CROW First Med Kft.
	Board Member Bea ELŐD Citi Service Center Budapest		Board Member Andrea JUHOS LHH Magyarország. Career Consultants Kft.		Board Member Bob MANSFIELD Mansfield & Associates
	Board Member Diána STEGENA Amgen Kft.		Board Member Krisztina VARGA Hewlett Packard Enterprise		Chief Executive Officer Írisz LIPPAI-NAGY AmCham

LETTER FROM THE CEO

Írisz Lippai-Nagy
CEO



Dear Members,

Another year has gone by and, looking back at the past 12 months, a lot of pictures, moments, and emotions come to mind. I am completing my first full year as AmCham CEO, and I need to take stock and make an account to you, as members, and also to myself, about what we have accomplished so far.

First and foremost I feel privileged: I am privileged to work with you all, to have the opportunity to have daily contact with the best businesswomen and businessmen of the country, being part of inspiring discussions formulating the future, and to be a witness of your challenges and successes.

I feel motivated: I feel motivated to see how much time and energy you devote upon your normal daily work to move forward things that are important for our economy and our country. You are tireless in your work on our policy task forces and committees, and you are eager to help when we reach out.

I feel proud: I feel proud to deliver my promise to you. I promised to preserve the rich and powerful history of the past 25 years, while elevating our advocacy activity and providing focus for everything we do. We have defined very

clearly the four focus areas – Investment, Talent, Innovation and Healthy Nation – and the “Policy Agenda” document outlines our advocacy plan for the years to come. I am proud to present the 2016 AmCham Annual Plan at the General Assembly as I believe the community of our members should not only approve what we have achieved in the current year, but also what we are planning to do next year.

I feel thankful: I feel thankful to the board for its trust and support; I feel thankful to my wonderful team who are not only very good professionals but also a group of individuals with whom it is a joy to work.

And I feel deeply sad: I feel deeply sad because we have lost Laci, “the Rock,” a beloved friend who was my greatest help from the very first moment I arrived and who openheartedly supported all initiatives. Laci had a great stake in all the achievements listed in this “Annual Report.” It is still difficult to imagine how life will be without him; the only thing I can promise is to continue our work in his spirit, in a way that would make him very proud of us.

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Membership Manager Ildikó TAKÁCS-BERKA

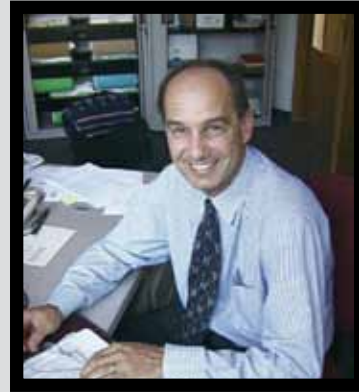
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We would like to thank our interns in 2015:

Olívía Exton-Pongrácz, Bence Juhász, Petra Juhász, Balázs Kovács, Marina Luka and Grace Lenoci

FAREWELL TO LÁSZLÓ METZING



**“He who has gone, so we but cherish his memory,
abides with us, more potent, nay,
more present than the living man.”**

Antoine de Saint-Exupery



László Metzing, our COO, dear colleague and friend passed away on October 23, 2015 after a short illness at the age of 58.

He was a genuinely good man, a caring friend, a dedicated and loving husband, father and grandfather. Many called Laci “the Rock”, as he was the foundation of what AmCham is today. In the 17 years he spent with the chamber he helped build it into a great organization, with a strong and supportive staff and a vibrant membership community. He studied Foreign Trade at the University of Economics, Budapest, where he met his future wife.

At the beginning of his career he worked in foreign trade, later in the food and cosmetics industries, and lived in the United States in the early '90s. He started working at AmCham in 1999 as head of administration. Laci always had a good story to share, some wise advice to give, or a line to quote from his favorite film, “Back to the Future,” which he believed had an answer to any and all situations in one’s life. We will never forget him: his professionalism, his personality, his anecdotes, and his smile. He was the kind of man who didn’t just hear you speak; he listened. He will be dearly missed. He already is.

SECRETARY TREASURER'S REPORT

Secretary Treasurer: Péter Fátb
Finance Manager: Ildikó Bryják



As Secretary Treasurer, I am pleased to report that – in spite of the fact, that for a part of the year AmCham operated without a CEO – our financial performance remained stable in 2014. I would like to thank László Metzing, acting CEO in the interim period, and all members of the staff and Irisz Lippai-Nagy, who joined us during the year as the new CEO, for their devoted work.

We followed a prudent financial policy and in 2014 AmCham was able to reach a slight profit of HUF 766,000 opposed to the HUF 236,000 profit planned in the annual budget. On the revenue side, we achieved HUF 172 mln (99.42% of the 2013 figure) and our cost was HUF 171.2 mln (96.06% compared to 2013). The financial situation of the Chamber is strong; we have HUF 110 mln reserves.

Revenues from membership fees along with the large number of events not only provided sufficient income for day-to-day operations in 2014, but also made it possible to make necessary investments (CRM and website development, etc.)

In April 2015 our auditor, BDO Magyarország Tanácsadó Kft. (BDO) reviewed the financial statements, contracts and board minutes for 2014 and, after consulting with the accounting company (Memolux), issued an unqualified auditor's report. This confirms that the procedures at AmCham are done in a true and professional manner; the balance sheet and financial report a clear and accurate picture of the organization

(please see pages 70-71). There was no need to address any subject in the management letter.

I would like to thank Memolux Kft. and BDO Magyarország Tanácsadó Kft. for their professional work and continued help.

AMCHAM'S REVENUE STRUCTURE

Our total revenues in 2014 somewhat decreased compared to the previous year. (HUF 172 mln vs. HUF 173 mln in 2013).

The membership fee income was slightly lower than the previous year's. (HUF 122.6 mln vs. HUF 128.3 mln) In 2014 71,3% of the Chamber's income was made up of membership fees as opposed to 74.1% in 2013.

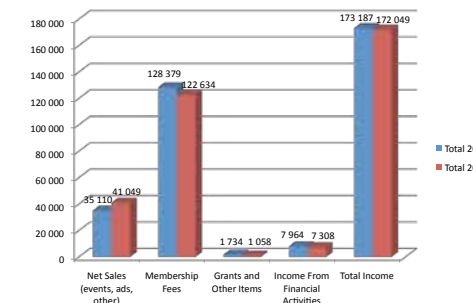
Net sales (HUF 41 mln) includes revenues from

- Events: HUF 35.9 mln (in 2013: HUF 31.3 mln)
- Further sources of income are activities concluded in the form of a business association, resulting in an income of HUF 5.1 mln altogether (ads, sport/ social events).

Income from financial operations: HUF 7.3 mln (interest on long-term bank deposits, realized and accrued interests of government bonds, realized and accrued interests of treasury notes, interest on fixed deposits etc.).

There were no extraordinary items in 2014.

AmCham's Revenue Structure in 2013 and 2014



AMCHAM'S COST STRUCTURE

Our total cost in 2014 somewhat decreased compared to the previous year. (HUF 171.2 mln vs. HUF 178.4 mln in 2013).

The level of material expenditures in 2014 was lower (HUF 61.9 mln) than in 2013 (HUF 62.1 mln). The material costs, the used and other services, as well as mediated services are shown among the material-type costs.

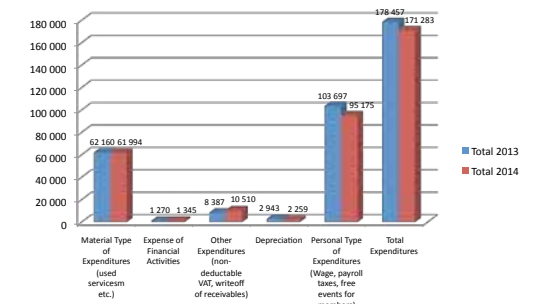
Personal type costs significantly decreased in 2014 (HUF 95.1 mln vs. HUF 103.6 mln in 2013). The personal expenditures (HUF 95.1 mln) include wages, payroll taxes, and cafeteria payments. The costs of services (related to committees, board meetings, and exclusive events for patron members) provided to the members

for free are also indicated here. The reason for the significant reserves on personal expenditures was the interim period until the induction of the new CEO.

The most significant items of other expenditures HUF 10.5 mln (in 2013: HUF 8.3 mln) are non-deductible VAT, write-off of receivables, and company car tax.

The expenditures under financial activities (HUF 1.3 mln) include interest of HUF 588,000 paid within the purchase of government bonds, HUF 72,000 realized exchange rate loss, and HUF 685,000 realized and accrued exchange rate loss related to securities.

AmCham's Expenditures in 2013 and 2014



The chamber had no extraordinary expenditures in 2014.

Year end result in 2014	HUF	766,000
Result of basic activity	HUF	1,731,000
Result of entrepreneurial activity	HUF	-965,000

2015

Highlights

ADVOCACY HIGHLIGHTS

OUR NEW WAY OF WORKING

In 2015, AmCham revitalized its advocacy activities as a result of a six-month consultation with the board of directors, committees and membership. We remain the same balanced, professional organization we have been in the past 25 years, but with a more focused, streamlined agenda.

Our advocacy activities are guided by our new vision, “to achieve a ten spot World Competitiveness ranking improvement in ten years for Hungary with CEE.” Currently Hungary is ranked 63rd out of 140 economies. In order to reach this “**10in10**” goal we looked at the World Competitiveness Report (WCR) and the 12 pillars they use for country evaluation. We identified four areas incorporating several of the 12 WCR pillars as focus areas, where AmCham has the relevance and power to make a positive impact. These four pillars, which outline our advocacy roadmap for 2015-2017 are: Investment, Talent, Innovation and Healthy Nation.

In June 2015 we published our first “**Policy Agenda**,” a 20-page manifestation of our commitment to reach the above goals. The document, which defines how the AmCham community can improve Hungary’s competitiveness, was presented at an INSIGHT dinner, with more than 100 member companies participating.

In line with our “Policy Agenda”, four policy task forces (PTFs) were formed – Investment, Talent, Innovation and Healthy Nation – which are charged, together with

the CEO and the board, with pushing for positive change and proposing recommendations representing common membership interest. (See pages 16-23 for more details)

Many of our advocacy efforts are still driven by the committees, with a key, supportive role for the Regulatory Committee (see pages 24-25 and 54-67 for more details). However, these groups’ primary goal is best practice sharing and professional networking.

STRENGTHENED COOPERATION WITH THE GOVERNMENT

To pursue our “Policy Agenda” goals, we identified key government partners, with whom we have worked intensively in the past year. Formalizing this cooperation and the ongoing consultation with the government, we renewed our strategic partnership agreement with the Ministry of Justice in November 2014, and signed a cooperation agreement with the Hungarian Investment and Trade Promotion Agency (HIPA) in January 2015. Also this year the Ministry of National Economy agreed to create a forum for ongoing, regular dialogue. A strong working relationship was established with the Ministry for Human Capacities in 2015, strengthened by the “Versenyképes Oktatás” (Competitive Education) Conference, held in November. Finally, Vice President Ferenc Friedler was designated as the key AmCham contact for the National Research, Development and Innovation Office, after a meeting held with President Pálkás.

