

UNITED NATIONS DEVELOPMENT CORPORATION

Minutes of a Meeting of the Audit Committee

(Via Conference Call)

On September 9, 2020 at 3:15 p.m.

All of the members of the Audit Committee attended the meeting as follows:

George Klein, Chairman
Robert Abrams
Jessica Healy

The following persons also attended: Robert Cole, Jorge Ortiz and Loida Diaz de Jesus (UNDC), and Warren Ruppel and Daniel McElwee (Marks Paneth LLP).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 3:15 PM.

Minutes of Audit Committee Meeting of March 17, 2020

The Chairman requested approval of the minutes of the Audit Committee meeting held on March 17, 2020. On motion made and seconded, the minutes of the March 17, 2020 meeting were approved.

Selection of Outside Auditors

Messrs. Ruppel and McElwee of Marks Paneth were not present for this discussion. Mr. Cole reviewed the July 15, 2020 memorandum on the selection of independent auditors, as provided to the Committee. Mr. Cole reported that the Corporation solicits competitive proposals for audit and accounting services every four years. He described the Corporation's procurement process and management's recommendation to reappoint Marks Paneth LLP to perform the 2021 audit, with three options exercisable by the Corporation for Marks Paneth to perform the 2022, 2023 and 2024 audits.

After discussion, the Committee concurred with management and recommended Board approval at the September 16, 2020 Board meeting for the selection of Marks Paneth LLP as independent auditors.

Review of the Corporation's IRS Form 990 for 2019

Messrs. Ruppel and McElwee of Marks Paneth rejoined the meeting. Mr. Ruppel reviewed the Corporation's draft IRS Form 990 for 2019 as provided to the Committee. Following discussion, the Committee approved the IRS Form 990 and recommended Board approval at the meeting on September 16, 2020.

Pre-Audit Presentation for 2020 Audit

Mr. Ruppel reviewed the Marks Paneth Pre-Audit Presentation for the Corporation's 2020 financial statements. He advised that audit field work would begin in February 2021, followed by issuance of the audit report in late March after approval by the Audit Committee and Board of the 2020 financial statements.

Mr. Ruppel reviewed portions of the Pre-Audit Presentation relating to fraud/ fraud risks, whistleblower reporting, document retention and destruction, conflicts of interest, nepotism and corporate governance. Mr. Ruppel asked whether Audit Committee members had any concerns and none were noted.

Mr. Cole reported that office tenants were current on rent payments through September 2020. He reported that the Hotel had failed to pay operating expenses at One and Two UN Plaza for the months of July, August and September 2020. Mr. Ruppel suggested a possible increase in the allowance for doubtful accounts included in the 2020 financial statements, depending on the status of these receivables at the end of 2020.

Mr. Ruppel advised that the 2020 audit fee would be \$50,000. The Audit Committee approved the Marks Paneth 2020 audit engagement letter and authorized Mr. Cole to sign it for the Corporation.

Other Business

There being no other business, the meeting adjourned at 4:10 p.m.



Loida Diaz de Jesus
Acting Secretary