MINUTES (August 20, 2016)
Aegon N.V. ANNUAL GENERAL MEETING OF SHAREHOLDERS 2016
MAY 20, 2016
The Hague, Aegonplein 50

MINUTES of the Annual General Meeting of Shareholders (AGM) of Aegon N.V. ('Aegon' or 'the Company'), having its registered office in The Hague, held on Friday, May 20, 2016, at 10:00 CEST, at the Aegon head office, Aegonplein 50, The Hague, the Netherlands.

Agenda: page

1. Opening

The *Chairman* opens the meeting and welcomes the shareholders and other participants. The meeting will be held in English. Simultaneous translation from English to Dutch and from Dutch to English is available. Voting on the relevant agenda items will take place electronically. Voting devices and voting smart cards have been distributed prior to the meeting.

The *Chairman* states that the following Supervisory Board members are present: Irv Bailey, Ben Noteboom, Robert Dineen, Shemaya Levy, Ben van der Veer, Dirk Verbeek, Corien Wortmann-Kool and Dona Young as well as himself, Rob Routs. The Executive Board members are also present: Alex Wynaendts and Darryl Button. In addition to the members of the Executive Board, who are also members of the Management Board, the other Management Board members are also present: Adrian Grace, Allegra van Hövell-Patrizi, Gábor Kepecs, Marco Keim and Mark Mullin. Further, Carla Mahieu, Sarah Russell, Mark Bloom and Onno van Klinken (nominated Management Board members) are present. In conformity with the Dutch Corporate Governance Code, the auditors who performed the audit of the 2015 Annual Accounts – Ruud Dekkers, Angie Blomberg and Emile Rondhout from PwC – are present at this meeting.

The minutes of this AGM will be kept in English by the Company Secretary, Mrs. Anne-Marie Roth-Verweij. An unofficial translation in Dutch will be made available as well.

The *Chairman* establishes that the convening of this AGM has taken place by an announcement on Aegon's corporate website on April 8, 2016. The agenda, together with the explanation and the annexes, has been sent to holders of shares registered in the shareholders' register held by the Company. Holders of New York Registry shares have been notified of the AGM and the agenda items by separate writing. When convening the meeting, the agenda items were listed that will be dealt with at this meeting. Notice was given that the agenda with explanatory notes, annexes and enclosures, the Annual Report 2015, including the Annual Accounts, as well as the supplementary data required by law, were available free of charge on Aegon's corporate website, at Aegon's head office in The Hague, at ABN AMRO Bank in Amsterdam and through ABN AMRO's e-voting website. The AGM documents have been available for inspection from the day on which this meeting was convened and will remain available after the meeting. This AGM has been convened in accordance with Dutch law and Aegon's Articles of Association.
The issued share capital at the Record Date of April 22, 2016 consists of 2,732,058,986 shares, of which 2,147,036,826 are common shares and 585,022,160 are common shares B. Both types of shares have a par value of 12 eurocents. Discounting non-voting treasury shares and taking into account the waived voting rights on common shares B, the number of voting shares as at the Record Date is 2,064,577,466.

Later during the meeting, the *Chairman* announces that 1,082 holders of common shares and common shares B are present at the meeting. They represent, together with shareholders who have voted through e-voting or proxy voting, a total of 1,434,485,725 votes. These numbers represent 73.38% of the currently issued and outstanding share capital and 69.48% of the 2,064,577,446 voting shares as at the registration date of this meeting. As in previous years, shareholders have been actively encouraged to vote at the AGM.

The draft minutes of the AGM of May 20, 2015 have been available for comments during three months at Aegon's office in The Hague and were also published for comments on Aegon's corporate website on August 20, 2015. The final minutes, signed by the Chairman and the Secretary, were available as of November 20, 2015.

The draft minutes of this AGM will be available for comments on the corporate website for three months from August 20, 2016. The final minutes, signed by the Chairman and the Secretary, will be available as from November 20, 2016, on aegon.com. A translation in Dutch will be made available.

2. Presentation on the course of business in 2015

The *Chairman* introduces Alex Wynaendts, Aegon's CEO, who will give a presentation on the course of business in 2015. The slides of the presentation of Mr. Wynaendts are considered part of these minutes and are published on aegon.com.

Mr. *Wynaendts* will discuss Aegon's achievements in 2015 with the execution and implementation of Aegon's strategy and the steps that have been and will be made in order to make Aegon even more customer-oriented so as to position the Company well for the future.

As on December 31 ended a 5-year strategy cycle and rather than just focus on the last twelve months Mr. *Wynaendts* will start by providing an overview of the progress Aegon has made since 2010. Today, Aegon is a very different company than five years ago. While spread businesses used to represent two thirds of our earnings, today it is fee and technical income that make up two thirds of our earnings. Aegon

continues to transform. Not only have we transformed the profile of the Company, we have also transformed our culture and, more importantly, the way we connect with our millions of customers.
Our purpose - to help people achieve a lifetime of financial security - is and remains at the heart of everything we do. Our priority is to be there for 30 million customers and for the growing number of people that need our products and service ever more.

Aegon remains equally committed to creating value for its shareholders by targeting a return on equity of 10%. Mr. *Wynaendts* states that the solid Solvency II capital position of approximately 155% at the end of Q1 2016 enables us to pay an attractive dividend to our shareholders.

Key achievements and developments in the recent years are: 1) divestments of non-core activities, 2) optimizing the value of our back book, and 3) growing fee business profitably.

1) Divestments of non-core activities: in the last three years alone, we have divested EUR 3.4 billion of non-core activities at an average of over 80% of book value. This includes the majority of our UK annuity book, Transamerica Re, our reinsurance business in the US, our Canadian operations, our joint ventures in Spain and also our 35% stake in La Mondiale in France.

2) Optimizing the value of our back book: this was done by significantly reducing expenses in our established markets, but also by reducing the capital allocated to our run-off and legacy annuity businesses in the US.

3) Growing fee business profitably: e.g., we have created a successful asset manager. We have secured important distribution deals and joint ventures with strong partners, e.g. in Spain with Banco Santander. We have also continued to expand our pension business in the US and the UK by the recent acquisitions of Mercer's 401(k) business in the US and BlackRock's pension business in the UK. By executing on our strategy we have been successfully growing our fee business for the last five years. Achieving an average growth in sales of 12% per year clearly demonstrates how we are winning the trust of millions of new customers. The main driver behind this attractive sales growth has been a strategic decision to focus on our global fee-based businesses, including variable annuities, pension administration and asset management business. Our revenue-generating investments increased significantly since 2010, by more than 70% to over EUR 700 billion, and our pension customer base nearly doubled, by increasing from 6 million to 11 million plan participants.