2015 HIGHLIGHTS

For a more competitive Hungary: AmCham & Government cooperation timeline 2014-2016



MEETINGS WITH HIGH-LEVEL GOVERNMENT REPRESENTATIVES

AmCham started a high-level dialogue with the government in November 2014, when our delegation met Prime Minister Orbán and Ministers Seszták, Trócsányi and Varga for an exclusive meeting at Parliament on the occasion of AmCham’s 25th anniversary. This momentum was carried further, when we hosted Minister of Foreign Affairs and Trade, Péter Szijjártó in January and Minister of National Economy, Mihály Varga in June at a Business Forum and a private meeting with the AmCham board. We also had the privilege to meet with Minister for Justice, László Trócsányi three times in the past year: during the signing ceremony of our strategic partnership and AmCham’s 25th anniversary in November 2014, and the Compliance Conference held in September 2015.

We are proud to have arranged an extraordinary meeting with Ambassador Colleen Bell and Ambassador Réka Szemerkényi at a Business Forum with 170 guests in February 2015. At the meeting Ambassador Szemerkényi, noted that Hungarian-U.S. relations are

“opening a new chapter” and that dialogue between the two countries is “more important than ever.”

The first “Business Meets Government Summit” was another important milestone in this year’s advocacy timeline, organized together with HIPA and the National Council for Telecommunications and Information Technology (NHIT), and with a keynote speech given by Péter Szijjártó, Minister of Foreign Affairs and Trade. With the event our aim is to make communications between the business world and government more direct and more meaningful, and to identify as our mutual goal seeing Hungary and the CEE region rise ten places in ten years in the WCR.

STATE SECRETARY MEETINGS

In the framework of the “State Secretary Roundtable” meeting series, PTF and committee members and invited guests from the membership have a chance to meet and engage in a constructive and open dialogue with high-level government representatives from different ministries and have a forum to explain how AmCham’s recommendations

ADVOCACY HIGHLIGHTS

have relevant impact on business entities in Hungary. AmCham organized eight roundtables this year, addressing key issues of the labor market, innovation, EKAER, taxation, TTIP and legislation. For more details on these discussions please read the PTF and Committee reports.

In 2015 we met with:

- Zoltán Nemessányi, Deputy Secretary of State, Ministry of Justice (December 2014)
- Antal Nikoletti, Deputy State Secretary responsible for Foreign Economic Policy, Ministry of National Economy (December 2014)
- Dr. József Pálincás, National Research, Development and Innovation Office (January)
- Dr. István Mikola, Minister of State for Security Policy and International Cooperation (January)
- Dr. László Palkovics, State Secretary for Higher Education, Ministry of Human Capacities (February)
- Zoltán Pankucsi, Deputy Secretary of State for Taxation, Ministry of National Economy (March)
- Zsuzsa Wopera, Ministerial Commissioner, Ministry of Justice (June)
- Béla Glattfelder, State Secretary, Ministry of National Economy (September)

STRONG START FOR THE PTFs

Although formed only in Q2, these groups hit the ground running and achieved many of the commitments outlined in the Policy Agenda. Three highly successful events – the <Re:Start> Brain Bar Budapest lab, the first “Business Meets

Government Summit” and the “Versenyképes Oktatás” (Competitive Education) Conference – along with the 10,000 steps campaign are new flagship projects for the chamber, while we proudly continued our successful initiatives as well, such as the Language Ambassador program, now championed by the PTFs.

CONTINUED COMMITTEE WORK

The Regulatory Committee remained a strong legal support to PTFs and fellow committees and also the AmCham board. In 2015 the committee commented on the following legislation (for more details please turn to pages 24-25):

- New Public Procurement Legislation (jointly with the Governance & Transparency Committee)
- Amendment of the Info Act
- Concept of the new Civil Procedural Law
- Concept on adopting the EU Directive (2014/104/EU)

AmCham’s **Governance & Transparency (G&T) Committee** has also been actively advocating for more transparency via a variety of channels. AmCham has been represented since 2012 in the government’s anti-corruption working group meetings (the Open Government Partnership) via the G&T Committee; the NGO Working Group has been finalizing a position paper with specific recommendations for a more transparent not-for-profit sector; continued its educational “Board Simulation” roadshow, demonstrating the business implications and challenges of corporate governance

2015 HIGHLIGHTS



issues; and finally initiated a successful workshop entitled “Practical Compliance: How can Internal Audits and Whistleblowing Schemes Help Efficient Compliance?” in September, with Minister of Justice László Trócsányi, and U.S. Ambassador Colleen Bell as keynote speakers.

AmCham’s **Tax** and **Electronics Manufacturers’ Committees**, together with the Investment Policy Task Force responded to the newly introduced EKAER system in two different letters to the Ministry for National Economy and hosted Deputy Secretary of State Zoltán Pankucsi at

an exclusive meeting. After conducting a small survey among the membership AmCham forwarded a few major suggestions to the relevant decision makers. To read more please turn to pages 54-55.

Finally, the **Electronics Manufacturers’ Committee** worked out a series of recommendations on how to attract more FDI into the sector. The document was presented and discussed in detail with Béla Glattfelder, Minister of State for Economic Regulation. Again, more details can be found on pages 54-55.



INVESTMENT

INVESTMENT POLICY TASK FORCE

Policy Task Force Lead: Dr. Farkas Bárony (GE Hungary)
Board Pair & Advisor: Dr. Norbert Fogarasi (Morgan Stanley)
Advisor on Financial Institutions and SSCs: Bea Előd (Citi)
Coordinators: Írisz Lippai-Nagy, László Metzing, Judit Szilágyi



MISSION

“To increase Hungary’s global competitiveness by enhancing the country’s attractiveness for FDI.”

OBJECTIVES

The Investment Policy Task Force (“Investment PTF”) has defined three main objectives for the period of 2015-2017:

1. To create a sustainable, investor-friendly business environment to keep and attract more FDI into Hungary and the region
2. To maximize the impact of FDI
3. To create and clearly communicate an investment strategy and align the country’s education strategy accordingly

OVERVIEW

According to the Global Competitiveness Index prepared by the World Economic Forum every year, Hungary was ranked 63rd (out of 140) in 2015-2016. For sustainable growth and enhanced competitiveness, Hungary’s investment promotion strategy needs to be adjusted to the innovation-driven global environment. Therefore, the Investment PTF suggests more focus on high value-added industries, building on the competitive advantages of existing, well-developed sectors such as, the pharmaceutical, electronics manufacturing and mechanical engineering industries, the shared

service, ICT, financial and professional services sectors.

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2015

EKAER: In the first half of 2015, the Investment PTF assisted its members in monitoring the newly introduced EKAER system and advocating for several modifications in the interest of business-friendly regulations. AmCham sent two different letters to the Ministry for National Economy and hosted an exclusive meeting with Deputy Secretary of State, Zoltán Pankucsi. After conducting a survey among the membership, AmCham forwarded several major suggestions to relevant decision makers. We successfully moved towards a more acceptable regulation. Furthermore, the work in the Investment PTF with the government representatives triggered the discussion on creating a “trusted taxpayer” definition in the law.

Partnership with HIPA: Based on the Strategic Partnership Agreement signed with the Hungarian Investment Promotion Agency (HIPA) in January 2015, the Investment PTF agreed on a work plan and details of cooperation with HIPA President Róbert Ésik at a high-level meeting on April 17; as a result, regular, meaningful dialogue was successfully established between the two organizations. The Investment PTF in partnership with HIPA is pledged to support decision makers in appreciating corporate business processes and company procedures

(including global decision making process). In 2015, the following two flagship events were organized jointly by AmCham and HIPA: the first “Business Meets Government Summit” and the “Talent Conference”.

Business Meets Government Summit: In line with AmCham’s goal and vision “to achieve a 10 spot World Competitiveness Ranking improvement in 10 years for Hungary with CEE”, the chamber, together with HIPA and the National Council for Telecommunications and Information Technology (NHIT) organized this flagship event to further explore key challenges and priorities



for improvement and to help develop a coherent national strategy to make Hungary more competitive. One of the main goals of the event was to develop a tangible list of recommendations in four selected areas: Business Sophistication and Environment, Digital Economy, Labor Market and Innovation, that can be communicated to the Prime Minister and the Government.

Minister of Foreign Affairs and Trade Péter Szijjártó delivered the opening speech at the event, which was also attended by several high-ranking government officials including State Secretary for EU Funds Balázs Rákossy, Vice President of the National Research, Development and Innovation Office Ferenc Friedler. Co-organizers HIPA and NHIT were represented by President Róbert Ésik, Vice President Szilárd Bolla, Vice President Albert Biró, (NHIT) and by numerous expert colleagues.

Cooperation with Committees: The Investment PTF cooperated with the Tax Committee in the organization of the 10th annual regional tax conference held in Budapest, April 2015. In early September, the Investment PTF together with the Electronic Manufacturers’ Committee met Béla Glattfelder, Minister of State for Economic Regulation at the Ministry for National Economy.

FUTURE GOALS

The Investment Policy Task Force is committed to:

- Work closely with current and future strategic partners (HIPA, NGM, Ministry of Justice) on realizing the above goals;
- Advocate for raising Hungary’s competitiveness based on the set of recommendations prepared at the First Business Meets Government Summit;
- Provide a platform for regular and meaningful dialogue between the government and business; organize the “Business Meets Government” summit in 2016;
- Support policy-makers in better understanding local and global corporate decision-making processes;
- Support decision-making by conducting impact assessments before measures are introduced;
- Enhance communications with current and prospective foreign investors.



TALENT

TALENT POLICY TASK FORCE

Policy Task Force Lead: Andrea Juhos
(Lee Hecht Harrison Hungary)
Policy Task Force Co-Lead: László Szépkúti
(Flextronics Global Services)
Coordinators: Írisz Lippai-Nagy, Judit Szilágyi



MISSION

To represent the needs of businesses regarding the Hungarian talent pool in order to improve Hungary's long-term competitiveness.

OVERVIEW

By April 2015, AmCham Hungary has defined its vision, new strategy and new way of working, according to which four policy task forces were established to dedicate focus and resources to the selected four key areas. One of these is the Talent Policy Task Force (Talent PTF).

OBJECTIVES

The Talent PTF has defined three main objectives for the 2015-2017 period:

1. Encourage the wide-scale promotion of key competences and skills in education for a competitive workforce
2. Recognize the importance of talent management and talent retention
3. Enhance cooperation between the corporate sector and education institutions

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2015

The Talent PTF organized regular meetings for member company representatives to discuss best practices and talent related advocacy issues. On May 19, an open PTF

meeting was organized with the representatives of OFA, where details were shared with member companies about the "Gyere haza fiatal" program, which aims to attract qualified Hungarian young people working in the UK back to Hungary.

Regular Dialogue with the Ministry of Human Capacities (EMMI)

On February 11, AmCham hosted State Secretary László Palkovics and his colleagues from the Ministry of Human Capacities at a roundtable discussion. State Secretary Palkovics presented the new higher-education reform strategy entitled "Fokozatváltás a Felsőoktatásban," then PTF leads Andrea Juhos and László Szépkúti detailed those areas where AmCham had made recommendations in previous years, most of which are addressed by the new strategy. These include better interoperability between business and higher education, enabling the professional employment of students or strengthening language skills. A clear focus and interest was on dual training ("duális képzés"), as many companies considered joining the initiative.

