

Date: 4th November, 2013

Place: MS

Board Meeting Minutes

Present **From the Board:**
Anders Hamming(Chairman of the Finance and Audit Committee)(AH) (via Skype), Dines Justesen(Vice-Chairman)(DCJ), Ellen Buch-Hansen(EBH), Helle Munk Ravnborg (Chairwomen)(HMR), Karen Jørgensen(KJ), Kirsten Bruun(KB), Steen Folke(SF) and Hakon Ask Jensen(second alternate)

Others: Knud Foldschack (lawyer)

From the Secretariat: Frans Mikael Jansen(FMJ), Kirsten Devantier and Birgit Møller Jensen(BMJ)

Absent David Archer(DA), Gunver Bennekou(GB), Nana Gerstrøm Alsted (NGA), Silas Harrebye (SH), , Tea Balle Fromholt Hansen(TFH), Trine Pertou Mach(TPM), Amalie Bosdatter(first alternate)(AB) and Andreas Dybkjær-Andersson(alternate – Institutional members)(ADA).

Minute –Taker: Birgit Møller Jensen
The meeting was conducted in Danish

Agenda

Fælledvej 12

HMR welcomed board members to the meeting. The purpose of the meeting is to get more information about a possible purchase of Fælledvej 12 and decide on the way forward.

The secretary general had prior to the meeting forwarded a memorandum describing the current situation with an annex (prepared by lawyer Knud Foldschack) outlining the financial aspects and costs related to the proposed purchase. AADK has now received an offer to buy the premises that AADK now rent. The price indicated in the offer is 61 mio. DKK and AADK has to respond to this offer no later than 15th November 2013.

KF gave a brief introduction to his memorandum about the financial costs related to a purchase of the buildings.

Here he among others stressed:

- The proposed plan for financing is the most expensive and it may be possible to negotiate a cheaper plan;
- It is important that AADK strictly respect all deadlines and legal aspects;
- A positive response to the offer from the current owner could consist of a conditional purchase agreement, which will indicate areas needing more information and a timeframe to secure this information.

In the following discussion board members articulated among others:

There are a lot of advantages for AADK to be the owner of the premises. The annual expenditures will be less and we will have more freedom.

Areas of concern were:

- The buildings are old. Can we expect the need for big investments in e.g. new roof and the like?
- Is 61 mio. DKK the right price?
- AAI has specific rules on purchase of property (the purchase has to be approved by the International Board), and we would like to observe these rules.
- The timeframe is very tight – too tight?
- Will such a decision need the involvement of the Council?
(The AADK Statutes does not address purchase of property)

Based on the memo, the presentation made by KF and the board discussion **HMR concluded the following:**

The Board is in favor of purchasing the premises on the following conditions, which as a minimum should be included in a conditional purchase agreement:

1. Two independent real estate appraisers should appraise the buildings to see if the proposed price of 61 mio. DKK is according to market price today;
2. An external technical building expert should review the buildings to indicate needs for maintenance. Our offer to purchase the buildings is conditional on the outcome of this review, i.e. that no major defects are identified;
3. The proposed financing plan is possible;
4. All registered easement have to be examined;
5. The approval of AAI is obtained.

The first four conditions may be settled within two weeks from the signing of the conditional purchase agreement, the fifth conditions require an additional two to three weeks to be settled as it will have to await the decision of the AAI Board, in accordance with the procedures stipulated in the AAI Financial Management Policies Framework.

HMR therefore asked KF to prepare a draft mandate to the secretary general to be presented to the board for their final approval during the board meeting on 8th and 9th November.

HMR stressed that the background for the purchase is the cost reductions compared to the current rent expenses and the certainty for a domicile beyond the eight years remaining according to the current tenant agreement. On top of that, being the owner of the premises will enable AADK to implement the recommendation expressed by the AADK Council and shared widely in the Board and Secretariat to reduce our climate footprint.

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| The meeting closed at 21.00 |
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