Aegon has consistently and successfully maintained a robust balance sheet. Our ratings are strong and our group Solvency II ratio of approximately 155% at the end of Q1 2016 is right in the middle of our target range. Over the past five years we have been able to double our free cash flows after Holding expenses by growing our business profitably and by deleveraging our balance sheet. The doubling of our free cash flow after Holding costs has been the basis for the growing dividend to our shareholders. We have unfortunately not been able to meet all of our financial targets due to the significant changes in the regulatory environment in our UK and new markets together with the continued adverse impact of very low interest rates, particularly in our US business. However, we can be proud of doubling our fee-based earnings and of strongly growing our operational free cash flows by over 30%.

Mr. *Wynaendts* continues by setting out Aegon's four strategic objectives: 1) optimizing portfolio, 2) loyal customers, 3) operational excellence, and 4) empowered employees.

1) Optimizing the portfolio was discussed hereinbefore.

2) In terms of customer loyalty, our goal is to get closer to our customers and becoming truly customer-centric. We aim to be the most recommended company by our customers and we measure this by

using the widely-used Net Promoter Score (NPS). Our performance over 2015 demonstrates that we are on the right track in terms of prioritizing customer experience. We now apply NPS-scores across almost all our businesses and, on a comparable basis, the 2015 consolidated score showed an increase from 4 points to 7. This is a significant increase. The main reasons for this improvement is down to the following factors: i) enhanced customer service; ii) simplification of our products and services, iii) and having become a more accessible company to our millions of customers.

3) Operational excellence is about delivering excellent service to customers at competitive cost levels. We have made significant progress here from digitization of key processes to implementing efficient operating models but also increasing economies of scale.

4) Our employees are of course our most important asset. Mr. *Wynaendts* reported that over the last twelve months Aegon has made real progress in terms of attracting new people with new ideas from different industries, introducing a new talent review process, and promoting workforce diversity. Mr. *Wynaendts* expressed his content with the score from this year's Global Employee Survey. In terms of engagement we saw a minor decrease, but we are still well above the industry norm. In terms of enablement, we are not only above the industry norm, we also saw an increase overall.

Having a sustainable strategy and acting sustainably is an important element of all of our four strategic objectives, from being innovative and investing in new sustainable assets to being a company that can attract and retain the best employees. As part of our strategy, we have re-articulated our approach to sustainability or 'Responsible Business'. Last year for instance, we substantially increased our so-called impact investments, such as affordable housing, renewable energy but also green bonds by over 65% to almost EUR 8 billion. Furthermore, Aegon has committed itself to: 1) a phased divestment from coalmining companies for our general account, and 2) become a carbon-neutral company to honor our pledge made in connection with the United Nations Climate Change Conference in Paris last year. Being a responsible business is very important, because we strongly believe that our company should have a positive impact on all our stakeholders, not just customers, employees and shareholders, but also broader society.

Mr. *Wynaendts* continues his presentation by outlining Aegon's strategic priorities going forward. He refers to two trends: 1) how to better connect with those that depend on us, and 2) how this approach is also helping us to take advantage of the global trends that impact our industry and our customers.

Key trends that are shaping our industry include historically low interest rates, the advent of new digital technology but also the retreat of traditional providers, such as governments, from the retirement space. These global trends are not only increasing the demand for our products and services, they are also changing the way we do business, the way we connect with our customers, and the way our customers connect with us. Digital developments are accelerating the trends that shape our environment. We therefore also need to accelerate the execution of our strategy.

Regulation is a binding constraint for our capital requirements, but also in the area of consumer protection which is an important opportunity for us given our focus on better connecting with our customers. This applies in each of the markets in which we operate, something we are able to benefit from by being an international group.

Having a compelling purpose is absolutely vital to the success of a company. It helps answer strategic questions about where we focus and how we run our business. It helps motivate our employees and bring them together as one company. It also helps to better connect with our customers. Our purpose is to help people achieve a lifetime of financial security. The term 'lifetime' really is key, because we are focused on addressing customers' needs throughout the various stages of their lives. Building a lifelong relationship with our customers begins with helping them when they start to work, when they build a family, and when they buy a house, and this throughout their working life when they accumulate assets for retirement or for the education of their children. Finally, in the retirement phase, when they need to make sure that they have enough income to be able to live through a longer retirement period. Today, more than ever before, our customers require not just products and services but also advice, guidance. That is what we are increasingly providing. With over 10,000 people retiring every day in the US alone, our role to be a trusted provider of pension solutions has never been more important.

To enhance interaction with its customers and simplify its business Aegon is stepping up its digital investments in the coming years. Good examples are our fast-growing UK platform and our digital bank in the Netherlands, Knab. These two initiatives alone have together attracted over 350,000 customers and assets of over EUR 12 billion in total. Levering technology not only enhances service and customer experience, it also makes it possible to reduce operating expenses and increase efficiency by simplifying our processes. Our efforts to control expenses have proven successful. E.g., in the US we have kept expenses stable while significantly growing our sales. In the Netherlands, we have reduced operating expenses of our insurance activities by 20% since 2010. In the UK, we have reduced expenses by one third by digitizing the business and by reducing complexity.
We have committed to reducing our operating expenses in our established markets by a further EUR 200 million a year by 2018. This consists of USD 150 million in the US and EUR 50 million in the Netherlands.

To provide the leadership required for transforming our company and our culture we have decided to broaden the expertise on the Management Board. Under Sarah Russell’s leadership AEGON asset management has grown and will continue to grow. How we innovate and leverage technology, which is driven by Mark Bloom’s team is absolutely central to our work to better connect with our customers and increase and improve the efficiency of our business. In the human resources work, Carla Mahieu oversees the transformation of our culture and that is equally critical. While strategies can be good on paper, what is really important is that all our employees truly live our purpose and values, embrace change. Finally, the role that Onno van Klinken performs as General Counsel, has become increasingly important, given the developments in the regulatory landscape.

Mr. *Wynaendts* concludes by saying that while we are not satisfied that we did not meet all our 2015 financial targets, we can be pleased that we transformed the profile of the Company, improved the financial strength of the balance sheet and doubled our free cash flows after holding expenses.

Aegon has established a very strong basis from which we can continue to accelerate execution of our strategy, to better connect with our customers and address their needs as well as achieve our target of a return on equity of 10% while returning capital to shareholders by paying attractive dividends.

The *Chairman* thanks Mr. Wynaendts for his presentation and gives the opportunity to ask questions on the CEO’s presentation.

Mr. *Keyner* (VEB) starts by challenging Aegon’s performance despite the ongoing transition efforts, although he certainly understands the issues that insurance companies such as Aegon are coping with in these present times. His first question is if you were to rebuild the Company, would you once again need 31,500 employees or would you be able to add comparable value for investors with for example 10,000 employees? If you are not answering 'no', then why can't you accelerate the transition? The second question is whether Aegon’s organization isn’t being too complacent? Shouldn’t Aegon take far more drastic measures and cut far more costs, say by 80%? The third question he raises is: if you were to rebuild the Company, digitization would figure prominently. How are the legacy, current organization, current mindset and current employees impeding you from doing what you actually intend to do?

