

UNITED NATIONS DEVELOPMENT CORPORATION

Minutes of a Meeting of the Audit Committee

Held at 535 Madison Avenue, 35th Floor
New York, New York

On March 13, 2019 at 2:00 P.M.

All members of the Committee attended the meeting as follows: George Klein, Chairman, Robert Abrams and Jessica Healy. The following persons were also present: Robert Cole, Jorge Ortiz, and Loida Diaz de Jesus (UNDC); Sander Lehrer (McLaughlin and Stern) and Warren Ruppel and Daniel McElwee (Marks Paneth LLP).

Loida Diaz de Jesus acted as secretary for the meeting. Mr. Klein called the meeting to order at 2:10 pm.

Minutes of the Meeting of September 5, 2018

The Chairman asked the Committee to consider the minutes of the Audit Committee meeting of September 5, 2018, in the form previously provided to members. On motion made and seconded, the minutes of the September 5, 2018 Audit Committee meeting were unanimously approved in the form previously provided.

Marks Paneth LLP Annual Audit Presentation -- 2018

Mr. Ruppel reviewed the Marks Paneth Annual Audit Presentation for the year ended December 31, 2018. He reported that Marks Paneth would issue an unqualified opinion on the Corporation's 2018 financial statements ("2018 Financial Statements"). Mr. Ruppel reported that the Corporation cooperated fully during the audit without any disagreements between Marks Paneth and management. Mr. Ruppel advised that his firm did not detect any

fraud or likely illegal acts, conflicts of interest or other governance issues and did not have any management letter comments.

Mr. Ruppel reviewed the draft 2018 Financial Statements and asked members of the Audit Committee if they were aware of any fraud or likely illegal acts, conflicts of interest or other possible governance issues. No Audit Committee member was aware of any such issues.

Mr. Cole reported that the Board would be asked to approve the 2018 Financial Statements at the Board meeting on March 27, 2019. Mr. Cole advised that management recommended establishment by the Board of a reserve for 2018 of \$7,695,500, representing amounts that would otherwise constitute Consolidated Surplus for 2018 under the City Leases. He advised that the reserve, if approved by the Board at the March 27 meeting, would be available to pay costs, in accordance with Board approved budgets, for possible needed capital improvements at One and Two UN Plaza and/or costs related to possible UN lease extensions at One and Two UN Plaza. Mr. Cole advised that the 2018 Financial Statements reflected the establishment of that reserve. Following discussion, the Audit Committee agreed with management's recommendation to establish a reserve for 2018 in the amount of \$7,695,500. Mr. Cole advised that the 2018 Financial Statements would be revised should the Board decide not to establish this reserve at the March 27 meeting.

Other Business

There being no other business, the meeting adjourned at 3:10 p.m.



Loida Diaz de Jesus
Acting Secretary