



December 15, 2009

President Terje Roed-Larsen
International Peace Institute
New York, New York 10017

Dear Terje:

At a meeting of the Board of Directors of the International Peace Institute (IPI), duly convened today, there was discussion of your performance as President since your initial engagement commencing January 2, 2005.

The Board unanimously concluded your service has been exemplary, and authorized me to extend an offer to you to serve for a further term of five (5) years as President of IPI on the terms and conditions listed below. You have indicated your willingness to accept this offer.

1. You will continue to serve as IPI's full-time chief executive officer, responsible for all of IPI's operations. You will report to the Board of Directors of IPI, which has empowered its Executive Committee to act on its behalf when the Board of Directors is not convened.
2. You will serve for a five (5) year term commencing January 1, 2010. Your salary each year of the term will be as follows:

January 1 – December 31, 2010	US \$400,000
January 1 – December 31, 2011	US \$425,000
January 1 – December 31, 2012	US \$450,000
January 1 – December 31, 2013	US \$475,000
January 1 – December 31, 2014	US \$500,000

The Board will review your performance, especially with respect to fundraising activities, at the close of each year to determine whether a bonus, if any, for the year is in order. The Board shall fix the amount and conditions of any such bonus.

3. You may terminate your employment at any time within the five (5) year period on sixty (60) days written notice to IPI. IPI may terminate your employment for just cause at any time or, without cause, on sixty (60) days written notice to you in which case you will be entitled to a severance pay of six months from the date of termination, as well as coverage of all health benefits to you and your dependants during the said six (6) month period.
4. You are expected to reside in or around New York City.
5. You will be reimbursed your reasonable and necessary travel and entertainment expenses each month upon presentation of receipts of same to me or to IPI's Chief Financial Officer.
6. You and your family will be entitled to all medical benefits enjoyed by IPI's employees.
7. IPI will pay the travel costs at the best available airfare for you and your family for an annual home leave. Your home leave shall consist of two (2) months each year to be taken largely during the summer period for purposes of holiday and a retreat for scholarly work.
8. Royalties for any intellectual work product which bears your name, and not that of IPI, will inure to you. It is not anticipated you will make any speeches or appearances which will be remunerated; should any such offer be received, you will seek my prior approval as to the propriety of the sponsor and the amount of remuneration and, if agreed upon, remuneration would inure to you.
9. Should you receive any offers to join the Board of Directors of any not-for-profit entities, you will seek my prior approval as to the appropriateness of accepting same.

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10. IPI will contribute to an account for your benefit in the income deferral plan now in place for senior IPI staff persons to the maximum extent allowed under relevant US laws.

If the above correctly reflects your understanding, please sign where indicated and return to me. A copy is enclosed for your files.

Sincerely,



Rita E. Hauser
Chair, IPI Executive Committee and
Chair, IPI Board of Directors

AGREED TO AND ACCEPTED



Terje Roed-Larsen

December 15, 2009