

Minutes of the meeting of the DRC Board of Directors on 14 May 2025

Present

From the Board of Directors:

Carsten Stendevad, Chairperson
 Caroline Tromer Dragsdahl
 Henrik Bodskov
 Kim Simonsen
 Mette Fejfer
 Nina Boel
 Rasmus Stuhr Jakobsen
 Torben Huss
 Ulla Næsby Tawiah
 Vagn Berthelsen

Apologies

Tarek Kelani, observer (Chairperson in DFUNK)

From the secretariat:

Charlotte Slente, Secretary General
 Vibeke Bach Madsen, secretary of the Board
 Kasper Orloff, CFO, under item 3, 4 and 5
 Andrew Garnett, Head of Governance, Risk & Compliance, under item 5

From Audit Committee

Finn Schwarz (apologies)
 Michael Bach, under item 3, 4, 5

From the external Auditors

Christian Dalmose Pedersen, under item 3
 Thomas Holm Christensen, under item 3

Agenda

	Points		Content
1)	Approval of the agenda / Carsten Stendevad	Decision	Comments on the agenda.
2)	Declaration of conflict of interest / Carsten Stendevad	Decision	Members of the Board declare if they have any conflict of interest in relation to any items discussed at the meeting.
3)	Adoption of the 2024 Annual Report, including financial briefing Q1 2025 / Kasper Orloff, CFO	Decision	Annex 3.0 Cover note for Annual Report Annex 3.1 Budget follow-up Jan-March 2025 Annex 3.2 Adoption of the 2024 Annual Report and proposed resolution on the allocation of profit or loss for the year Annex 3.2.1 Allocation of the reserves of the DRC Annex 3.3 Draft 2024 Annual Report Annex 3.4 Approval of Audit Book comments 2024 Annex 3.4.1 DRC - Audit book comments The Board of Directors is to comment on and adopt the Annual Report, which will subsequently be

	Points		Content
			submitted for adoption at the annual meeting of the Council on 16 June 2025. The Audit Committee and the external auditors have been invited for this agenda item.
	Break		
4)	Briefing from the Audit Committee / Torben Huss	Information	The Board of Directors will be briefed on the activities of the Audit Committee.
5)	Risks faced by the DRC: operating, financial and organizational risks / Kasper Orloff, CFO and Andrew Garnett, Head of Governance, Risk & Compliance	Briefing Decision	Annex 5.0 Cover note for risk management Annex 5.1 Risk management, Annual Report 2024, including Management response Annex 5.2 Risk Details 2024 Annex 5.3 Board Presentation - Annual RM Report 2024 The Board will be briefed on the main elements of the annual risk report and the response from management. The report provides essential input to strategic considerations and actions. The Audit Committee is invited to attend this item.
	Break		
6)	Decisions in relation to the Council meeting on 16 June 2025 / Carsten Stendevad	Decision	Annex 6.0 Cover note for the annual meeting of the Council on 16 June 2025 Annex 6.1 Agenda for annual meeting of the Council on 16 June 2025 Annex 6.2 Proposed resolution to amend the Statutes Annex 6.3 Proposed resolution on annual membership fees The Board of Directors will take a last look at the agenda for the annual meeting of the Council and make decisions on the recommendations for adoption at the annual meeting of the Council.
7)	Information from the Chair and the Secretary General	Information	
8)	AOB		
	Recap after the meeting		The purpose is to evaluate the quality of the board meeting and for the chair to brief the board on his ongoing dialogue with the SG and Executive Management Team

Re 1) Approval of agenda

The agenda was approved as presented above.

Re 2) Declaration of conflict of interest

The Chairperson asked the Board of Directors to declare if they have any conflict of interest in relation to any items discussed at the meeting.

No one had any conflict of interest to declare.

Carsten Stendevad informed that he in July will be starting in Acumen as President and Chief Investment Officer. Acumen is a global force of entrepreneurs, investors, philanthropists, and social innovators working together to break the cycle of poverty. They focus on investing in transformational companies, building sustainable markets and preparing leaders with the tools they need to create a more just and inclusive future – with the aim of supporting innovative entrepreneurs with a range of capital to help create and scale financially viable solutions to poverty.

As of today, Carsten does not foresee any conflict of interest.

Re 3) Adoption of the 2024 Annual Report, including financial briefing Q1 2025

The following annexes had been sent to the Board members:

Annex 3.0 Cover note for Annual Report

Annex 3.1 Budget follow-up Jan-March 2025

Annex 3.2 Adoption of the 2024 Annual Report and proposed resolution on the allocation of profit or loss for the year

Annex 3.2.1 Allocation of the reserves of the DRC

Annex 3.3 Draft 2024 Annual Report

Annex 3.4 Approval of Audit Book comments 2024

Annex 3.4.1 DRC - Audit book comments

Kasper Orloff, CFO, went through the *2024 financial results*, which resulted in a deficit of DKK 7 million. The result is impacted by a number of items, including losses in fragile contexts (DKK -13 million), positive FX and bank interest (DKK 48 million), write-offs related to previous years (DKK -10 million). The result further includes the spending of DKK 6 million from the unrestricted reserves (equity).