Mr. *Wynaendts* answers by reiterating his disappointment about the fact that not all financial targets have been achieved. This should, however, be seen in context of external factors, such as low interest rates, huge changes in regulation in the UK, where effectively our margins have been compressed very significantly by regulatory and political involvement, the impact of the nationalisation of our pension business in Hungary and Poland, but also the crisis. Our business in Spain is a business where we have exited all our joint ventures. Fortunately, we were able to receive the proceeds of our investments, which had good returns, and to reinvest part of them in Spain. He emphasizes that Aegon is taking and will take all necessary steps to improve returns.

A reduction of expenses by EUR 200 million may seem like a relatively small amount, but it is roughly between 10% and 15% of our total expenses.

The number of employees that Mr. Keyner mentioned is not correct. We have 30,000 employees but out of these slightly less than 10,000 effectively are sales agents that are considered employees but work on a commission basis. Therefore, the number of employees to be taken into account is closer to 21,000.

Are we aggressive enough in cost reductions? In the CEO's presentation a one third of the cost reduction in the UK, 20% in the Netherlands, and significant cost reductions in the US were mentioned. In combination with sales growth this shows that we have been very aggressive on cost. From our studies on benchmarking it shows that Aegon is absolutely a good performer in terms of costs. But that does not mean it is enough. We absolutely recognize that we need to do more. That is why we announced a very significant but also a very ambitious plan to further reduce our expenses by EUR 200 million. That is quite a high percentage – around 15% - and a higher percentage if you look at the cost we effectively have control over.

If we would start a company today, of course we would do things differently, but the legacy also has an advantage. The legacy is what is providing us with the cash flows, allowing us to pay dividends. We believe that investing in (digital) capabilities is extremely important, but without a legacy business to fund them this would be very difficult. We are consistently discussing in our Management Board as to how to organize that innovation. Do we do that inside the Company or outside the Company? Do we make sure that by doing it outside, we give them more freedom to keep them from being overwhelmed by the legacy, as you were saying? Or do we also need to make sure that we follow procedures and regulations because ultimately, the new business will become part of our inforce?

Mr. *Wynaendts* concludes by saying that hopefully he has provided a clear answer, but also made it clear that Aegon is taking very significant steps. Besides the radical steps we have taken in disposing of our business, we have disposed over two thirds of our annuity business in the UK. We expect to dispose the rest in the not too distant future. We have sold our business in Canada, we have significantly reduced our business in the US, sold our reinsurance business and this is only a small part of it. Many other steps have been taken to come to a more focused and efficient company that is going to be well prepared for the challenges of the future. As Mr. Keyner very clearly pointed out, too, we are in an environment that is very challenging by financial markets, interest rates but also by the changes in regulation.

Mr. *Keyner* (VEB) has a follow-up question. He starts by acknowledging that Mr. Wynaendts did an excellent job defending Aegon's strategy in terms of financial targets. However, he is more concerned about non-financial targets, about how Aegon is perceived by its customers. He refers to the NPS on page 40 of the Annual Review. From the graphics shown there it seems that the groups of customers go from 2.4% (in yellow, which is usually a warning) to 49.2% (in green, which is usually good). However, this means that 49.2% of customers think far more negatively about Aegon than they think about competitors. So, nearly half of Aegon's customers are dissatisfied. If his interpretation is correct and the coloring is incorrect, than he is wondering how Aegon can be satisfied.

Mr. *Wynaendts* replies that Aegon is satisfied with the progress made, but certainly not with the current net promotor scores. The objective is to have all customers in the first and second quartile, but it will take time to achieve a better score. The overall NPS score from 4 points to 7 points shows an improvement and that is encouraging. The overall score, however, is clearly not good enough.

Mr. Wynaendts points out that where we have the highest NPSs, we have started new initiatives. For example in the Netherlands, Knab bank. That has one of the highest NPSs in its sector. In other parts of our business where we are starting with new initiatives, we see also higher scores. We have not yet achieved the desired improvement of our reputation and the trust of our customers, especially not in the legacy parts of our business, but this is also due to the current environment in the Netherlands, which is not very positive for our sector.

As a final remark Mr. *Keyner* suggests that in the graphics if a quartile is bad, it should be red rather than green. If something is good, you should depict that in green rather than in yellow.

Mr. *Wynaendt*s confirms to take Mr. Keyner's suggestion on board.

The *Chairman* reiterates that from the CEO's presentation it showed that Aegon has actually gone from 6 million to 11 million pension customers. Those customers would not have come to us, if they did not like us.

Mr. *Taverne* (VBDO) starts by complimenting Aegon on the integration of sustainability in the overall portfolio and strategy being well on track and clearly visualized in the reports, which is also supported by Aegon's high ranking on the Transparency Benchmark and other scores. He refers to the questions he has submitted in writing prior to the meeting and is requesting that those be answered by Aegon outside this meeting. Mr. Taverne refers to an article by Arnoud Boot and others recently published in 'Het Financieele Dagblad', which supported his cause that without sustainable investment there is no secured value of pensions. The central question raised in that article was: is it not true that not investing sustainably basically undermines a fiduciary responsibility?

Based on a study conducted by De Nederlandsche Bank about exposure of financial institutions, banks, insurance companies and pension funds with respect to this topic Mr. Taverne asks the following questions: first, has Aegon performed an analysis of its own impact on the climate directly as well as indirectly through investments? Is Aegon aware of its own exposure if things happen that will truly impact the value of companies, such as in coal mining? Second, do you agree with me that the fiduciary responsibility may also be perceived as a responsibility according to which all investments need to be sustainable? As Aegon, are you prepared to be very transparent and open and to be an active shareholder in this respect? Third, have you set concrete targets for 2016 in this respect?

Mr. *Wynaendts* thanks Mr. *Taverne* for his compliment. Firstly, already in 2014 we have begun assessing our climate change risk by conducting a carbon footprint analysis in our three key portfolios, which are our largest portfolio in the US, in the Netherlands and in the UK. We have actually seen a reasonably favorable outcome in the sense that we are less carbon-intensive than the benchmark. However, we also learned that carbon foot-printing was not a key tool to our managers and we believe it is a tool but not the only tool for management. Many other tools are currently in development to assess the impact of climate change and that is why we are really working together in the industry. We have created a project group that is further trying to understand what is the best measure and what are the best key performance indicators. Therefore, we have created within our own organization, within asset management in our portfolio risk management function a team that tries to assess what the right tools are, what the key metrics are, of which obviously a carbon footprint is one.