The Talent PTF continued to monitor the implementation of those AmCham recommendations that are reflected in the higher education reform concept, and also established structured dialogue with EMMI.

In early May, Talent PTF lead László Szépkúti and AmCham COO László Metzinger participated at the preparatory meeting for the "OECD Policy Seminar: Building Ties Between Higher Education and Employers in Hungary," organized by EMMI.

In October, AmCham CEO Írisz Lippai-Nagy met with Deputy State Secretary for International and EU Affairs of the Ministry of Human Capacities Gergely Pröhle and shared AmCham's vision and talent related recommendations incorporated in the recently published "Policy Agenda" document. Also in October, the AmCham CEO and Talent PTF lead Andrea Juhos met with Minister of State for Public Education Judit Czunyiné Bertalan to discuss details of cooperation between AmCham and the ministry, with a special focus on the jointly organized "Talent Conference."

Competitive Education Conference 2015

On November 19 (after this publication went to print), AmCham together with HIPA and EMMI organized a "Competitive Education Conference" to bring together all stakeholders for a focused discussion on how to enhance the competitiveness of the Hungarian education system and to better match the demands of the labor market. Government decision-makers, including Minister for Human Capacities Zoltán Balog and state secretaries were due to discuss with member company representatives how to adjust Hungarian education to the challenges of a new era. The audience included more than 120 teachers of primary and secondary schools and higher education institutions, for whom an interactive session with company representatives was organized to encourage face-to-face dialogue and sharing of best practices between the representatives of the corporate and education sector. One of the main goals of the event is to develop a tangible list of recommendations for a more competitive workforce, focusing on three selected areas: (i) better balance between key competences/skills and an encyclopedic curriculum; (ii) importance of career and labor market orientation and talent management; and (iii) competitive foreign language skills. These recommendations will be forwarded to the Prime Minister and the government.

Language Ambassador and Career Ambassador Programs

AmCham has continued the highly successful Language Ambassador Program. Since its launch in 2011 we have reached 130 high schools from 25 cities and involved 185 Language Ambassadors from 56



different companies, who gave almost 400 lectures, combined. Based on feedback from both volunteers and teachers, we have also launched the Career Ambassador Program, giving students the option to visit our member companies where they attend focused programs to better familiarize them with the type of jobs the labor market has to offer. We are very proud to report that during the pilot term a total of five companies hosted nine visits from nine different schools, and more than 100 students in total. Demand for both the Language and Career Ambassador Programs is at an all-time high, but we believe there is always room for more! We encourage our members to join these initiatives.

FUTURE GOALS

The Talent Policy Task Force is committed to:

- Working closely with our government partners (EMMI, HIPA) on realizing the above goals;
- Advocating for a more competitive labor force, based on the recommendations prepared at the "Talent Conference 2015";
- Organizing a "Competitive Workforce" event in 2016;
- Continuing our talent-related programs, the Career and Language Ambassador programs.



INNOVATION

INNOVATION POLICY TASK FORCE

Policy Task Force Lead: Csaba Márkus (Deloitte)
Policy Task Force Co-Lead: Joerg Bauer (GE Hungary)
Coordinators: Judit Szilágyi



MISSION

To improve and recognize innovation and R&D as a driving force of economic growth and a competitive edge for Hungary, while representing the needs of businesses to enhance this development.

OVERVIEW

By April 2015, AmCham Hungary had defined its vision, a new strategy and a new way of work, according to which four policy task forces were established to dedicate focus and resources to the selected key areas, one of which is the Innovation Policy Task Force (Innovation PTF).

OBJECTIVES

The Innovation PTF has defined four main objectives for the period 2015-2017:

- Focus on innovation as a cornerstone of macroeconomic policy;
- Stimulate high-value added R&D projects that lay a solid groundwork for sustainable growth after 2020;
- Encourage long-term cooperation between large enterprises, SMEs and academia on R&D projects;
- Attract more people to Science, Technology, Engineering and Mathematics (so-called STEM subjects).

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2015

Regular Dialogue Established With the National Research, Development and Innovation Office

On January 20, the Innovation Committee held an open meeting with Dr. József Pálincás, Government Commissioner responsible for tasks related to the establishment of the National Research, Development and Innovation Office (NKFIH), where the commissioner gave a presentation on the main objectives and tasks of the office, followed by a Q&A session.

On June 4, representatives of the Innovation PTF held a closed-door meeting with Dr. Ferenc Friedler, incoming vice president of the NKFIH, where AmCham shared its recommendations incorporated in the "Policy Agenda" document. On October 27, at the first joint AmCham/HIPA/NHIT "Business Meets Government Summit," "Innovation" was one of the four focus areas. At the event members formulated their recommendations on how to stimulate high-value added R&D projects in Hungary, and how to attract more R&D investments, to help increase the country's competitiveness. NKFIH Vice President Ferenc Friedler participated at the event and engaged in a constructive dialogue with corporate representatives. Participants emphasized that the legal and regulatory environment of research and development are among the factors that determine Hungary's competitiveness, since it has a special significance

in relation to the sustainable economic development of our country. Enterprises need predictable, fair and understandable regulation for industrial research, development and innovation to prosper. The Innovation PTF is dedicated to supporting the work of NKFIH by sharing its industry expertise and knowledge of R&D-related corporate processes. AmCham President Ferenc Pongrácz represents the chamber on the advisory board of the NKFIH. AmCham members are invited to join NKFIH's database of experts on a voluntary basis.

AmCham Brain Bar Lab: Disrupt for a Startup Revolution

As part of the three-day long "Brain Bar Budapest" festival held in early June, AmCham's Innovation PTF organized a "lab" entitled **<Re:Start> Disrupt for a Startup Revolution** at the LogMeln headquarters. The aim was to bring together university educators, government officials, and company leaders to discuss how we could make the region more relevant for local and international innovative enterprises, and also more competitive. The evening started with a keynote speech given by Eileen Bartholomew (pictured), senior vice president of XPRIZE. Participants then joined small teams to discuss different topics: "Corporate Relations and the Ecosystem"; "Regulation and Government"; "Education and Mindset"; and "Success Stories, Best Practice Sharing and Communication." The teams came back together for a plenary session where

they shared the results of their discussions. The event served as an important step forward for creating a more supportive ecosystem in Hungary that would incentivize innovations.

The lab also highlighted the fact that AmCham member companies are willing to work together to achieve common goals and consider the creation of long-term cooperation between large enterprises, SMEs and academia on R&D projects a priority.



FUTURE GOALS

Planned activities include:

- Preparation of innovation and R&D related recommendations and positions
- Organization of quarterly Innovation PTF meetings with invited guest speakers
- Organization of the AmCham Workshop on how to make Budapest a start-up hub – a joint event with the "Brain Bar Budapest" festival in 2016
- Provide continued support to the NKFIH advisory board

HEALTHY NATION POLICY TASK FORCE

Policy Task Force Lead: Dr. Diana Stegena (Amgen)
Policy Task Force Co-Lead: Dr. Csaba Szokodi (Mölnlycke)
Coordinators: Írisz Lippai-Nagy, Judit Szilágyi



MISSION

“To increase awareness of collaborative opportunities between the government and AmCham to increase the responsibility of citizens and companies to keep and/or improve the mental and physical health of the Hungarian population.”

OVERVIEW

Good health is a desired status for both individual members and for the whole of society; it is the basis for everybody to enjoy life, and achieve personal or community goals. It is a wish and goal for each government to have a healthy and productive nation and workforce, which increases the country’s prosperity, GDP and competitiveness. By April 2015, AmCham Hungary had defined its vision, its new strategy and a new way of working, according to which four policy task forces were established to

dedicate focus and resources to the selected key areas, one of which is the Healthy Nation Policy Task Force (Healthy Nation PTF).

OBJECTIVES

The Healthy Nation PTF has defined its objectives in relation to four key areas for the period 2015-17:

1. Promoting active health management creates a Healthy Nation and may increase healthy life expectancy
2. A Healthy Nation with a healthy workforce increases the economy’s assets
3. A Healthy Nation requires efficient health care and effective use of resources
4. A prerequisite of a Healthy Nation is sufficient financial means to implement public health policies

MAIN ACHIEVEMENTS AND ACTIVITIES IN 2015

10,000 Steps campaign

AmCham Hungary officially launched its “10,000 Steps” health awareness campaign with a “Walk the Walk” event on October 8 in downtown Budapest. The key goal of AmCham Hungary’s Policy Agenda for 2015-2017 is to improve the competitiveness of the country.

“Our goal is to push Hungary ten places up the [World Economic Forum’s] world competitiveness ranking within the next ten years,” CEO Írisz Lippai-Nagy said



at the event. In order to achieve this, an employee health program was launched this year for the 160,000 employees of AmCham member companies.

“Employers have the responsibility to guard the mental and physical health of their employees, who, in turn, need to do their homework as well. We need to educate them that they can do a lot for themselves. We believe that a nation relying on a healthy workforce can boost economic efficiency,” Diána Stegena, CEO of Amgen Hungary, added.

The first milestone of the campaign was the “Walk the Walk” event, where many of the 700 colleagues signed up to the 100-day challenge from 30 enterprises and covered around 3 km on foot in downtown Budapest, followed by various sports activities on Margaret Island. The 10,000-step initiative is based on cooperation with Global Corporate Challenge (GCC), the world’s most successful global worker health program.

GCC offers a way to develop a new approach to sleep, to eating and to moving by encouraging people to change their daily habits. According to the program, considerable results can be expected from something as simple as taking 10,000 steps a day. Thanks to GCC’s global outreach, as many as 1.8 million employees at more than 5,000 enterprises in 185 countries have taken part.

“According to a WHO recommendation, doing 30 minutes of sports per day is enough to keep you fit, therefore it is our mission to fight inactivity. This year marks the 10-year-anniversary of the country’s biggest corporate fitness program, Coca-Cola Wake Your Body,” noted Valentin Tóth, director of communications of Coca-Cola HBC Hungary, and a sponsor of the 10,000-step walk.

