

Policy for diversity, target figures and the under-represented gender in management

Policy It is the policy of Vestjysk Bank to constantly seek to maintain a high level of expertise for management and employees alike.

With the Bank's ambition of doing things properly, skills development is a key strategic development area. The Bank is focused on strong general skills as well as specialist skills.

Statutory and regulatory basis

- Section 79a of the Danish Financial Business Act
- Recommendation 2.1.6 issued by the Committee on Corporate Governance

Introduction Vestjysk Bank sees diversity as a strength that has the capacity to contribute positively to the Bank's growth, robustness as well as to meet its established strategies and plans. Diversity in terms of age, gender, experience and competencies is highly prioritised.

Vestjysk Bank aims to be an attractive place to work for both women and men and endeavours to provide women and men with equal opportunities to pursue careers and to attain and hold management positions. In addition, it is important that managers have the proper competencies, regardless of gender.

The Bank works towards an equal distribution of competent female and male managers. When filling management positions, it is in the Bank's interest to have as many competent candidates to choose from as possible. It is therefore critical to have both men and women in the Bank who possess the proper competencies to hold management positions.

The Board of Directors' Nomination Committee works actively to ensure diversity on the Bank's Board of Directors. The ambition is for the Board of Directors to be composed of a wide array of skills sets and backgrounds with special emphasis on a combination of diverse professional backgrounds, business experience, gender and age.

The Board of Directors has set up the target figures below for the proportion of the under-represented gender on the Board of Directors. The Board has also prepared a policy to balance the gender composition across Vestjysk Bank's other management levels.

Target figures for gender composition on the Board of Directors

The gender composition among the Bank’s board members elected by the shareholders in general meeting is 80% men and 20% women.

The Board of Directors endeavours to promote a higher proportion of women among the board members elected by the shareholders and its ambition is to reach a minimum of 30% as from 2020.

Equalising gender composition

The Board of Directors aims to promote and maintain the basis for equal distribution between the genders across the Bank’s other management levels.

By other management levels is meant management positions not related to the Board of Directors.

Vestjysk Bank wants to be able to monitor the development of the gender balance across the other management levels and recalibrate the efforts from time to time in relation to the targets defined.

The gender balance across management levels at Vestjysk Bank at 11 January 2018 was as follows:

	Men	Women
Executive Board	100%	
Management level 1 Managers reporting to the Executive Board	78.57%	21.43%
Management level 2 Managers reporting to management level 1	65%	35%
Management level 3 Managers reporting to management level 2	0%	100%

The Bank's overall objective is to achieve an appropriate balance of men and women in management. The Bank is especially focused on efforts to increase the proportion of female managers in the management group from 21.43% to at least 25% by 2020.

The Bank previously had a target of increasing the proportion of male group managers from 34% to at least 35% by 2017. The Bank did not achieve this target. At the end of 2017, all managers at management level 3 were women. The target for 2020 is 25%.

The Board of Directors aims to have an open and tolerant culture where individual employees are free to apply their expertise in the best manner possible regardless of gender. The Bank's employees must be offered equal opportunities in respect of career advancement and management positions regardless of gender. Vestjysk Bank's hiring policy for managers is based on the philosophy that the most qualified person for the job will always be given preference, regardless of gender.

Career development

Vestjysk Bank provides all employees with the opportunity to develop their professional and personal competencies through participation in internal and external seminars and training. The Bank's objective is for women and men to participate generally and equally in these offers.

It is Vestjysk Bank's ambition to inspire all employees to join its management team.

Managers at all levels are expected to identify employees with personal and professional competencies suitable for development with a view to career advancement.

By reviewing the results of the Bank's competency profile, basic reporting, employee development interviews and follow-up interviews, managers are asked to form an opinion of the employee's management potential. Any desire and ambition on the part of employees for a management career should be addressed as part of all development interviews.

If an employee expresses a wish to receive supplementary training or education at academy, bachelor or master's level, the parties will clarify, as part of the recommendation process, whether the employee in question wishes to join the management team and what potential he or she has in terms of a management function.

