

**MINUTES of the  
100th ANNUAL GENERAL MEETING of the  
RUSSO-BRITISH CHAMBER OF COMMERCE  
held at the Grange Wellington Hotel, 71 Vincent Square, London SW1P 2PA  
at 1200 on Wednesday 13 July 2016,  
chaired by Charles Hendry, President of the RBCC's Advisory Council**

Charles Hendry welcomed all attendees to the Annual General Meeting ("AGM") of the Russo-British Chamber of Commerce ("RBCC") in its Centenary year. He thanked all members for their continued support of the RBCC. He said that the RBCC is enjoying a remarkable, interesting and enjoyable Centenary and thanked Executive Director Trevor Barton, Russia Director Alan Thompson and all the RBCC executive team for their efforts in working for the benefit of members, organising events and securing sponsorship during challenging times.

Charles Hendry further noted the support given to the RBCC and its activities by UKTI in Russia, the British Embassy in Moscow, the Russian Embassy and Trade Delegation in the UK. He noted that the British Ambassador spoke for the first time in recent years at the 2016 SPIEF event in St Petersburg (at a round table co-ordinated by the RBCC). The Ambassador's key message was that, even in times of political stress, there is a scope for building strong business relationships.

#### **1. Apologies for absence**

Apologies had been received from Stuart Lawson, Olga Podoinitsina, Alya Samokhvalova, Nikolai Kosov, Peter Charow, Paul Shale, Pearl Linguistics, the Royal Garden Hotel, Peter Taylor and AGC Chemicals Europe.

#### **2. Minutes of the 2015 AGM**

The AGM **UNANIMOUSLY VOTED TO APPROVE** the Minutes of the 2015 AGM.

There was one action point arising: Trevor Barton informed the AGM that RBCC did conduct a survey among its members and other contacts on the effect that sanctions are having on businesses. RBCC sent the survey to over 2000 contacts but received only 13 responses, thus it was difficult to draw firm conclusions. The results were however sent to the FCO for their information.

Yegveny Merkel, Managing Partner of Excelion Partners and a member of the RBCC Board, informed the AGM that his company conducted a similar survey. He reported that Excelion canvassed approx. 3000 Western businesses operating in Russia and received 250 responses, and there were three major findings:

- 69% of respondents confirmed that Russia remains a strategic priority for their business.
- Only 25% of the respondents claimed that sanctions were the main challenge they faced when doing business in Russia. 69% said the main challenge was the unstable exchange rate, and 46% stated that the regulatory environment caused the most difficulties.
- The survey also revealed the increased desire of Russian executives to live outside Russia and an increased reluctance of Western managers to relocate to Russia.

Charles Hendry thanked Yevgeny Merkel for sharing the findings of the survey with the AGM.

### **3. Report of Roger Munnings, Chairman of the RBCC's Board of Directors**

Roger Munnings noted that there is a distinct contrast in attitude between companies already operating in Russia and those that are not working in or with Russia. The former tend to stick with the country. The latter are less enthusiastic - they are more likely to be negatively affected by media coverage and the official / political stance. He considers it encouraging that there is generally a positive message from international companies working in Russia.

Roger Munnings noted that the audited accounts for 2015 had been made available to the members for a number of weeks on the RBCC website. His view is that the RBCC has produced a solid result given the political climate. Roger thanked the executive team for their hard work and tight cost control in difficult circumstances. He also thanked all the RBCC's members for their continued support.

The Chairman also mentioned that observers have noted that sanctions are now viewed quite positively in Russia, on the basis that they have encouraged greater economic efficiency locally.

Roger Munnings informed the AGM that the Board was focussing on providing stability during the Centenary year to ensure the smooth running of all celebratory events. He said that the Board is planning to discuss the strategy for further growth at the end of 2016.

### **4. Treasurer's report**

Trevor Barton informed the AGM that the RBCC's Treasurer Paul Shale was unable to attend the AGM but had sent his report covering the results for the financial year ended 31 December 2015. The main points of the report were as follows:

- The result for 2015 was a deficit in Sterling terms of approximately £12,250.
- This had led to a decrease in reserves to approximately £181,450.
- However, the movement of the rouble-pound exchange rate had negatively affected the performance by over £23,700. Without the effect of these fluctuations (over which the RBCC has no control), RBCC achieved an operating surplus of approximately £11,550.
- Exchange rate fluctuations only have a material impact if there is a transfer of funds between the Russian and British offices. There had been none in 2015.
- In order to take account of the negative effect of currency fluctuations in quarterly reporting RBCC now prepares the budget and management accounts for the Russian offices in roubles. In rouble terms the Moscow office was breakeven in 2015.
- London office had a small deficit, reversing recent trends.
- New membership and sponsorship remain hard to achieve in the current environment.
- Renewals have been at a reasonable level.
- In 2014 manpower changes were made in St Petersburg in order to achieve breakeven, while still maintaining a worthwhile presence. That was more or less achieved in 2015.
- A key accounting indicator is the deferred membership income that the RBCC holds at the end of each quarter. Ideally it should be stable or increasing. It was falling through 2015, but stabilised at the end of the year, which is a positive development.