FUTURE GOALS

The Healthy Nation PTF is committed to:

- Working closely with our government partners (Ministry of Human Capacities, Hungarian Investment Promotion Agency) on realizing the above goals
- Incorporating financial health as a message into the Career Ambassador Program
- Continuing the Annual Sports Day
- Continuing to share industry best practices
- Continuing the “10,000 Steps” employee awareness program

REGULATORY COMMITTEE

Chairperson: Dr. Gábor Orosz (National Instruments)
Coordinators: Írisz Lippai-Nagy, Judit Szilágyi



MISSION

The Regulatory Committee has continued its aim to fulfil its legal supporting function assisting fellow committees and the AmCham Board, and operates as a workshop of many of the most highly-skilled practicing attorneys in Hungary and the representatives of AmCham member companies. The committee continues to consist of various working groups corresponding to the relevant fields of law, each led by a highly reputed expert:

- Constitutional, Administrative & Tax Law – Dr. Péter Nagy
- IP, IT, Telecom, Data Protection – Dr. István Réczicza
- Civil, Commercial Law – Dr. János Tóth
- Customs, Trade Compliance – Dr. Tamás Lőcsei
- Corporate Law – Dr. Zoltán Csehi
- Public Procurement Regulation – Dr. Balázs Fazekas
- Labor Law – Dr. András László
- Energy – Dr. Zoltán Faludi
- Banking and Financial Markets – Dr. Erika Papp
- Competition/Unfair Trade Practices/Consumer Protection – Dr. Tihamér Tóth
- Anti-Illicit Trade – Dr. Gusztáv Bacher
- Property Law, Environmental Regulations – Dr. Györgyi Vismeg

MINISTRY OF JUSTICE: REGULAR CONSULTATION

The Strategic Partnership Agreement – first signed in 2011, then re-confirmed in 2014 – ensures that

AmCham has a well-established, formal cooperation framework with the Ministry of Justice and can engage in regular and direct consultation on its legislative proposals with government experts. As a result of this agreement, AmCham has a solid base to contribute and make an impact on the Hungarian legislation. There are several legislative areas, where reforms and modifications have been envisaged by the Ministry of Justice and where AmCham's input has been requested and welcome. Minister of Justice László Trócsányi – as the keynote speaker of AmCham's Practical Compliance Workshop held on September 30, 2015 – confirmed that the ministry views AmCham as a strategic ally in articulating the standpoint of businesses in Hungary and said: "[...] That is why I take into consideration the input of such precious partners as AmCham. As, obviously, law and business have to walk hand in hand in order to ameliorate the conditions of the society they are part of."

PROJECTS

New Public Procurement Legislation: The Prime Minister's Office prepared a new public procurement legislation, which was published for public consultation in mid-April. AmCham's Regulatory Committee and the Governance & Transparency Committee jointly reviewed and prepared an AmCham position on this new legislation, which is not an amended version of the Public Procurement Act that entered into force in 2011, but a completely

new one. In its position, AmCham suggested several modifications to the text in order to increase the transparency impact of the new legislation.

Amendment of the Info

Act: As per the request of the Ministry of Justice, AmCham prepared a position paper on the amendment of the Info Act ("Info törvény"). The chamber welcomes the introduction of the "Binding Corporate Rules" (BCR) legal framework, but recommends several changes to legislation specifics. AmCham also suggested further refinement of legislation on "data protection incidents" in order to provide real legal protection to those affected, while keeping extra administrative and IT burdens of companies tolerable. We have also suggested that policy makers shall define regulations more specifically (i.e. related extra costs) about public data sharing, in order to ensure greater transparency.

New Civil Procedural Law: The current Hungarian Civil Procedure Code (Act III of 1952, the "Polgári Perrendtartás") is under reform and to be replaced with a modernized piece of legislation (the "New CPC"). On the basis of our Strategic Partnership Agreement with the Ministry of Justice, AmCham was given specific opportunity to participate in the social debate about proposed legislation, including the preparation of the New CPC. AmCham's Regulatory Committee has reviewed and submitted its comments to the concept of the new CPC adopted by the government. On June 17, AmCham's Regulatory Committee met the responsible officers of the Ministry of Justice (Dr. Zsuzsa Wopera Ministerial Commissioner Responsible for the New Civil Procedural Law Codification, and expert colleagues Dr. Andrea Bence, Dr. Dávid Somogyi and Dr. Sándor Udvarly) at the AmCham office to discuss



the fields where AmCham and its members could best contribute to the on-going work. In October, AmCham submitted its proposals with regards to two specific areas: class action; and the direction in substance of the course of proceedings.

Concept on adopting the EU Directive (2014/104 EU):

AmCham received a request from the Ministry of Justice in mid-September to formulate recommendations regarding the ministry's concept paper on how to implement the EU Directive (2014/104/EU) on certain rules governing actions for damages under national law for infringements of the competition law provisions of Member States and of the European Union. The Regulatory Committee's recommendations were sent to the Ministry in early November 2015.

FUTURE GOALS

The Regulatory Committee as a framework provides legal professionals with a critical opportunity to discuss and advance common policy issues while exhibiting a strong track record of quality and productivity. As such, our main goal remains to provide well-researched and theoretically grounded, practical materials to reflect the members' interests appropriately. It also plays an important role by providing support to fellow committees in legislative related issues, upon request.

COMMUNICATIONS

OUR COMMUNICATIONS CHANNELS

In 2015 we renewed our print periodical, and introduced JOURNAL as a replacement for VOICE, which since September 2010 has been AmCham's principle print offering. VOICE had served us well, winning plaudits and admiration from members and fellow AmChams alike, but in line with the chamber's new streamlined policy focus, it was felt a fresh approach was needed, not least to reflect a multichannel method of communications with members.

JOURNAL will be AmCham's most frequent print publication, appearing on a near-monthly basis. That will complement the regular updates and news on the website, which is also going through a redesign, as well as the yearly annual report and the new Policy Agenda publication which details the priority areas where the chamber is concentrating its efforts.

The AmCham website (www.amcham.hu), launched in December 2009 is currently undergoing a major facelift, and is due to go live in December 2015. Functionality will remain the same as before – such as online event registration or e-invoices – while making surfaces easier to navigate.

AmCham members receive FRESH – Your Weekly News and Events Update From AmCham, our

e-Newsletter every week. This one pager gives a quick update on events, news, business offers, committees and more. We also publish our Quarterly Advocacy Newsletter, a robust summary of our regulatory work and committee achievements brought to you in a streamlined form.

AmCham is active on a number of social media channels. On Facebook we communicate with more than 1,000 followers on a daily basis, generating regular activity on the page by sharing event galleries, media clippings and invitations to our upcoming events. We also maintain a LinkedIn group with around 600 members, who regularly share content and comments. In addition, AmCham maintains a Twitter page to make our reach even broader.



AMCHAM IN THE PRESS

Between November 2014 and November 2015 events, activities and statements of AmCham received regular and wide-scale coverage in the Hungarian printed and electronic media. The number of published articles in connection with AmCham totals more than 250 in this time period, and several of our events, conferences and press conferences received TV and radio coverage as well. The most outstanding press coverage was generated by AmCham's 25th Anniversary, our Business Forums, the cooperation agreements signed with the Ministries of Justice, and Foreign Affairs and Trade, and our successful initiatives, such as the Coach up! program, the 10,000 steps campaign and the Language Ambassadors program. In 2015 we also had the privilege to be interviewed by the BBJ, Diplomacy and Trade, and Magyar Idők on our "Policy Agenda" document.



2015

Events

EVENT HIGHLIGHTS

EVENTS PROVIDING ACCESS TO DECISION MAKERS

BUSINESS FORUMS

Over the past 12 months, we have hosted a number of leaders from government and business, including:

- Dr. Ádám Balog, deputy governor of the Magyar Nemzeti Bank
- Péter Szijjártó, Minister of Foreign Affairs and Trade
- Ambassadors Colleen Bell and Réka Szemerkényi
- Zsolt Hernádi, chairman and CEO, MOL Group
- Mihály Varga, Minister for National Economy



EVENT HIGHLIGHTS

EDUCATIONAL SERIES

A fully booked semester of the Career School and the new HR Academy were held this year, with the purpose of providing an opportunity for medium-level managers of AmCham member companies to learn directly from top business executives and other well-known successful professionals. For the full list of topics and speakers please turn to page 55.



Career School:
Norbert Fogarasi, Gerardo Lugo, T. Chris Smith, József Palásti, and John Terpinas, Szilveszter Ökovács

HR Academy:
Emőke Fülesi and Zoltán Pethő, Judit Ábri, Julia Szűcs and Róbert Dobay, András Koharek, John Cantwell, Rita Veres, Gábor Füzér (not pictured: Dóra Magyarosi and Zsuzsa Fülöp)



EVENT HIGHLIGHTS

SEMINAR AND MINI SEMINARS

AmCham seminars cover topics of interest to the entire AmCham membership and have the goal of educating participants by sharing views, practices and experiences. It gives companies the chance to highlight their expertise in their respective fields and interact with AmCham members in a slightly more informal environment. (For the full list of seminars please turn to pages 38-40.)

In 2015 we covered a wide range of topics:

- Taxation trends and changes in 2015
- American Tax Payers and the Risk That They Have in Regards to Investments
- 21st Century Leadership Toolkit! – Or how a Good Leader can be Great
- Innovative Corporate Finance Solutions: Guide and Legal Risk Analysis
- Boosting Leadership Development in the Digital Era

From top:

Tibor Pálszabó, Partner, EY
Zoltán Lipták, Partner, EY
Jonathan Rodway,
Country Manager,
deVere Group Hungary



EVENT HIGHLIGHTS



From top left to bottom right:

Ildikó Szlama, Trainer, Consultant, Assessment Systems, Dr. Judit Budai, Szecskay Attorney at Law
Florian Klimscha and Ian Frost, partners, Freshfields Bruckhaus Deringer LLP
Dr. Zsuzsanna Diószegi, director of Sanofi Veresegyháza
Zsuzsanna Emri, HR director of KPMG Hungária
Attila Szalay, Head of Production System, AUDI Hungaria

EVENT HIGHLIGHTS

PROFESSIONAL CONFERENCES & WORKSHOPS

With our conference and workshop topics, we always try to focus on various aspects of Hungary's global competitiveness and this year's events all served this goal.

On April 15, more than 100 participants gathered to attend the **10th Regional Tax Conference**, hosted by AmCham Hungary, in cooperation with three other CEE AmChams (Czech Republic, Poland and Slovak Republic). The full-day conference brought together tax experts from the governmental and business communities throughout the region to review best practices and to highlight problems and outline possible solutions. Continued healthy tax competition, awareness of what attracts foreign direct investment, the increasing importance of tax experts in strategic business planning, and the need to prepare for the inevitable impact of the base erosion and profit shifting (BEPS) project were the key takeaways from the conference.



EVENT HIGHLIGHTS

A high profile event entitled **"Practical Compliance – How Can Internal Audits and Whistleblowing Schemes Help Efficient Compliance?"** drew an impressive list of attendees from many of the Fortune 500 companies active in the CEE region to the InterContinental Hotel in Budapest on September 30. The initiative of AmCham's Governance & Transparency Committee followed an equally successful event on whistleblowing last year. Keynote speakers included Coleen Bell, the U.S. Ambassador to Hungary, Hungary's Justice Minister Prof. Dr. László Trócsányi, and Tara M. Lee, co-chair, Global Investigations and global chair, Cross-Border Litigation, DLA Piper.

AmCham also proudly held the fully booked "Brain Bar Lab" in June and the "Business Meets Government Summit" in October, which you can read more about on pages 19 and 21.



EVENT HIGHLIGHTS



OUR TRADITIONAL SOCIAL EVENTS

We regularly organize social and family events that we believe strengthen the AmCham community. The Super Bowl Party, Independence Day, and the Thanksgiving Dinner help us and our members meet in a friendly atmosphere, while providing a good networking opportunity. Strong and continued interest in these events proves their importance for our members.

Last year's annual **Thanksgiving Dinner** was held together with the Budapest Marriott Hotel and featured authentic American cuisine, entertainment for the kids, a live performance by Bálint Gájer and a successful charity silent auction and raffle. The proceeds from the auction supported the SOS Children's Villages and the annual charity drive of the AmCham Foundation.