Secondly, the question about the link between responsible, sustainable investments and our fiduciary responsibility will have to be answered in the context of our business and the markets in which we operate. It is clear that when our customers ask for it, we have that fiduciary risk responsibility. But we also have customers in other parts of the world that are asking for us to invest in an index. As such, the question remains whether in that case it is a fiduciary responsibility to not follow the instructions of the customer and not invest in the full index, because we would exclude certain sectors and certain elements that would be part of the index. So, there is also a legal aspect to it, which in each of the large markets we operate in is different.
Mr. Wynaendts repeats that for Aegon having a sustainable business model is what counts, i.e. having a business model that will be sustainable in the future. Having a sustainable business is not only about how we invest in our business, it is about having the right business for our customers fulfilling a significant need they have, which he believes is very well reflected in the purpose which Aegon shared with the meeting. He emphasizes again that Aegon is looking after the interest of all its stakeholders including the community at large. This is because the world is changing. Our customers demand from us to be a good company, a company that does the right things. Our employees, especially the younger generation of employees that we attract to our business, also want to make sure that they work for a good company, a company they see as doing the right things and obviously, doing the right things in our sector is very quickly and very directly related to the type of investments. That is why we pay a lot of attention to these questions around investments.
Mr. Wynaendts refers to Mr. Taverne's remark that he has not seen much notice of Aegon's decision to dispose of its mining assets nor to be a carbon neutral company. The reason is that we have taken this decision after the closure of the 2015 report and, as such, it was not included the report, but it was referred to in the CEO's presentation. We have taken the decision to divest our coal-based assets in an orderly way and also to be a carbon-neutral company as a whole.

Thirdly, Mr. Wynaendts confirms Aegon's targets to have a neutral carbon footprint and to dispose of its coal business. These are targets that are clear. We also have to take into account that we need to make sure that we invest in the right investments, so any target has to be seen in the context of risk/reward. We see – and which is very positive – that more and more investments and projects are available that allow us to have a larger exposure to impact investments. As mentioned we had an increase of 65% in these assets. So, we can set targets but we also have to be realistic that what we offer is also available. By way of example he further mentions Aegon's sustainable procurement policy, which is applicable to all of its key suppliers in all of its businesses. We need to make sure that we only do business with suppliers who adhere to strict environmental and social standards.

Mr. Wynaendts concludes by promising to provide further answers in writing to the extent they were not yet addressed at the meeting.

The *Chairman* notes that the Supervisory Board keeps a very close eye on fiduciary responsibility and certainly adheres to the Paris agreement and tries to support that. However, he cautions that a balance has to be struck. If there were no gasoline or natural gas in this world today, the world would come to a grinding halt immediately. How you balance that investment and that approach is very important to go forward. But it is clear that this is where we are heading in the long run.

Mr. *Stevense* (SRB) starts by saying that he concurs with the comments made by the VEB in respect of page 40 of the Annual Review. Mr. Stevense asks for more details about the acquisition of the British division of BlackRock. This acquisition followed on the sale of most part of the British life insurance portfolio, which Moody's and later Fitch had reduced the rating for. Why did Aegon not sell the entire

portfolio? How is this connected with the objective to release capital from non-core operations to focus on core operations?
Further he asks to what extent Aegon's one-off pension items and payments for healthcare are non-recurring, because there is a decrease in new production and contracts due to lower interest rate by 24% and even 27% in the US. Initially, at the annual presentation, the CEO mentioned quite a few plans such as share repurchase and dividends. Given the fact that the results for Q1 were not very encouraging, wasn't the CEO a bit opportunistic in his conclusions about the financial results in February? That solvency ratio of 160% is a bit low in his view.

Mr. *Wynaendts* answers as regards page 40 of the Annual Review Aegon is making progress and improving its grades, but they have a big legacy. That means it will take time to get the whole portfolio to the first and the second quartile. It has nothing to do with being slow or with being complacent, but it is about continuing to focus on 30 million customers. We have expressed our commitment that this is at the core of our strategy and at the top our priorities. Significant improvement is shown in our digital business, where we have a better interface with our customers. In those parts of the portfolio where we have a legacy book and we do not engage with our customers, it is extremely difficult to get the appreciation up because in many cases they just do not know us. Keep in mind that the way business was sold in the past was often through intermediaries, so the customer knew the intermediary but they did not know Aegon.

We are executing on a strategy to sell our annuity book. We have now sold two thirds of it and are exploring the opportunities for the remaining one third.

The acquisition of the British BlackRock portfolio is a great opportunity to leverage the skills that we have, to leverage the platform capabilities and to get assets from BlackRock to our platform, while at the same time we also acquire assets worth GBP 10 billion (or EUR 15 billion). We also have over 300,000 planned participants, all individual customers that we will be servicing and connecting with directly. As one of the largest asset managers in the world, BlackRock has done very good due diligence to make sure that their customers would be transferred to company they trust to serve their customers going forward. We see it as a sign of confidence. This transaction is similar to last year's acquisition of Mercer's 401(k) business in the US. In Q1 2016 already over 1.5 billion of new assets came to our platform through the acquisition of Mercer. We need to get scale, we need to get more assets and we need to get more customers, because we need to reduce our unit expenses.

In terms of the MCVNB – the market consistent value of new business – we have been very consistent in applying a policy of being disciplined in pricing. That means that when interest rates are coming down and we are not making our pricing hurdles and as such do not wish to deploy our capital, we accept the reality and accept that we have lower sales. Therefore, it is not surprising that when you have lower sales you have a lower value of new business. It is a deliberate decision of only selling products that make sense for the customer and for us. We will continue to work within that strategy, the strategic framework of profitable growth. It is not only about growing our business, it is about growing our business profitably. Therefore, when the market environment is as it is currently, you will see a lower MCVNB.

As regards to Aegon's capital position Mr. Wynaendts reassures the meeting that at a 155%, which is five points lower than it was at the end of the year, Aegon is spot on in the middle of the targeted range (140% - 170%). With the decision to do the share buy-back and to increase our dividend, which will be payable later next month, and despite very difficult market conditions with interest rates coming down by over 50 basis points in the Netherlands, the UK and also the US – albeit at a lower level – Aegon effectively shows that its capital position is very resilient. He noted, that we have already included in the 155% the full effect of the share buy-back and of the dividend. We are confident that it was the right decision, despite the very turbulent market environment which we have been able to weather well.

Mr. *Stevense* (SRB) states that Aegon has bought back shares at an average stock price of EUR 4.87, which is EUR 200 million in the first quarter. At the same time Aegon wishes to save EUR 200 million, but these savings have been spent immediately on share buy-back. EUR 4.87 was quite substantial if you look at the share price now. SRB always has a bit of trouble with share buy-backs.