Revenue increased in 2024 to DKK 3.67 billion, an increase of 3%.

Investments came to DKK 24 million in 2024.

Liquidity remained at a comfortable level.

The *equity ratio* increased from 21.7 to 24.8% in 2024

Audit Book

Christian Dalmose Pedersen and Thomas Holm Christensen, external auditors from Deloitte, made a brief presentation of the audit book 2024.

The auditors provided a clean audit opinion for 2024.

Allocation of the reserves of the DRC

It is recommended to make no changes to allocations in 2024 with strategic investments reserves remaining frozen.

Annual Report

The Annual Report 2024 (narrative and numbers) has been approved by the Executive Management Team. For the narrative part of the Annual Report, some of the questions asked were centered around how best to capture and reflect the new situation after the US funding cuts in late January 2025 – even though the Annual Report covers 2024.

Based on input from the Audit Committee and additional section has been added, and the situation is highlighted in the foreword and the Financial Management Review.

⇒ **Decisions:** *The Board of Directors acknowledged the financial results for the year, recognizing the continued improvements in the financial data and reporting.
The Board of Directors approved the allocation of reserves.*

*The Board of Directors expressed its thanks to the auditors for their presentation of the audit book, for the audit opinion and for the good cooperation. The Board of Directors signed the audit book.
The Audit Committee will monitor the agreed improvements in the financial reporting.*

The Board of Directors also expressed its sincere thanks to the Audit Committee for its close monitoring of the work, which is an important and considerable support for the Board of Directors.

As it was Kasper Orloff's last meeting with the Board, the opportunity was taken to thank Kasper for his great efforts and the importance his efforts have had for the DRC and thus for the world's displaced. The board wished Kasper all the best in his future endeavors.

Re 4) Briefing from the Audit Committee

Torben Huss, representative of the Board of Directors on the Audit Committee, briefed the Board about the proceedings in the Audit Committee at their meeting held 5 May.

Internal Audit Annual Report 2024

The report was presented to the Audit Committee, and it was agreed to prepare a memo explaining the improvements going forward.

Brief information on the expected adjustments of DRC after the US Government cuts

This information was very much in line with the information given to the Board of Directors at the extraordinary meeting 24 April.

Apart from the specific cuts and the resulting severe consequences, a major risk was the reimbursements from already conducted activities. These are now received and are expected to cover all eligible costs – also in the stop-work-order period.

⇒ **Recap:** *The Board of Directors extended its thanks to the two board members working on the Audit Committee. This is important work, and the board is reassured by the Audit Committee's efforts.*

Re 5) Risks faced by the DRC: operating, financial and organizational risks

The following annexes for this agenda item had been sent to the Board members:

Annex 5.0 Cover note for risk management

Annex 5.1 Risk Management, Annual Report 2024, including Management response

Annex 5.2 Risk Details 2024

Annex 5.3 Board Presentation - Annual RM Report 2024

Andrew Garnett, Head of Governance, Risk & Compliance in the FRISC department, presented the Risk Management Annual Report 2024.

The annual report is based on an analysis of country and regional risk registers and is primarily a bottom-up exercise as such. Until now the analysis has not involved a true all-of-organization approach to Enterprise Risk Management. This is the ambition going forward.

5 aggregated strategic risks

Looking across all risk registers, five aggregated Strategic Risks have been identified that will have an impact on Strategy 2025 if they materialize. These aggregated risks are composed of high, very high and select aggravating medium level risks across multiple country operations and regions. They are defined

centrally and assessed locally, and they guide the organization to prioritize, organize and plan work to mitigate risks.

Apart from the management response to these high and very high risks, the Executive Management Team and the Secretary General are discussing the high-level mitigation, eg. in the budget process.

- **Country Operation Sustainability and Funding Constraints**

Operational sustainability is at risk when reliant on project-based cost recovery, donor pushback, and a shrinking funding landscape. This is potentially leading to budget gaps, closures, and staff cuts limiting the ability to maintain core roles needed to achieve strategic protection and inclusion objectives.

- **Financial Oversight and Compliance**

If systemic gaps in financial oversight tools, lack of standardized processes, and / or weak project cycle management, DRC faces heightened risks of compliance failures, financial losses, and reputational damage across multiple country operations. These gaps can severely impact DRC decision-making and operational effectiveness, hindering DRC's ability to meet strategic goals.

- **Legal Compliance**

If non-compliance with local laws, regulatory scrutiny, and legal challenges, DRC faces heightened risks of financial penalties, reputational damage, and operational disruptions, threatening its accountability and legitimacy across conflict-affected contexts.

- **Context, Safety and Security**

Due to escalating conflicts, political changes, natural disasters, and direct targeting of humanitarian personnel, DRC faces severe safety risks to staff and assets, potentially disrupting operations and hindering support to displacement-affected populations in volatile regions.