EVENT HIGHLIGHTS

The **Independence Day Celebration** was held at the Gundel Restaurant and the Budapest Zoo in July. Close to 200 members and their families enjoyed the half-day event.



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LIST OF EVENTS

BETWEEN NOVEMBER 2014 AND NOVEMBER 2015,
AMCHAM ORGANIZED MORE THAN 50
MAJOR EVENTS WITH MORE THAN 2,800 PARTICIPANTS.

PROFESSIONAL EVENTS

Professional events bring together middle to senior level executives from the Hungarian business community, delivering exclusive insight and perspectives on a variety of topics from top-level speakers from Hungary and abroad.

BUSINESS FORUMS

- Dr. Ádám Balog, Deputy Governor of the Magyar Nemzeti Bank – December 2014
- Business Forum with Péter Szijjártó, Minister of Foreign Affairs and Trade and Signing Ceremony of the Strategic Partnership Agreement between the Hungarian Investment Promotion Agency and AmCham – January 2015
- Ambassadors Colleen Bell and Réka Szemerkenyi on the AmCham Podium – February 2015
- Zsolt Hernádi, Chairman and CEO, MOL Group on the AmCham Podium– June 2015

Business Forum with Mihály Varga, Minister for National Economy – June 2015

SEMINARS

- AmCham Seminar and Cocktail: Taxation Trends and Changes in 2015 – December 2014
- American Tax Payers and the Risk That They Have in Regards to Investments – March 2015
- 21st Century Leadership Toolkit! – Or how a Good Leader can be Great – April 2015
- Innovative Corporate Finance Solutions: Guide and Legal Risk Analysis – September 2015
- Boosting Leadership Development in the Digital Era – November 2015

CONFERENCES

- Towards a Smarter Planet: Resource Management, Energy and the Environment – February 2015

- 10th Regional Tax Conference, hosted by AmCham Hungary – April 2015
- Brain Bar Lab: <Re:Start> Disrupt for a Startup Revolution – June 2015
- Practical Compliance – How can Internal Audits and Whistleblowing Schemes Help Efficient Compliance? – September 2015
- Business Meets Government Summit – “10 in 10: How to Make Hungary More Competitive?” – October 2015
- “Getting Started” at Semmelweis University – January 2015
- “Getting Started” at Budapest Business School – April 2015
- “Getting Started” at University of West Hungary – April 2015
- “Getting Started” at Budapest University of Technology and Economics – November 2015

START YOUR BUSINESS PROGRAM

BOARD SIMULATION PROGRAM

- CEU Business School – March 2015

CAREER SCHOOL

- Norbert Fogarasi, General Manager of Morgan Stanley Hungary Analytics Ltd. – November 2014
- Gerardo Lugo, Business Lead East EMEA at Monsanto – March 2015
- T. Chris Smith, Lead Country Manager & Lead Controller, ExxonMobil Business Support Center Hungary – April, 2015
- József Palásti, Founder and owner of FORNETTI – May 2015
- John Terpinas, Director of the International Law Enforcement Academy – June 2015
- Szilveszter Ókovács, General Director of the Hungarian State Opera – June 2015

AmCham would like to thank Andrea Juhos and Bob Mansfield, board members of AmCham for their continuous support on moderating the series.

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2015 EVENTS

2015 EVENTS

HR ACADEMY

Selection of Employees, part I, Speakers: Zsuzsa Fülöp, Experis/Manpower and Dóra Magyarosi, Assessment Systems – September 2015

Selection of Employees, part II, Speakers: Emőke Fülesi, HAYS Hungary and Zoltán Pethő, HR-COM – October 2015

Development of Employees, part I, Speakers: Judit Ábri, Executive Coach, Julia Szűcs, Arthur Hunt and Róbert Dobay, Menedzsmentor – October, 2015

Development of Employees, part II, Speakers: András Koharek, ARTudásmenedzsment, John Cantwell, Dramatrix and Judit Ábri, Executive Coach – October 2015

Analytical Tools, Speakers: Rita Veres, AON Hewitt and Gábor Füzér, Assessment Systems – November 2015

AmCham would like to thank Zsolt Fehér, Chairman of AmCham HR Committee and CEO of Assessment Systems International for his continuous support on moderating the series.

EXTRAORDINARY COMMITTEE MEETINGS

Innovation Meeting with Dr. József Pálinkás, President of NRDIO on Strategy and planned activities of the National Research, Development and Innovation Office – January 2015

Roundtable discussion with László Palkovics, Minister of State for Higher Education, Ministry for National Economy – February 2015

Roundtable discussion with Zoltán Pankucsi, Deputy State Secretary for Taxation and Accounting, Ministry for National Economy – March 2015

OUR SPONSORS

AmCham Hungary appreciates the engagement of all its member companies and sponsors, and is pleased to recognize in particular the following companies who were the largest sponsors of our programs and activities in the 2015 financial year:



We would also like to thank the following companies for their support:

Assessment Systems, Freshfields Bruckhaus Deringer LLP, GSI, Gundel Restaurant, Menedzsmentor, and Szecskay - Attorneys at Law.

2015

Membership

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BUSINESS

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Darholding Kft.
DBH Investment
DDB Reklámügynökség Kft.
Delphi-Thermal Hungary Ltd.
Det Norske Veritas Magyarország Kft.
Digital Service Group Kft.
DLM Consulting Kft.
Dr. Pendl & Dr. Piswanger Int. Management Consulting Co.
Dr. Rose Egészségügyi Szolgáltató Kft.
DRAMATRIX Tréning Központ Kft.
DTZ Hungary Kft.
DunaPro Holding Hungary Kft.
Estée Lauder Kereskedelmi Kft.
EuroAtlantic Solutions Kft.
Faludi Wolf Theiss Ügyvédi Iroda
Firstmed-FMC Kft.
Forgó, Damjanovic & Partners Law Firm
Gamma Digital Kft.
Globe System Tanácsadó Kft.
Gundel
HAY Group Kft.
HAYS Hungary Kft.
Hotel Parlament/Hotel Palazzo Zichy
HR-COM Szervezetfejlesztési és Vezetői Tanácsadó Kft.
Hungarlinks Kft.
IB Grant Thornton Consulting Kft.
IDC Magyarországi Kft.
Impact Language Solutions Kft.
Infogroup Menedzsment Kft.

BUSINESS MEMBERS

International New York Times
IPARK Pécs Kft.
Iron Mountain Magyarország Kft.
IT Services Hungary Kft.
Jones Lang LaSalle Kft.
KCG Partners Law Firm
Lakatos, Köves and Partners Ügyvédi Iroda
LHH Magyarország, Career Consultants Kft.
Magyar Innováció és Hatékonyság Nonprofit Kft.
Mansfield & Associates
Marsh Kft.
Medtronic Hungary Ltd.
MemoLuX
Menedzsmentor Bt.
Milipol Corp.
Millward Brown Hungary Kft.
Monsanto Hungária Kft.
MONTANA Tudásmenedzsment Kft.
MSD Pharma Hungary Kft.
Multi-Lingua
Nagy és Trócsányi Ügyvédi Iroda
National Instruments Hungary Kft.
NCR Magyarország Kft.
Németh és Tímár Ügyvédi Iroda
Neumann & Partners Vezetői Tanácsadó Kft.
Nuance-Recognita Zrt.
Oppenheim Ügyvédi Iroda
Pannon Lapok Társasága Kiadói Kft.
Pegasus Logistics Group
Persecutor Kft.
Pfizer Gyógyszerkereskedelmi Kft.

Pioneer Hi-Bred Zrt.
Pivot Human Capital Kft.
PORREAL Ingatlankezelési Kft.
PRESSMEN Tanácsadó Kft.
Próbakő Kft.
Process Solutions Financial and Accounting Service Ltd.
Provice Informatika Kft.
Rátkai Law Firm
Reál Group Cégcsoport
Réczicza Dentons Europe LLP
Reed Magyarország Kft.
Régens Zrt.
Rosinter Magyarország Kft.
Rózsakert Medical Center
Ryan Tax Services Magyarország Kft.
Sándor Szegedi Szent-Ivány Komáromi Eversheds
Attorneys at Law
Schönherr Hetényi Ügyvédi Iroda
Siegler Ügyvédi Iroda Weil, Gotshal & Manges
Simonyi és Tóth Személyzeti Tanácsadó Kft.
Solti & Partners Consulting Kft.
SOLVO Biotechnológiai Zrt.
Sóstó Ingatlanfejlesztő Kft.
SpenglerFox Limited Magyarországi Fióktelepe
Steelcase S.A. Magyarországi Kereskedelmi Képviselőlete
SynergoCom Kft.
Századvég Gazdaságkutató Zrt.
Szecskay - Attorneys at Law
Szűcs és Társai Ügyvédi Iroda
Tapasztó Optic Ltd.
Toi-Toi Kft.

BUSINESS, NON-PROFIT, TAKE-OFF MEMBERS

Trust Hungary Zrt.
UPS SCS (Hungary) Kft.
VAR Trading and Solutions Ltd.
Védelem Holding
VINCI Facilities Magyarország Kft.
Weber Shandwick
Weco Travel Idegénforgalmi Kft.
Wrigley Hungária
Xylem Water Solutions Magyarország Kft.
Zala Springs Golf Resort Zrt.

NON-PROFIT

“Szemem Fénye” A Beteg Gyermekekért Alapítvány
AFS Hungary Intercultural Programs Foundation
American International School Budapest
British International School Alapítvány
Budapest Business School
Budapest Stock Exchange
Budapesti Corvinus Egyetem - Corvinus School of
Management
Central European University
Council of Geopolitics Foundation
Csodalámpa Alapítvány
DARTKE Association
Discover America Hungary Egyesület
Down Egyesület/Down Association
Egészségügyi Technológia és Orvostechnikai Szállítók
Egyesülete - ETOSZ
United Way Magyarország
Foundation for Circular Economy

Fulbright Bizottság
Habitat for Humanity International Hungary Nonprofit Kft.
The Municipality of Hajdúböszörmény
Happy Kids International Kindergarten
Honvéd Együttes Művészeti Nonprofit Kft.
Hungarian-Missouri Educational Partnership
IFKA Public Benefit Non-profit Ltd.
IIE - Nemzetközi Oktatási Intézet Közhasznú Nonprofit Kft.
Innovatív Gyógyszergyártók Egyesülete
Magyar Lízingszövetség
Magyar Szolgáltatóipari és Outsourcing Szövetség (HOA)
Magyar Táncművészeti Főiskola
MÜPA Budapest Nonprofit Kft.
Nemzetközi Gyermeekmentő Szolgálat Magyar Egyesület
SOS-Gyermeekfalu Magyarországi Alapítványa
Summa Artium Nkft.
Szent István Egyetem MBA Központ
Szentes Város Önkormányzata
University of Pécs
YFU Hungary
Zalaegerszeg Megyei Jogú Város Önkormányzata

TAKE-OFF

Angloville Kft.
AppZee Kft.
Be-novative Hungary Kft.
CGP Central Europe Kft.
Coaching Határok Nélkül Kft.
Datanavigator Kft.
Human Priority Kft.