Mr. *Wynaendts* replies that two years ago Aegon has committed to its shareholders, at the time that the Aegon Association exchanged preference shares for ordinary shares, that subject to a good capital position under Solvency II Aegon would buy back the shares that were issued. A promise is a promise for us and that is why we executed that. The EUR 200 million you referred to in terms of cost reduction is an ongoing EUR 200 million. Every year you will see the benefit. The EUR 400 million share buy-back and the EUR 200 million second tranche is a one-off; they are absolutely not comparable.

Mr. *Spanjer* (Amsterdam) raises a question on page 5, first paragraph, of the Annual Report by starting with a quote: “Once again, one of the key highlights of the year was the very strong and profitable sales we generated across the Company, which are up by 24% on 2014”. Why doesn’t the CEO mention 2015? It seems that Aegon is unable to explain to the public why Aegon is doing so well. The current communication just leads to a drop in Aegon’s share price. He then refers to page 353 of the Annual Report and concludes that Aegon’s share price declined by 36.8%. The share price on Thursday 19 May 2016 is even lower. The share price is in a downwards spiral. Mr. Spanjer refers to page 110 of the Annual Report and concludes the payments made to the members of the Supervisory Board have increased substantially since 2014. In other words, the Supervisory Board members are just moving upwards and as shareholders we are just going downwards all the time. Because apparently the CEO and Chairman have absolutely lost their grip on the Company and are unable to explain to shareholders why they should buy Aegon shares. What is Aegon going to do in order to improve communication vis-à-vis investors and to stop the share price from dropping?

According the Annual Report in the US there was a net loss of USD 273 million, while in 2014 there was a net profit of USD 784 million , in other words, more than 1 billion has disappeared in the US. Could Mr. Wynaendts please explain how Aegon is going to recover that, how can Aegon neutralize this effect?

Under agenda item 10 is it proposed that all employees outside Europe must be given a salary increase if they perform well. Why don't they take the next three years to make sure that they do that well that the share price is EUR 7.70 before we even start talking about salary increases?

Mr. *Wynaendts* states that last year Aegon continued to grow its business profitably in those segments that they are looking for to grow their business, which is supported by the figures. As regards to the changes in the share price he states that Aegon’s management is doing as best as they can for the Company. That means selling the right products to the right customers, getting our expenses down and making sure they are well organized. But we also have to take into account that there are external factors affecting our business, the most important being the low interest rates which have impacted not only Aegon but the whole sector. In terms of communication Mr. *Wynaendts* assures the meeting that an enormous amount of time is spent to ensure proper communication. Proper communication also means being transparent. We have to be transparent about the challenges we have. That is part of the communication, in particular in the difficult environment. We have also communicated the steps we are taking in order to improve profitability of our business, which ultimately will lead to a higher valuation of our Company. Mr. Spanjer’s question about remuneration will be dealt with under agenda item 10.

The *Chairman* adds that Aegon is concerned about the share price, too.

Mr. *Vreeken* (We Connect You Public Affairs and Investor Relations) raises three key issues: Aegon should engage with the ECB in Frankfurt and politicians, make more of an effort to help people to find new jobs, and engage in new sustainability solutions.

Mr. *Wynaendts* notes that in terms of cost reductions, it is important to recognize that Aegon has to continue to be efficient. We have to adjust ourselves to a reality of a more transparent world, simpler products, and more direct connectivity with our customers. That means we have to address our business model and have to reduce our expenses. Obviously, we try where possible to do that through natural attrition, which is the preferred route. That is not always possible. For example, in the US we have just done a program for a specific group of employees that have already a certain age and that have been with the Company for a certain period of time – 55 years old and 10 years employment – where we offer them the possibility for early retirement. That allows us to adjust our cost base to a new reality. These people have a lot of skills and are hopefully able to do something else. At least they will have a security of income going forward. Mr. Vreeken said that Aegon had to be more vocal on interest rates. First of all, we are not a bank but an insurance company. We are the ones that are suffering, as our customers are, from lower interest rates. We have made it very clear wherever and whenever we can we make the point about the long-term effect of low interest rates on those countries where you have a lot of savings. We do not only need to do that publicly. We are present at many forums. The Netherlands of course is a country of savers and so is Germany. Therefore, it is not surprising that from these two countries in particular as well as from Finland you will hear more and more about the long-term negative impact of low interest rates on savings. What you see in the media is not the only reflections of all the actions we are taking. Aegon is present in all forums, including the ECB in Frankfurt, making these points clear as much as we can. Having said that, the ECB is independent, but hopefully they will listen. Mr. *Wynaendts* reiterates that Aegon decided to exit all of its coal mine investments. The *Chairman* adds that this will put a lot of people out of work, as well.

Mr. *Heinemann* (The Hague) starts by complimenting Aegon with the substantial cost savings that have been achieved and also the fact that these cost savings are being used to purchase the Company's own shares, which is always favorable. He asks about Aegon's future, how will Aegon deal with challenges such as low interest rates and ageing society? What are the reasons behind the decline in profitability during Q1 2016 and deterioration of solvency, and is there any improvement expected? With increasing new rules and regulations more staff will be required instead of less. Can't Aegon put a bit of pressure on politicians to do something about these excessive rules and regulations?

The *Chairman* thanks Mr. Heinemann for the compliment and assures him that the Management Board and Supervisory Board are working together on Aegon's future. If everybody lives to be 100 years old, Aegon's business models will have to be adapted.

Mr. *Wynaendts* acknowledges that Mr. Heinemann's question about Aegon's future in a changing environment is a very valid one. We have shifted our business. Five years ago, two thirds of our business were spread business, i.e. business dependent on interest rates, movements in bond prices and also longevity. We have reduced significantly our exposure to longevity and interest rates. The latest example is a very good one and is in the UK. We sold two thirds of our annuity business, which means that we sold two thirds of our longevity risk. So, we are changing the profile of the business and we are successfully moving to fee business. Fee business is less dependent on interest rates and is not dependent on longevity. That is why today it is only one third, so we halved our exposure to that part of the market. Aegon is positioning itself for the future by shifting its focus from spread to fee business. Mr. Wynaendts indicates that he has highlighted the success that we have had including in Q1 2016, which was from a financial point of view a disappointing first quarter, where we had more than EUR 30 billion of new deposits from our customers in fee business. Fee business will continue to become bigger and spread business will become smaller.

In terms of the solvency position and Q1 2016 Mr. Wynaendts defers to the CFO's presentation of the first quarter results.

Indeed, Aegon is subject to increasing regulation. We are subject to prudential regulation and increasingly to consumer protection regulation. This is the reality of our business and this is also why we are cutting more expenses, because we have to put more resources and more efforts in all these areas of regulatory areas. The cost in the last years clearly have risen in the regulatory area and are unfortunately likely to continue to rise. Mr. Wynaendts assures the meeting that Aegon will do what is needed to meet its commitments in reducing expenses.