- **Ethical**

The risks of increased Sexual Exploitation & Abuse (SEA) and gender-based violence (GBV) incidents can lead to reputational damage, legal challenges, and compromised ability to deliver safe support to displacement-affected populations.

Looking ahead, the ambition is to embed risk management into all levels of the organization, to align tools and processes for consistency, to enhance reporting mechanisms and make sure that risk insights are fully integrated into decision-making.

⇒ **Decisions:** *The Board of Directors expressed its thanks for the Annual Risk Report and the presentation. The Board adopted the annual Risk Report, including the management response.*

The Board is looking forward to seeing the planned improvements and development of the risk management process.

Re 6) Decisions in relation to the Council meeting on 16 June 2025

The following annexes for this agenda item had been sent to the Board members:

Annex 6.0 *Cover note for the annual meeting of the Council on 16 June 2025*

Annex 6.1 *Agenda for annual meeting of the Council on 16 June 2025*

Annex 6.2 *Proposed resolution to amend the Statutes*

Annex 6.3 *Proposed resolution on annual membership fees*

Election of one Board member

Board member Mette Feifer has announced that she will resign from the board after five years of service. The Council will therefore elect a new member from among DRC's members at the Council meeting on 16 June.

Danish Chamber of Commerce recommends Henrik Bodskov to the vacant board position.

Henrik already sits on DRC's board as a board member appointed by the board (appointed in 2023). The Chairs believes that Henrik Bodskov has been an extremely valuable board member with strong competencies in general management, digitalization, business development and innovation. These are competencies that the board still needs.

If Henrik is elected, his current mandate will become vacant, and the Board of Directors will try to appoint someone with expertise in global branding, communications and global public affairs for the vacant seat.

Other Elections

- Item 7: Election of 1 representative to the Audit Committee with expertise in financial matters and a state-authorized auditor designation, cf. Article 17(6) of the Statutes.
Michael Bach has agreed to stand for re-election.
- Item 8: Election of 3 members to the DRC Kenya Board of Directors
 - **Kim Simonsen**, member of the DRC Board
Kim has served as chair of the DRC Kenya's Board of Directors since 2023.
 - **Finn Schwarz**, member of and chair of the DRC's Audit Committee.
Finn has served on the DRC Kenya's Board of Directors since 2017.
 - **Michael Bach**, member of DRC's Audit Committee
Michael has served on the DRC Kenya's Board of Directors since 2017.

Approval of the agenda

The Board of Directors approves the final agenda, which is sent out with appendices to the Council members meeting no later than 14 days before the meeting is held (Article 9(2) of the Statutes).

Proposal for amendments to the Statutes

- 1) **Article 12: Election to the Board of Directors:**
 - a) A distinction is made between Board members **elected** by the Council and **appointed** by the Board of Directors (the external members)
 - b) Article 12(2), paragraph 3 on time period for elections:
It is specified that Board members can serve for a maximum of 9 years – regardless of the number of re-elections.
- 2) **Article 17(6): Annual report and audit:**
The Board of Directors appoints 2 members to the Audit Committee (as opposed to 1 member in the current Articles of Association)

Membership fees for 2026

The Council members determine the annual membership fee (agenda item 9).

When an organization applies for membership, the membership fee is set in a dialogue between the applicant organization and DRC within the 3 frameworks set by DRC and with consideration to the financial capacity of the applicant organization.

It is recommended that the current membership fee continues unchanged.

⇒ **Decisions:** *The Board of Directors approved the agenda and all the annexes for the meeting of the Council on 16 June 2025 – including the candidates proposed for the various elections.*

Re 7) Information from the Chairperson and the Secretary General

Charlotte Slente informed the Board on the restructuring of DRC following the sudden end of US funding, which accounted for 20% of DRC's budget. The restructuring comes at a moment when the entire humanitarian sector is facing profound challenges as funding shrinks and needs multiply.

The organization was informed about the restructuring and cuts at a global meeting prior to the Board meeting.

On top of the over 1,300 staff positions already cut since February across the organization, DRC is discontinuing over 650 staff positions, including almost 100 in our headquarters in Copenhagen, Denmark, as well as in our offices in Berlin, Brussels, and Geneva. After the restructuring, DRC's global staff will number around 5,600, down from approximately 7,500 before the funding cuts. And DRC will be operational in 28 countries from 2026, down from 34 in 2025.

The changes will ensure DRC's financial sustainability and guarantee our ability to continue supporting displaced people in the major crisis and emergencies in the world.

⇒ **Recap:** *The Board of Directors expressed its strong support and praised the Secretary General and the Executive Management Team for a well-managed process and solid decisions that places DRC on a sustainable pathway moving forward.*

Re 8) Any other business

No further business was transacted under this item.

Board meetings in 2025

Board/3	23 June
Board/4	15 September
Board/5	8 December