INDIVIDUAL, HONORARY MEMBERS

Inzelt Law Firm
 IPS Management Services Kft.
 Partnering Central Europe Kft.

INDIVIDUAL

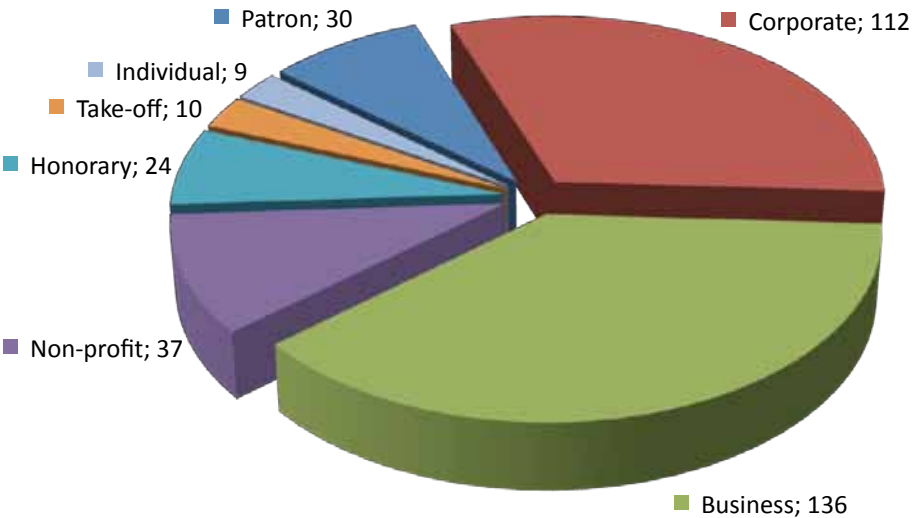
Feuertag, Ottó
 Grosser Lagos, Enrique
 Herczeg, Imre
 Horváth János, Dr.
 Kard, Aladár
 Kelen, András
 Kertész, Magda
 Lenoci, James
 Söpkéz, Sándor

HONORARY

Benko, William
 Bienerth, Gusztáv, Dr.
 Bina, Steven
 Blinken, Donald
 Boone, Theodore S.
 Brinker, Nancy G.
 Bush, Edward J.
 Czirják, László
 Fáth, Péter
 Havas, István
 Hegedűs, Péter A.
 Hinkle, Larry
 Huebner, Charles A.

Knuepfer, Robert C. Jr.
 Kraft, Péter, Dr.
 Nemethy, Les
 Rajki, Zsuzsa
 Sanders, Ronald and Sarah
 Shade, Michael J.
 Simonyi, András
 Sugár, András
 Szablya, Helen
 Tufo, Peter F.
 Walker, George Herbert

MEMBERSHIP REPORT



I.MEMBERSHIP IN NUMBERS

As of November 17, 2015 AmCham Hungary's membership consist of 358 members, from which there are 30 Patron, 112 Corporate, 136 Business, 37 Non-profit, 10 Take- off, 9 Individual and 24 Honorary members. Membership structure as of November 17, 2015

II. KEY FIGURES OF THE AMCHAM MEMBERSHIP

- 5 of the 10 largest companies in Hungary are members of AmCham (based on net sales)
- Number of employees at member companies in 2014 were 176 529
- Very wide and strong representation of different business sectors in the membership*:
 - 8 out of the 10 largest banks
 - 5 out of the 10 largest electronics manufacturing companies
 - 8 out of the 10 largest international law firms

*Sources: AmCham database, Hungarian Central Statistical Office, Figyelő TOP 200, BBJ's Book of Lists, Ministry of Justice: <http://e-beszamolo.kim.gov.hu/>

2015

Committees provide a platform for members to share best practices and for professional networking. Each committee develops an annual action plan for managing specific projects with tangible deliverables. Committees provide professional support to AmCham's endeavors such as publications, programs and workshops.

Electronic Manufacturers'
Facilities Management
Governance and Transparency
Human Resources
Membership
Taxation

Committees

ELECTRONIC MANUFACTURERS' COMMITTEE

Chair: László Ábrahám (NI Hungary)
Coordinator: László Metzing



2015 COMMITTEES

GOALS

- Continue sharing best practices among members.
- Continue dialogue with decision makers, with a special focus on competitiveness and education in order to represent the interests of the sector.

MAIN ACTIVITIES AND ACHIEVEMENTS

Member companies of the committee continued sharing best practices, an idea started some years ago.

Since early January, AmCham has engaged in discussions about the newly introduced EKAER system in two different letters to the Ministry for National Economy, and hosted Deputy Secretary of State, **Zoltán Pankucsi** at an exclusive meeting of the Electronic Manufacturers' Committee and the newly established Investment Policy Task Force. After conducting a small survey among the membership, AmCham forwarded a few major suggestions to the relevant decision makers. These included extending the test period until the most important practical aspects of the system are better clarified. We also suggested introduce a more complex criteria of eligibility for simplified procedure; as part of this, we recommended substantially decreasing the limit of the HUF 300 billion sales value and the required minimum percentage of own production within sales. We also called for revisiting and revising the 40%

default penalty that, in this form and rate, makes the procedure extremely risky and represents a very high risk in the operation of businesses.

In April the committee shared its initiatives and programs with HIPA President Róbert Ésik, and agreed to future cooperation.

The Electronics Manufacturers' Committee and HIPA held a meeting with **Béla Glattfelder**, Minister of State for Economic Regulation, Ministry for National Economy in September 2015. After an overview of the electronics manufacturing sector's current status and trends, presented by a colleague from the Hungarian Academy of Sciences, corporate representatives – including Bosch, Flex, GE, IBM, Jabil, NI and Siemens – focused on discussing specific growth points for the sector with the Minister of State. It was agreed at the meeting that the dialogue would be continued in the near future. The committee also submitted an opinion letter to Hungarian business and news weekly publication Figyelő on the effects of the public service system ("közmunka program") on corporate employment, and also on much needed reform in secondary and higher education.

It is also remains the committee's priority to advocate for vocational training, to re-introduce vocational contribution and to abolish VAT for items freely presented by companies to schools.



FACILITIES MANAGEMENT COMMITTEE

Chair: Hajnalka Nagy (Jones Lang LaSalle) until August 2015, and József Jung (EY) from September 2015
Coordinator: László Metzing



VISION

The goal of the committee is to provide a platform for regular professional input and oversight on facilities related matters, and to encourage an exchange of opinions and experiences of the member companies. Through this experience, the members learn about how best to integrate FM processes within an organization and improve the effectiveness of a company's primary activities.

OVERVIEW

During 2015, we welcomed some new member organizations that joined AmCham after first being part of the FM Committee.



At our first meeting in February at the Vodafone offices we discussed travel issues, fleet management experiences and the pros and cons of electric cars. The different questions in this field were analyzed from a wide range of viewpoints (e.g. users and dealers) coming from the experience of the member companies.

The second committee session was held at JLL's office, and it gave a review of the office lease market. The main tendencies were introduced, focusing especially on the change from a tenants' market to a landlords' market. Rental fees are slowly increasing due to the lack of good quality office space. The main tendencies are renegotiations and renewals.

Environmental friendly certificates for newly built and in-use buildings are essential. We had a trip to National Instruments' office, located in Debrecen, in June. The main topic of the day was procurement issues. Participants shared their experiences on policies, local versus regional or global procurement, and e-procurement issues. During our daylong stay we also had the unique opportunity to visit the factory site and the newly built offices of NI.

There was a presentation on environment friendly cleaning certificate procedures by MATISZ representatives at our fourth committee meeting at the BP offices. There was an open discussion between committee members and

2015 COMMITTEES



MATISZ representatives on the advantages of this new technique for companies. In addition to this, members also discussed client satisfaction measurement experiences as an ad-hoc topic.

The fifth and last committee meeting this year will be held in late November (after the Annual Report is printed). The main topic is due to be copying and printing services and relevant policies. There will be a presentation by Xerox on market trends, and on experiences of outsourcing these functions at different multinational companies. Members will also share their opinions on how to reduce waste

paper creation and paperless office. The meeting will be held at Xerox's offices.

PLANS FOR 2016

The main focus of the committee will continue to remain providing interesting and useful information; introducing new trends and hot issues within the field of facility management; to keep and strengthen a good working relationship amongst members, within AmCham and other professional organizations; and to encourage new companies to join the committee.

GOVERNANCE AND TRANSPARENCY COMMITTEE (G&T COMMITTEE)

**Chairperson: László Czirják (Co-Founder/Managing Partner, iEurope Group,
and former AmCham President)**
Coordinator: József Gál



2015 COMMITTEES

MISSION

To improve the governance, transparency and integrity of non-profit, private and public sector practices while encouraging entrepreneurship to boost competitiveness, accountability and sustainability in Hungary.

OVERVIEW

The G&T Committee champions the importance of building awareness and of employing good governance in the business, governmental/ political and NGO sectors in Hungary. This is highlighted in AmCham's Position Brief No. V: Good Corporate Governance as a Pillar of Hungarian National Competitiveness. The G&T Committee has also forged a strong partnership with academia and helps provide these educators (at their request) with real case studies and networking possibilities that are otherwise lacking. This committee also leads AmCham in its promotion of entrepreneurship, and considers this subject a key factor in increasing the competitiveness of the country. It seeks to spark the entrepreneurial spirit in future generations.

The G&T Committee has created and manages numerous projects that support its mission and the goals set down in the AmCham Policy Agenda. Many of these are done in partnership with

academia, involving Hungarian universities, particularly those focused on best practice governance, integrity and entrepreneurship. A number of projects facilitate the engagement of the private and NGO sectors, and dialogue with academia is considered critical to delivering real practical examples to the next generation of leaders in Hungary. The committee works with the Regulatory Committee on monitoring new legislation. The deliverables from these projects also seek to encourage the use of best practices.

PROJECTS

Academic Workshops – Nearly every year the G&T Committee seeks to reinforce its direct dialogue with academia. Either special workshops are organized with a focus on a specific topic, or professors are invited to attend conferences or events. Professors seek partnership with the business community since they lack adequate case studies of real world challenges that can be used to educate the next generation of Hungarian leaders. The G&T Committee seeks to satisfy at least part of this demand by offering meaningful content that can be leveraged by the professors to reach multiple students who are seeking practical knowledge to complement their coursework.

Anti-Corruption Working Group – The G&T Committee's members have been represented since 2012 in the government's



anti-corruption working group meetings (the so-called Open Government Partnership).

The OGP is an initiative started by Hillary Clinton to which Hungary acceded in 2012. The Hungarian government designed an OGP action plan in 2013, to which AmCham contributed together with other chamber organizations and NGOs. The committee provided input on a 2015 review of this plan.

Board Simulation – A roleplaying simulation case study presentation of a fictional stock exchange listed company's board meeting. In this enactment six or more volunteer G&T Committee members demonstrate the business implications and challenges of corporate governance issues in a large company setting. Students get to experience firsthand how a typical board meeting occurs. Discussions are playacted with deliberate intensity when sensitive issues and difficult decisions are discussed. The simulation, which was originally created four years ago at the request of Hungarian



professors who lacked real life case study teaching tools, has been already playacted at five different universities (BCE, BME, PTE, ELTE, and CEU) and has reached more than 600 students. The committee plans to launch a second board simulation case study next year that rather focuses on an SME scenario. Again, professors sought additional teaching tools from the G&T Committee to be used for this.