As there are no further questions, the *Chairman* moves to the next agenda item.

3.1 Annual Report 2015

The *Chairman* introduces Darryl Button, Aegon's CFO, who will give a presentation on the full-year 2015 results and the highlights of the Q1 2016 results , the latter as published on May 12. The presentation slides of Mr. Button are considered part of these minutes and are available on aegon.com.

Mr. *Button* states that 2015 has been a mixed year, with Aegon's very strong sales momentum contrasting with the challenges from an earnings' perspective. Aegon's underlying earnings increased slightly, however net income was down. The increase in our operational expenses is mainly due to currency movements and partly a result of the growth of the business. The strong and profitable growth of our sales over 2015 is something to be proud of and is driven from our deposit-based fee businesses. Aegon is pleased with the strong growth of our revenue-generating investments.

Zooming in on our earnings, it is clear that 2015 was not an easy year. Our underlying earnings before tax in 2015 increased by 4% to EUR 1,939 million compared with 2014. The recurring impact of the actuarial assumption changes and model updates implemented in the third quarters of 2014 and 2015 and adverse claims experience in the US were more than offset by favorable currency movements. Included in net income are Other charges, which amounted to EUR 980 million and were mainly driven by the loss on the divestment of the Canadian life insurance activities and the impact of the model updates. This loss was partly offset by realized gains of EUR 346 million and net investment recoveries of EUR 49 million. As a result, Aegon's net income in 2015 declined to EUR 619 million.

Aegon was disappointed that the earnings, especially in the US, did not fully meet the expectations. Mr. Button is confident however, for the reasons outlined by the CEO, that Aegon has taken the right steps to strengthen its future performance. We had strong sales, despite the difficult market environment. They were up by 24% compared with 2014.
This strong increase in total sales was the result of higher gross deposits, which were up 39%. This was only partly driven by favorable currency movements. More important were the higher pensions and mutual fund deposits in the US, the production from online bank Knab in the Netherlands, and the sales in AEGON Asset Management. This success underlines the continued progress we have been making to connect with customers in new ways, as the CEO highlighted, including through our new and innovative digital propositions.

One of our priorities is to make sure we deliver sustainable dividends to our investors. We are pleased that we have been able to propose an increase in our final dividend to EUR 0.13 per share. This will bring our total 2015 dividend to EUR 0.25 per share, a 9% increase over the previous year. We will continue to offer our shareholders the option to take the dividend in cash or stock, and we will continue to neutralize the dilution and therefore effectively pay a full cash dividend. As a result, our dividend pay-out ratio over 2015 as a percentage of free cash flows will be 46%.

Subsequently, Mr. *Button* discusses Aegon's Q1 2016 results. Aegon's first quarter results were impacted by the challenging financial market conditions. Underlying earnings were impacted by lower average equity markets, while net income was impacted by fair value losses as a result of underperformance of alternative investments and hedges. While our capital position remains well within our target range, our Solvency II ratio reflects the return of capital to shareholders and adverse market impacts. Excluding market impacts and one-time items, capital generation amounted to approximately EUR 300 million. Our strong sales story continued and we can be pleased that our sales increased by 36% to EUR 3.6 billion. This growth was mainly driven by higher deposits of EUR 30 billion and the strategic steps in the UK that we announced recently will drive further growth of fee-based business.

Mr. Button then discusses Aegon's Solvency II capital position and Aegon's target capital ratios under this new capital regime, which came into force on 1st January of this year. The group Solvency II ratio is a combination of ratios from local regulatory frameworks, such as RBC in the US, and those covered by the Solvency II regime in Europe. We received approval in December from our supervisors to use a partial internal model for our businesses in the UK and in the Netherlands. We do not only take the group Solvency II ratio into account, but also the rating agency capital frameworks and our own leverage ratio and holding company cash buffer target ranges. We continue to target our group leverage ratio of 26% to 30%, together with a cash buffer in the holding anywhere between and EUR 1 billion and EUR 1.5 billion.

For the capitalization of our Solvency II operating entities we set target ranges of 130% to 150%. For the Americas we are targeting an NAIC RBC-ratio of between 350% and 450% on our life insurance operating companies. Together with a cash buffer target of EUR 1 billion to EUR 1.5 billion at the holding, this translates into a group Solvency II target range of 140% to 170%. If the group ratio is above the upper boundary, we aim to return additional capital to shareholders or accelerate investments in strategic priorities. In contrast, if the ratio moved to within the 'caution' zone of 120% to 140%, we would take additional capital preservation measures. Furthermore, there are legally binding constraints under Solvency II and we would be restricted from paying dividends and required to submit a regulatory plan if our ratio dropped to the 100% level. The capital framework for the local units is based on the same principles. These capital management zones are designed to give us adequate management flexibility over and above a 100% level. Mr. Button reminds the meeting that 100% is already a level of capital that embeds a 1-in-200 year risk event. So, our policyholders are well protected.

Our group Solvency II ratio of 155% puts us at the mid-point of our target range of 140% to 170%. The ratio declined this quarter by 5 points compared with the end of last year as a result of the market impacts and returning capital to our shareholders. Under Solvency II capital returned to shareholders is deducted from the ratio at the moment the management decision is made, not when it is paid. Markets also had a negative impact on the capital ratio this quarter. Wider credit spreads, including on Dutch mortgages, ratings migration and lower interest rates, particularly in the Netherlands and the UK, all contributed negatively to the capital ratio during the quarter.

Mr. Button then discusses free cash flow generation under Solvency II and how, together with the capital framework he has outlined, this translates into our capital deployment plan over the next three years.

Looking ahead, we expect to generate over EUR 8 billion of gross cash flows in our business units, which after investments in new business, will result in EUR 4.2 billion of operational free cash flows in the next three years. Investments in new business are a critical component in driving future earnings growth, economic value and operational free cash flows. While the larger units are expected to remain stable over the next three years, we expect increasing cash flows to come from the remainder of the businesses. EUR 4.2 billion of operational free cash flow generation translates into expected gross remittances of EUR 3.9 billion over the same period. After holding expenses of approximately EUR 900 million this results in EUR 3 billion of capital available for deployment. We intend to return over EUR 2 billion to shareholders in the form of dividends of EUR 1.7 billion and the share buy-back of EUR 400 million that we have just completed. The remainder of the deployable capital will be invested to support growth of the business, mainly in Asia, and allows for flexibility including investments, acquisitions or additional capital return to shareholders. Aegon's management will take actions over the course of its plan period, for example the sale of two thirds of its annuity book in the UK, which impact the capital deployment plan. Mr. Button confirms to the meeting that Aegon will keep them informed of Aegon's strategic decisions and their consequences as they occur.