On behalf of Paul Shale and the Board of Directors, Trevor Barton thanked SH Landes, the auditors and the members of RBCC staff who oversee financial reporting in all three offices for their work.

The Chairman called for a formal vote to approve the Financial Statements for the Year ended 31 December 2015, as had been publicised on the RBCC's website. The AGM **UNANIMOUSLY VOTED TO APPROVE** those Financial Statements for the Year ended 31 December 2015.

## **5. Membership of the Board of Directors**

Trevor Barton informed the AGM that eight current members of the Board of Directors are coming to the end of their first or most recent three-year term this year (2016): Vyacheslav Kopiev, Olga Podoinitsina, Yana Smelyansky, Peter Charow, Stuart Lawson, Yevgeny Merkel, Alya Samokhvalova and Nikolai Kosov. Roger Munnings reported that he had contacted all Board members asking whether they intended to stand for another term. All but Nikolai Kosov confirmed their intention to stand. Roger Munnings noted that the Board of Directors had approved his recommendation that Vyacheslav Kopiev, Olga Podoinitsina, Yana Smelyansky, Peter Charow, Stuart Lawson, Yevgeny Merkel and Alya Samokhvalova be appointed for another 3-year term, and thus the Board of Directors was nominating them for re-election. The AGM **UNANIMOUSLY VOTED TO ELECT** Vyacheslav Kopiev, Olga Podoinitsina, Yana Smelyansky, Peter Charow, Stuart Lawson, Yevgeny Merkel and Alya Samokhvalova for another 3-year term's membership of the Board of Directors.

Roger Munnings noted that the Board of Directors had discussed and approved his recommendation that Denis Ivanov (Deputy Chairman of International Investment Bank) be appointed to the Board of Directors, and thus the Board of Directors was nominating Denis Ivanov for election. The AGM **UNANIMOUSLY VOTED TO ELECT** Denis Ivanov to the Board of Directors.

Roger Munnings informed the AGM that according to the RBCC Articles of Association the RBCC Board can have up to 14 members, which means that 2 more new members can be added. However, he proposed to leave further appointments until the 2017AGM.

## **6. Appointment of Auditors**

Roger Munnings noted that the Board of Directors is very grateful to the current auditors SH Landes for their work. He proposed that they be re-appointed. The AGM **UNANIMOUSLY VOTED TO RE-APPOINT** SH Landes as the RBCC auditors for another year.

## **7. Any Other Business**

Denis Ivanov thanked the AGM for electing him to the Board of Directors. He said that he had been involved in Russo-British business relations since 1997. Currently he is also a member of the UK-Russia International Financial Centre committee, alongside Mr Voloshin, Mr Shvetsov, Mr Afanasiev and representatives of TheCityUK and the City of London. UK financial qualifications are now recognised by the Central Bank of Russia. A recent change in legislation with regard to financial technology companies in Russia may present new opportunities for the RBCC and its members.

David Gardner wondered whether Brexit presented an opportunity for RBCC to lobby the UK government that EU sanctions against Russia should no longer apply to UK companies. Roger Munnings commented that the role of the RBCC is help businesses, whatever the political or other context, to report the effect of political decisions, and to make it clear to the government how businesses feel. The RBCC will continue to make the point that sanctions negatively affect businesses. The RBCC will not however put pressure on Government beyond that. Furthermore, the timetable for Brexit is presently unclear.

Ulf Schneider observed that Eurasian Economic Union is seeking closer ties with the EU, but the latter seems reluctant. Perhaps, he suggested, there will be an opportunity in due course for the UK to connect with Eurasian Economic Union.

David Cant pointed out that post Brexit the number of Google searches on how to do business in Russia has tripled. This is a positive development for his business and suggests that UK companies are looking for new markets.

Stuart Thom said that as a Chairman of the Great Britain-Russia Society he would welcome more support from the RBCC in promoting the Society's events, which focus on Russian history and culture. Trevor Barton replied that the RBCC issues monthly e-newsletters, which are circulated to its members and other contacts. The newsletters represent an ideal medium for publicising such events, and the RBCC does indeed include information and weblinks to cultural events in them. He said that the London e-newsletter is issued in the first week of every month so any items for inclusion should be sent to the RBCC London office before the end of the previous month.

There being no further questions from members or points raised for discussion, Trevor Barton thanked all the attendees, particularly the two members of the St Petersburg office staff who had travelled from Russia to attend the AGM. He also thanked the London team for helping with the arrangements for the AGM and other events throughout the year. He reminded all attendees that they were invited to join the RBCC Board members and staff present at a "Centenary AGM luncheon" which would take place in the same venue – the Grange Wellington Hotel – immediately following the AGM.

Charles Hendry thanked all for their attendance of the AGM.

There being no other business, the Centenary AGM closed at 1255.