Compliance & Whistleblowing Conference

– Continuing of a series of conferences on compliance and whistleblowing, on September 30 the G&T Committee organized a highly successful conference for AmCham members entitled "Practical Compliance: How Can Internal Audits And Whistleblowing Schemes Help Efficient Compliance?" Minister of Justice László Trócsányi, and U.S. Ambassador Colleen Bell delivered keynote speeches. Returning guest Tara M. Lee (partner, co-chair of global investigations, global chair

Head Transparency Working Group: David Young
(Amrop Kohlmann & Young and former First Vice President)



of cross-border litigation, DLA Piper Global Law Firm) presented the main lecture, about the global regulatory environment and concerned compliance practices. The conference also featured experts from the corporate sector and academia who discussed international legislative trends concerning the legal implications of a company compliance breach. In the second panel, Hungarian experts discussed the local corporate dimensions and practices of whistleblowing and self-reporting mechanisms.

Jövő Vezetői Facebook page – This is regularly updated with information and events related to G&T Committee activities to create a connection between the present and future generations of the business community.

Monitoring and Commenting on Legislation – The committee continuously and actively

monitors and comments on new legislation, regulations and policies of relevant bodies (e.g. ministries, the stock exchange, etc.) in cooperation with other AmCham committees and the policy task forces.

Start Your Business series – The last year saw four sessions at university campuses across Hungary. Since its launch in 2012, more than 1,500 students have attended such events. In each program, students are inspired by the presentations of Hungarian entrepreneurs who have successfully built their own start-up companies. These programs also feature panel discussions by venture capital, legal, financial and HR experts who help guide students in their first steps towards launching their business. Interactivity is at the core of the sessions, with a Q&A session typically after each speech and after the panel discussion. The events end with a relaxed networking opportunity for all.



2015 COMMITTEES

PUBLICATIONS

“Vállalkozni Jó!” (Entrepreneurship is Good!) –

In September 2014, AmCham published a collection of 14 interviews with 16 legendary Hungarian entrepreneurs. The publication presents the mindset, passion and approach of the entrepreneurs. It explores their motivations rather than describing their specific startup company's evolution. The common theme that led to their success is undeniable: their positive thinking and untiring determination. This publication, prepared by the G&T Committee, is the result of a two-year-long effort involving nearly 50 volunteers. This year work began to digitally publish this in an interactive, search-engine optimized format. Furthermore, this digital publication will be extended by several interviews each year to include newly emerging entrepreneur role models.

Prior Publications also include:

- Position Brief No. V: “Good Corporate Governance as a Pillar of Hungarian National Competitiveness”
- Glossary of Corporate Governance and Business
- Integrity Terms: English- Hungarian/ Hungarian English”
- “Corporate Governance Guidance and Principles for Unlisted Companies in Europe” (Hungarian translation)

- Contributor to “English-Russian/Russian English: Business Integrity Glossary” published by Central European University



Partnerships/Cooperations Many of the G&T Committee's projects are undertaken in cooperation with other chambers of commerce, academic institutions and NGO organizations including: Budapest Business School, Budapest University of Technology and Economics, CEU Business School, Corvinus University of Budapest, Debrecen University, Embassy of the United States of America, Hungarian Venture Capital Association (HVCA), Joint Venture Association, Junior Achievement in Hungary, Kairos Society in Hungary, Óbudai University, Pázmány Péter Catholic University, Simonyi BEDC, Szeged University, Szent István University in Gödöllő, Széchenyi István University in Győr, University of Pécs, and Young Entrepreneurs Association Hungary (FIVOSZ). A more detailed description of the G&T Committee's projects and activities can be found at www.amcham.hu/committee.

HR COMMITTEE

Chair: László Szépkúti (Flextronics Global Services), until March 2015, and Zsolt Fehér (Assessment Systems), from April 2015
Coordinator: Zsófia Juhász



2015 COMMITTEES

VISION

The HR Committee aims to improve the competitiveness of Hungary and contribute to a better society by supporting members to achieve world-class levels of HR effectiveness and impact.

OVERVIEW

The committee started its work in 2009. Our main goal has been to bring more attention to HR issues in member companies, to involve HR leaders and managers into AmCham's life and to create a platform for thinking together, sharing issues and challenges and getting to solutions by learning from each other and sharing best practices. In addition, the committee was also created as a platform for corporate and non-corporate HR professionals to meet and get to know each other better.

As of April 28, 2015 the Board of Directors appointed Zsolt Fehér as chairman of the HR Committee. Zsolt is CEO of Assessment Systems International and has been an active member of the committee. The AmCham Board would like to thank László Szépkúti for his dedicated work with the committee and for his continued support as co-lead of the Talent Policy Task Force of AmCham.

With Zsolt's leadership, the committee launched the fully booked **HR Academy** series for young, mid-level HR managers. The purpose of the series is to learn from the most successful HR solution providers in five modules about the latest trends in selection and development of employees and analytical tools. Our guest speakers included: Zsuzsa Fülöp (Experis/Manpower); Dóra Magyarosi (Assessment Systems); Emőke Fülesi (HAYS Hungary); Zoltán Pethő (HR-COM); Judit Ábri (Executive Coach); Julia Szűcs (Arthur Hunt); Róbert Dobay (Menedzsmentor); András Koharek (ARTudásmentedsment); John Cantwell (Dramatrix); Rita Veres (AON Hewitt); and Gábor Füzér (Assessment Systems).

We also held **regular meetings** with the following speakers and topics in 2015:

- June 18: networking event hosted by Budapest Marriott Hotel
- September 23: Extreme Human Resource Management with guest speaker Aleksandra Samulewicz, Managing Director, Philip Morris Hungary Ltd
- October 21: Corporate vs. Start-up HR practices with guest speakers Júlia Füredi (UniCredit Bank), Dávid László Papp (CloudAgents), and Kriszta Csala (Design Terminál) organized in cooperation with the Joint Venture Association
- December 9: CEO perspective – HR challenges of the servicing industry

Another novelty the committee introduced is the **Legal Snapshots** mini-series, covering one legal area in approximately 10 minutes at each committee meeting, sharing the latest updates and good-to-know necessities in HR-related legal topics. Our first topics were Data Protection, presented by DLA Piper and Alternative Ways of Working by CMS Cameron McKenna.

The **HR Staff Knowledge Improvement Session** was also continued this year, with guest speaker Professor Peter Hawkins (pictured) on Team Coaching, arranged by AmCham member company Coaching Határok Nélkül (CHN).

Finally, we are proud to have successfully launched and concluded the **Coach up!** project, together with the International Coaching Federation. Thirty member companies participated in the pro bono program, working with ACC and PCC coaches. The project also won the 'I Care For' Award at the ICF Global Leaders Forum on March 5, 2015 in Atlanta, Georgia, USA. AmCham Hungary would like to thank László Szépkúti, chairman of the HR Committee and Judit Ábri, ICF PCC executive coach, Coach up! project leader for designing and driving the project.

This year we also cooperated successfully with AmCham's Talent Policy Task Force in organizing the first **Competitive Education Summit**, held on November 19, 2015.



GOALS IN 2016

Next year we will continue the **HR Dream Day** event and will strive to involve non-HR executives in the work of the HR committee to constantly monitor and support the need of business development, meanwhile showcasing the power and importance of this often downgraded area.

MEMBERSHIP COMMITTEE

Co-Chairs: Krisztina Varga
(Hewlett Packard Enterprise)
Dr. Andrea Jádi Németh
(bpv JÁDI NÉMETH Attorneys at Law)
Coordinator: Ildikó Takács-Berka



2015 COMMITTEES

OVERVIEW

In June 2015 we organized an INSIGHT event for the whole membership to launch our new “Policy Agenda,” our roadmap for our advocacy efforts and all related activities and projects in 2015-2017. It is a manifestation of our commitment to reach our common goal and vision: “To achieve a ten-spot World Competitiveness Ranking improvement in ten years for Hungary with CEE.”

We invited not only our members, but also the representatives of companies who might

be interested in our activities and who could enrich our powerful membership base should they decide to join. Besides providing details of the professional objectives and commitment of the newly formed policy task forces, the event proved to be an excellent networking opportunity.

As feedback received from participants was very positive, we have decided to continue organizing this event each year to provide a platform to inform our members about what we do, the progress we have made

and, most importantly, to provide an opportunity for direct input, questions and feedback. Organizing the INSIGHT event during May-June and the AGA in December provides an opportunity for regular personal engagement with our members.

GOALS

- To increase awareness of AmCham policy task force (PTF) activities among targeted companies
- To increase the AmCham membership by targeting quality companies, with an emphasis on companies with a clear interest in the United States; to work for the retention of members; to assist the board and AmCham committees in all areas related to PTFs
- To enhance the attractiveness of AmCham membership by effectively communicating and representing its PTFs, to showcase the content of these PTFs and the significance of the AmCham network.
- To enrich the valuable AmCham membership portfolio by strengthening its presence and driving power concerning foreign direct investments and innovation.
- To assist the board and AmCham committees in all areas related to membership with a view to extending the scope and quality of



our innovative services and providing value for an increasing range of businesses.

OBJECTIVES

- To host a successful “Insight” event for the full membership with high numbers of actual and potential members, where members can be given a full and up-to-date status of our mission and the result of the work of the PTFs.
- To introduce a “Join our Forces” mini series of events where members or targeted members can elaborate the content of PTFs.
- To maintain and contribute to an up-to-date list of potential member companies.



TAX COMMITTEE

Committee Chair: Botond Rencz (EY)

Committee Coordinator: László Metzinger



2015 COMMITTEES

MISSION

- Identify and implement changes needed in Hungarian tax legislation with the aim to make it more competitive.
- Assist members in their advocacy efforts.
- Respond to members' common upcoming requests with direct dialogue with decision makers.
- Provide members with the opportunity to keep up-to-date with tax changes and key developments.
- Continuously update the AmCham Board about developments in tax law changes and discuss with the board how best to comment on these changes.

OVERVIEW

We held our annual seminar in December 2014 with the title "Taxation Trends and Changes in 2015." The professional content was provided this time by EY and presenters Zoltán Lipták and Tibor Pálszabó covered the following topics: Transfer Pricing; and Corporates and Individuals – Small Changes, but a Growing Tax Bill.

In January, the Tax Committee – together with the Electronics Manufacturers' Committee and the Investment Policy Task Force (PTF) – met with Deputy Secretary of State, Zoltán Pankucsi to discuss various taxation issues, including EKAER. The

discussion was moderated by Botond Rencz, chair of the Tax Committee.

10th Annual Regional Tax Conference

AmCham Hungary hosted the 10th regional tax conference on April 15, 2015, a joint event of four AmChams (Czech Republic, Hungary, Poland and Slovak Republic). The full-day conference brought together tax experts from the governmental and business communities throughout the region to review best practice and to highlight problems and outline possible solutions. Discussion focused on Hungary's position within the continued and healthy tax competition in the region, awareness of key elements that attract foreign direct investment to the region, the increasing importance of tax experts in strategic business planning, and the need to prepare for the inevitable impact of the base erosion and profit shifting (BEPS) project.