In summary, *Mr. Button* states that 2015 was a challenging year for Aegon, but also one in which Aegon saw a continuation of its strong sales. We made significant progress in meeting our strategic objectives. Despite not meeting expectations in all of our businesses, the fundamentals of our organization are strong and our capital position remains solid. One of our priorities remains returning capital to our shareholders in the form of the share buy-back and growing dividends. At the same time, we are focused on delivering on our return on equity target of 10% in 2018. The most important drivers next to returning capital are cost savings and profitable growth of our businesses.

The *Chairman* thanks Mr. Button for his presentation and states that questions can be posed after the presentation on the Remuneration Report and the statement by the external auditor PwC under agenda items 3.2 and 3.3.

3.2 Remuneration Report 2015

The *Chairman* introduces Ben Noteboom, chairman of the Supervisory Board Compensation Committee, who will give a presentation on the Remuneration Report. Mr. Noteboom's presentation slides are considered part of these minutes and are available on aegon.com.

Mr. *Noteboom* states looking at the environment in which Aegon has to operate, we see of course first of all that Aegon is a company operating worldwide. That means we have to take into account local practices on remuneration in order to be able to attract and retain the right talent. For example, in the US and Asia variable pay is a far more important part of the total remuneration than it is in continental Europe nowadays. Next to that, we have increased legislation. This affects more and more people in our Company and it is a prescription in detail of what we are and are not allowed to do. For example, we have to have at least 50% of the targets as non-financial targets. This puts us in a position where we always have to balance the perceptions (and emotions) from all over the world regarding remuneration, especially from the Netherlands, because of our presence here.

There is no proposal to change any of the policies for the Executive Board. In response to Mr. Spanjer, Mr. Noteboom states that the policy regarding the remuneration of the Supervisory Board has not been changed. There is no increase. The only "increase" shown is that of members who joined the Supervisory Board during 2015. They did not receive a full year of compensation. There is a fixed compensation for the Executive Board. On top of that, the maximum variable pay that can be achieved is 100%. This is based on the fact that more than 75% of the employees of the Company are employed outside of the Netherlands. Pursuant to applicable law, we have a maximum of 100% contrary to the maximum of 20% which is applicable in the Netherlands. The variable compensation is being paid. 40% right after the performance year and the remaining part of the compensation (60%) is paid over the next three years. In every subsequent year the next 20% of the remaining part is being paid. These payments are based on an ex-post assessment, so we verify after the year is closed if the basis to determine the variable pay is still valid. In fact we have seen cases in the group where the number was actually reduced because of facts that occurred one, two or three years after the actual event.

Mr. *Noteboom* continues with a presentation of the outcome of 2015. Aegon has group targets and individual targets. In total, at target there is 80% pay-out, a maximum of 100% and a minimum of 50%. On the non-financial and financial group targets the Executive Board achieved 41.94% of the possible 60% max. Clearly, this implies that not all targets were met, in particular the financial targets were not met, as we have already discussed before and as was presented by the CFO. As regards the personal targets Mr. *Noteboom* notes that strategy redesign, succession planning, customer satisfaction and, of course extremely important last year, the implementation of Solvency II resulted in a 38% of the 40% maximum variable pay for our CEO and resulted in 37.2% for our CFO based on financial strategy, Solvency II, cash flow generation and talent development.

Looking at these figures from the historical perspective, the level of variable pay was almost equal to 2014, whereas 2013 was a more successful year and the variable pay percentages were considerably higher. Mr. Noteboom reminds the meeting that the total variable compensation is being paid in four years. Further there is an additional holding period of three years for the shares, which means that quite a long time passes before they are at the disposal of the Executive Board members.

Mr. *Noteboom* refers to the only voting point on remuneration. In the Netherlands, there is a maximum for variable pay of 20% on average. In Europe, because of the regulations, we have a maximum of 100% per variable pay. Outside Europe, for us specifically in the US and in Asia, the habits, the culture and the market is considerably different than what we are used to in the Netherlands. As from January 1, 2015 new legislation came into effect and this implied that we had to reduce – not increase – the variable pay percentages in those markets to 200%. For a number of employees we then had to increase the fixed salary to compensate for this. Therefore, it is proposed under agenda item 10 to vote on continuing – because it is not an increase, as was mentioned earlier – to be able to pay a maximum of 200%. This will be valid for about 150 employees out of the 15,000 we employ outside Europe, assuming that they would reach the maximum possible variable pay. That means they will meet all targets at the highest level required. Again, this is not a change of policy; this is a continuation. What happened so far is that the shareholders approved these percentages, but in light of being as transparent as possible and also upon requests of some of our shareholders, we also decided to put it to vote at this meeting.

The *Chairman* thanks Mr. Noteboom for his presentation and states that questions can be posed after the statement by the external auditor under item 3.3.

3.3 Annual Accounts 2015: Proposal to adopt the Annual Accounts 2015

The *Chairman* invites Mr. Ruud Dekkers from PwC, the independent auditor, to comment on their audit work with regard to the 2015 Annual Accounts.

Mr. *Dekkers* refers to the extended audit report from PwC that can be found on pages 309 through 317 of the Annual Report.

The materiality, which we use, determines the scope and depth of our audit work. The materiality is determined on the basis of what is relevant to stakeholders. We have set our materiality level at EUR 65 million, being approximately 5% of the 3-year average of income before tax and excluding the 2015 loss on the sale of the Canadian operations, because we have audited that separately. We have established the scope of our work based on the way Aegon is organized. We performed audit work in all significant locations where Aegon has operations, which included the Americas, the Netherlands, the UK, Central and Eastern Europe and Spain. In the Americas, the Netherlands and the UK due to their relative size, we performed full scope audits based on our overall materiality while in CEE and Spain we performed specific procedures. Our coverage amounted to 98% for revenues and total assets and 82% for profit before tax.

Key audit matters are the most important matters we have identified in our audit plan and our audit work during the year. We have identified five key audit matters that Mr. Dekkers will comment on briefly. The first four are the same as last year, the fifth is new:

- The first is valuation of insurance contracts. This is the most significant liability on an insurance company's balance sheet and involves significant judgment to determine the amount. We used our own actuaries to assist in auditing these balances. We assessed and challenged the calculations and judgments made by Aegon to determine the reasonableness of the recorded liabilities.
- The second is deferred policy acquisition costs. These are upfront costs, associated with writing an insurance contract, which are capitalized and expensed over the life of the insurance contract. This asset requires significant judgment with regards to its recoverability. We used also here our own actuaries to assess the recoverability and judgment made by Aegon.
- The third is fair value of hard to value financial instruments. This matter is related to investments that are illiquid and thus require significant judgment from Aegon management. We use our own valuation specialists to assist in auditing the calculations and assessing the judgments made by Aegon.
- The fourth is uncertainties in policyholder claims and litigation. The insurance industry is seeing increasing consumer activism and regulatory scrutiny over product design and selling practices. The Company has encountered claims and litigations in this respect. We assessed the Company's position on these matters, including any needed liability and disclosures.
- The fifth, the new one, is the disclosure and estimated impact to equity and income as a result of the adoption of voluntary accounting changes per January 1, 2016: the Company has decided to adopt voluntary accounting changes as explained on pages 158 and 159 of the Annual Report. These do not have an impact on the 2015 financial statements itself but will have a material impact as from 2016. For this reason, we have audited the disclosure note and assessed that the change was in accordance with IFRS.