Career development plans are discussed with Vestjysk Bank's HR department.

**Annual
review of
target
figures and
policy**

The Board of Directors discusses and reviews the Bank's position on diversity, the under-represented gender as well as target figures once a year for the purpose of strengthening Vestjysk Bank's growth.

The HR department records developments in the proportion of the under-represented gender in management. A report is presented to the Board of Directors once a year.

**Approval by
the Board
of Directors**

As adopted at the meeting of the Board of Directors held on 23 January 2018.

Report on the underrepresented gender

Act no. 1383 of 23 December 2012 introduced rules requiring Danish enterprises to define targets and prepare policies for the underrepresented gender and to report on such targets and policies.

Pursuant to section 79a of the Danish Financial Business Act, enterprises are required to define a target for the proportion of the underrepresented gender on the board of directors and to prepare a policy for increasing the proportion of the underrepresented gender at their other management levels. According to the Danish Business Authority's "Guidelines on target figures, policies and reporting on the gender composition of management" issued in February 2013, a gender is underrepresented when making up less than 40%.

Introduction

Vestjysk Bank aims to be an attractive place to work for both men and women. Vestjysk Bank endeavours to provide women and men with equal opportunities to pursue a career and to hold management positions. It is important for Vestjysk Bank that managers have the proper competencies, regardless of gender.

We wish to work towards an equal distribution of competent female and male managers. When filling management positions, it is in our interest to have as many competent candidates to choose from as possible. As a result, we favour having both men and women possessing the proper competencies to hold management positions with the Bank.

Pursuant to section 79a of the Danish Financial Business Act, the Board of Directors has defined a target for the proportion of the underrepresented gender on the Board of Directors. The Board of Directors has prepared a policy for increasing the proportion of the underrepresented gender at Vestjysk Bank's other management levels.

Target for the proportion of the underrepresented gender on the Board of Directors

In 2017, the gender composition among the Bank's shareholder-elected board members was 80% men and 20% women.

The Board of Directors endeavours to promote a higher proportion of women among the board members elected by the shareholders and its ambition is to reach a minimum of 30% as from 2020.

Policy for increasing the proportion of the underrepresented gender at Vestjysk Bank's other management levels

The Board of Directors aims to promote and maintain the basis for equal distribution between the genders across the Bank's other management levels.

By other management levels is meant management positions not related to the Board of Directors.

Vestjysk Bank wants to be able to monitor the development of the gender balance across the other management levels and recalibrate the efforts from time to time in relation to the targets defined.

The gender balance across management levels at Vestjysk Bank at 31 December 2017 was as follows:

	Men	Women
Executive Board	100%	
Management level 1 Managers reporting to the Executive Board	78.57%	21.43%
Management level 2 Managers reporting to management level 1	65%	35%
Management level 3 Managers reporting to management level 2	0%	100%

The Bank's overall objective is to achieve an appropriate balance of men and women in management. The Bank is especially focused on efforts to increase the proportion of female managers in the management group from 21.43% to at least 25% by 2020. The baseline percentage for 2017 was 21.43%. As a result, a 2020 target of 35% has been defined.

The Bank previously had a target of increasing the proportion of male group managers from 34% to at least 35% by 2020. The Bank did not achieve this target. At the end of 2017, all managers at management level 4 were women. The target for 2020 is 25%. Due to an organisational reshuffle, the number of male group managers was reduced to zero.

The Bank's management team consisted of 53 people at 31 December 2017, of whom 18 were women. Accordingly, the percentage distribution between male and female managers was 66%/34%.

The Board of Directors aims to have an open and tolerant culture where individual employees are free to apply their expertise in the best manner possible regardless of gender. The Bank's employees must be offered equal opportunities in respect of career advancement and management positions regardless of gender. Vestjysk Bank's hiring policy for managers is based on the philosophy that the most qualified person for the job will always be given preference, regardless of gender.