Fifteen key elements from the BEPS Action Plan have already been outlined. There is no doubt BEPS is coming, there seems little doubt that compliance will mean more work (and costs) for companies and tax authorities, but beyond that there seems little that is certain at this stage.

Zoltán Pankucsi, deputy state secretary at the Hungarian Ministry for National Economy, had made clear his government's position: "We are in favor of implementing the BEPS program, but we are still against real tax harmonization. We want to maintain our very competitive tax environment."



Speakers at the conference were: Zoltán Pankucsi, Deputy Secretary of State, Ministry for National Economy; Tomas Balco, General State Counsel, Ministry of Finance, Slovak Republic; Monika Laskowska, Deputy Director, Department of Income Taxes, Ministry of Finance, Poland; Botond Rencz, CMP, EY and Tax Committee Chair, AmCham Hungary; András Lénárd, Head of Tax Department, Magyar Telekom; Péter Havai, Regional Tax Manager, Robert Bosch; Robert McCafferty, VP Financial Supply Chain Design, Flextronics; Marcin Petrykowski, Managing Director, Head of Relationship Management EMEA, Regional Head for CEE, Standard & Poor's Ratings Services; Julia Humphris, Global Indirect Tax Planning Lead, IBM; Jarosław Neneman, Undersecretary of State, Ministry of Finance, Poland; Ben Terra, Professor at Universities of Amsterdam and Lund;

David O'Sullivan, VAT Policy Officer, European Commission; Karl-Heinz Haydl, Global VAT/GST Leader Technical & Policy, GE Corporate; Zoran Dautovic, Head of Group Tax Planning, MOL Group; Robert McCafferty, VP Financial Supply Chain Design, Flextronics; Csaba László, Senior Partner, Advisory, KPMG and Former Minister of Finance; and Farkas Bárszóny, Managing Director, GE Hungary.

The event was organized with the professional support of the Investment PTF and the Tax Committee. AmCham Hungary would like to thank GE for driving the project within the region. The committee is now scheduling the upcoming tax seminar, this year EY will be our professional partner again. The seminar is due to be held a few days after the Annual General Assembly.

AMCHAM FOUNDATION (ACF)

Members of The Board of Trustees: Dr. Péter Komáromi, chairman
Mária Gordon, Zsuzsa Rajki, members
Secretary: Erika Bosnyák
Founder: Ádám Terták
Representative of the Supervisory Board: Edit Bencsik,
Dr. István Gortvay, László Hajdú



MISSION

- To help children in need of social, mental or physical support
- To provide transparent and ethical charity services for donor corporations
- To promote corporate social responsibility and the ethos of volunteerism in the Hungarian business culture

26 YEARS' EXPERIENCE
MORE THAN 90 CHILDREN'S INSTITUTIONS
HUF 380 MILLION IN GRANTS

OVERVIEW

We cooperate with businesses, domestic and multinational companies, who have the appropriate financial background for significant monetary support or in kind of contribution. Granting activity, which has a longer history in Western societies, works well. Nowadays, it is a major part of any company's "image building, offering possibilities for tax credits and positive publicity, ensuring a mutual advantage in this co-operation. Our supporters help the less fortunate through monetary and in-kind donations, along with providing voluntary labor. The AmCham Foundation is comprised of volunteers who are not financially compensated for their work. Anybody can join the foundation, depending on his or her time availability and determination, but in order to operate successfully, ACF relies on a solid core, namely the AmCham Foundation Board of Trustees and its secretary.

MAJOR PROJECTS IN 2015

"We Made it Happen" Corporate Volunteers Day, April 25
The ACF again held its traditional volunteering program, 'A Day to Make it Happen', organized with the help of the Aprónép Alapítvány a Gyermekek Megsegítésére, the Zsótér Pál Alapítvány, the Snétberger Zenei Tehetség Kiemelten Közhazsnú Alapítvány and the contributions of employees of AmCham member companies.
This year the ACF program offered three different venues between April 20 and 25, making it easy for volunteers to find the time and place most suitable for them. More than 60 people participated from Citibank, Tata, KPMG, American Express and many other companies.
Volunteers could meet new people as well as learn more about their colleagues while working on the garden of the Children and Youth Rehabilitation Department of the Children's Hospital of Buda. "I would like to participate in voluntary work again, because it is a good program: I could get to know new people, colleagues I do not work with every day, and we got to work outside in the open air," commented Dóri from KPMG. Kata from American Express explained, "We came here to help the hospital, but this is a great opportunity for team building as well."
The building and garden, situated in Budapest's green belt, offers excellent opportunities for complex therapy, although these are limited due to a lack of funds. The goal of the volunteer day therefore was to beautify the garden by planting bushes, flowers and a spice-garden, giving patients something to care for.

Another supported organization, the Mexikó utca Mozgásjavító Kindergarten, Primary and Secondary School, EGYMI and College offered to show corporate colleagues how disabled children and adults spend their days.

We Made it Happen Again! October 3, 2015

Around eighty corporate volunteers worked together with the little inhabitants on refurbishing the gardens of the Bólyai Children's Home. It was still quite chilly in the morning when the volunteers gathered in the gardens and were briefed on the day's tasks, but by mid-morning, everyone was busy working in just t-shirts in the 11th district of Budapest. Some worked on sanding and painting the new wooden furniture, some planted fruit trees, while others busied themselves cleaning up the street along the fence or tending to the spice gardens, and a last group was responsible for cooking lunch in three large kettles on campfires. The kids of the children's home who spent the weekend there split their time joining the different groups and helping them. They were so enthralled with the work that they hardly cared for the face painting and the other activities planned just for them. The volunteers of Tata Consultancy and Lexmark were the among the first to answer the call this year, and were joined by people from Alcoa-Köfém, Oracle, NCR Hungary, Budapest Hilton, Circular Foundation, Mapi, Gléda, Urmet and AmCham Office – close to 100 corporate volunteers pitched in. Thank you for the support of participating companies with providing the tools needed for the work: fruit trees, fertile soil, flowers, seedlings, flower bulbs, pallets, tools, paints, and pastry. They refurbished the gardens to create a space to enable the kids to actively and usefully spend their free time. Many arrived together with their children, setting an example in helping those in need at an early age.

THANKSGIVING CHARITY DRIVE 2015

In July of this year, ACF launched its traditional Thanksgiving Charity Drive with the purpose of helping poor children living in Hungary. We received 54 valid applications to our "Rich leisure time – kiddiewinks' pleasure" competition, which we announced in 2015. The United States of America is a large country, and despite the size difference, there are lots of common things that exist between it Hungary. Generosity and social responsibility are just a few of them.



These values led us to think big and support small organizations who live the same values as the AmCham Foundation. Our Foundation is a relatively small but powerful entity in Hungary reaching hundreds of kids yearly. While we don't question the eligibility (or need) of the bigger associations for our support, this year we decided to support small foundations:

- Manna Non-profit Association (Manna Közhazsnú Egyesület)– Theater and Globe trotting "Seven-mile Tales" for visually impaired children (90 people). The program is professionally well thought out, keeping in mind the needs of the target groups. They would like to have three performances of the E10's "Seven-mile Tales" barrier-free for visually impaired children. These performances are repeatable and there is no need for additional resources to repeat them, so the shows are sustainable for a longer period of time.
- Pécs Scene Association: Study group operation two times a week. (15 people per occasion, mainly for disadvantaged Roma kids.) Provides regular activities in Pécsbányatelep. This would mean learning, and programs related to study groups two times a week, as well as trips, and camps with volunteers. It is a complex program and an exemplary project.
- The National Association for the Students of Community Service. Reward trip for the best students of the MEGYEK rescue program.
- Pécsi Children's Home Foundation. Adventure camp for the students of the Pécsi Children's home.

THINK BIG – SUPPORT THE SMALLEST!
For more details please visit our webpage:
www.amchamfoundation.hu!

APPENDIX TO THE SECRETARY TREASURER’S REPORT

American Chamber of Commerce in Hungary
Simplified Balance Sheet
31 December 2014

Thousand HUF

ASSETS		2013. december 31.	2014. december 31.
A.	Fixed assets	94 031	84 944
I	Intangible Assets	2 746	4 614
II	Tangible Assets	2 810	2 083
III	Financial investments	88 475	78 247
B.	Current Assets	24 243	46 425
I	Inventory	0	0
II	Receivables	5 760	14 625
III	Securities	4 265	19 625
IV	Cash and bank deposits	14 218	12 175
C.	Prepayments	8 087	9 612
Total Assets		126 361	140 981
EQUITY AND LIABILITIES		2013. december 31.	2014. december 31.
D.	Equity	69 974	70 740
I	Subscribed capital	2 426	2 426
II	Capital change	72 818	67 548
III	Tied up reserve	0	0
IV	Valuation reserve	0	0
V	Profit for the year from basic activity	-4 395	1 731
VI	Profit/(loss) for the year from Entrepreneurial Activity	-875	-965
E.	Provision	0	0
F.	Liabilities	8 669	24 385
II	Long-term liabilities	0	0
III	Short-term liabilities	8 669	24 385
G	Accruals	47 718	45 856
Total Liabilities & Equity		126 361	140 981

American Chamber of Commerce in Hungary
Simplified Profit and Loss Account
31 December 2014

THUF

		2013			2014		
		Basic activity	Entrepreneurial activity	Total	Basic activity	Entrepreneurial activity	Total
1	Net sales	31 309	3 801	35 110	35 942	5 107	41 049
2	Capitalized value of own performance	0	0	0	0	0	0
3	Other income	130 071	42	130 113	123 649	43	123 692
	thereof:			0			0
	- Membership fees, payments from Founders	128 379	0	128 379	122 634	0	122 634
	- Subsidies	1 533	0	1 533	0	0	0
	- Other	159	42	201	1 015	43	1 058
4	Income from financial activities	7 779	185	7 964	7 079	229	7 308
5	Extraordinary income	0	0	0	0	0	0
	thereof:			0			0
	- Payments from Founders			0			0
	- Subsidies			0			0
A	Total income (1+2+3+4+5)	169 159	4 028	173 187	166 670	5 379	172 049
6	Material expenditures	59 947	2 213	62 160	58 882	3 112	61 994
7	Personal expenditures	101 384	2 313	103 697	92 311	2 864	95 175
	thereof: Benefits granted to executive staff	28 863	687	29 550	19 996	645	20 641
8	Depreciation	2 875	68	2 943	2 188	71	2 259
9	Other expenditures	8 108	279	8 387	10 255	255	10 510
10	Expenditures of financial activities	1 240	30	1 270	1 303	42	1 345
11	Extraordinary expenditures	0	0	0	0		0
B	Total expenditure (6+7+8+9+10+11)	173 554	4 903	178 457	164 939	6 344	171 283
	thereof: expenditure of non-profit activities	0	0	0	0	0	0
C	Pre-tax result (A-B)	-4 395	-875	-5 270	1 731	-965	766
12	Tax payable	0	0	0			0
D	After-tax result (C-12)	-4 395	-875	-5 270	1 731	-965	766
13	Approved dividends	0	0	0			0
E	Profit/loss of the year (D-13)	-4 395	-875	-5 270	1 731	-965	766



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