The *Chairman* thanks Mr. Dekkers for his explanation and opens the floor to questions on agenda items 3.1, 3.2 and 3.3.

Mr. *Borkink* (retail shareholder and member of VNU Pension Fund) has some questions on the Solvency II ratios. He asks if it is correct – as was stated in 'Het Financieele Dagblad' - that the ratio of 135% for Aegon Netherlands does not take into account the deduction of the longevity risk, and if so, why not? If this were taken into account, what would be the impact on the ratio? Could Aegon also disclose a solvency ratio for Aegon Levensverzekering N.V. aside from the already good credit rating received from Standard & Poor's?

In his view this would certainly enhance confidence in that company and would give Aegon a commercial tool to expand its business in the Netherlands. Mr. Borkink concurs with the CFO that the Solvency II calculations are merely an accounting and mathematical exercise, just as the feasibility test of the pension fund over a 60-year period. So, mitigation of these excessive regulatory rules would be desirable and would cut costs considerably.

Mr. *Button* thanks Mr. Borkink for his comments on the Solvency II ratio. In the CFO's opinion it is important to note that Aegon's solvency ratio went from 160% to 155%, which shows good stability, given the volatility in the markets in Q1 2016. It is true that the ratio of Aegon Netherlands moved from 150% to 135%, so it moved more than what was anticipated. In terms of longevity specifically Mr. Borkink's question is accurate. We do not have internal model approval yet for our longevity risk and therefore, the transactions we have been doing and will continue to do to lay off longevity risks from the Dutch balance sheet have not yet been incorporated in the ratio. That is something that we continue to work on and that is part of our day two initiatives. We had to de-scope that just for timing and effort reasons last year, so that is part of the initiatives for this year. In terms of overall communication we definitely have more work to do. Solvency II is a new regime and it is not fully understood. So, we have some work to do from the Communications and Investor Relations department and the CFO to get out there and educate further on that. What we are seeing is perhaps not an appreciation yet for timing of capital volatility, so in a particular quarter when the capital ratio is impacted the way it was in the Netherlands in Q1 2016, there is not yet enough appreciation that a lot of that capital actually comes back in the future. There are two ways to look at capital adequacy. There is the point in time capital ratio and then the ongoing emergence of capital ratios and cash flows going forward. This is definitely an area that we will continue to work on.

Specifically to Mr. Borkink's point on Aegon Levensverzekering N.V., our disclosures are already fairly robust, more than what many of our peers do in terms of providing subsidiary level capital figures. We are providing not only the group levels but we are providing the US, the Netherlands and the UK at the major unit level. There will be public disclosures at the start of next year on specific solo-entity levels that will become available. However, Mr. Button indicates that in the near term Aegon is not going to extend beyond providing at the country-unit level.

The calculations of the Solvency II ratios are quite technical and that is the part where we have further education to do, because if there is technical ratio volatility in any one period as we saw in Q1 2016, the vast majority of the drop in the Dutch capital ratio is of the variety that will unwind and reverse itself into the future. In fact it is not lost capital; it is timing of capital.

Mrs. Verdegaal (MN and Menzis) starts by stating that she is pleased with the fact that Aegon has decided to put the proposal to approve that the Company's subsidiaries may pay variable compensation of up to 200% of the annual fixed compensation to their employees working outside Europe to vote. Does Aegon expect any changes in the current remuneration policy of Aegon as a consequence of the further roll-out of Solvency II? Should that be the case, could Aegon make a commitment to involve its investors in this possible review? Could Aegon perhaps provide some further details of its succession planning in the Supervisory and Executive Boards?

Mr. *Noteboom* responds that Aegon is looking at the European Banking Authority rules, the banking rules on remuneration and indeed, they will be even more stringent when they are implemented. We are now in discussion with De Nederlandsche Bank whether or not these rules will also be applicable to insurance companies. Based on the outcome thereof we will look at whether or not that will actually imply a change of policy. A change of policy should always be discussed with the shareholders. If it is really a change of policy that has to be voted on, it will be put to a vote in a shareholders' meeting. But we do not know the outcome of that discussion yet. Obviously, we are of the opinion that insurance companies are different from banking companies and that the proposed new rules would not add anything of value for anybody in our industry.

Subsequently, the *Chairman* expands on succession. Both the Management Board and the Supervisory Board invest a lot of time on succession both on the Management Board side and the Supervisory Board side. The Supervisory Board has a special committee, the Nomination and Governance Committee, dealing with this topic. Our Head of HR, Carla Mahieu, has brought a lot of knowledge and previous experience to the Company. She joined us a number of years ago. Since then, we have greatly improved the way we do our succession planning. On a frequent basis both the Management Board and the Supervisory Board look at the candidates which are available to fill the senior jobs in the Company. The Nomination and Governance Committee reviews on a regular basis as to who the next people are that are in line to come on the Supervisory Board. In order to do that, we have a competency model. We have a number of competencies to be considered. We identify weaknesses that we have in terms of competency in the totality of the Supervisory Board team. On that basis, we write a profile for a next member of the Board and we go into the market and see if we can find the people that would fit that profile.

Mr. *Keyner* (VEB) asks if Aegon has a contingency plan in case the interest rates become negative in the short term? He further questions if with all the measures that Aegon is taking now - which are very understandable given the situation that we are facing with low interest rates potentially for a long time – would Aegon not be missing out on opportunities when interest rates return to a normal level? Is Aegon not missing out on opportunities, particularly opportunities to achieve nice margins in the long term, now that even large and important insurance companies and investors such as Aegon are trying to get rid of risks by taking them off the balance sheet because capital is expensive under Solvency II?

Mr. *Wynaendts* replies that Aegon is certainly shifting its business to making it less dependent on interest rates and on longevity. We focus on growing our fee business and we are doing that by selling parts of our business – the annuity business in the UK is a good example – and other parts of business in the US, which are in run-off mode. If we could sell them it would be an accelerated run-off. We have also put a lot of hedges in place. The question is what happens if interest rates go up; do we miss opportunities? Our job is to protect the balance sheet to ensure that under every circumstance we have enough capital to meet our obligations. That is the core of our existence. We make promises for the very long term. We therefore have to make sure that whatever we do and every step we take means that we can meet these promises. If that means that as a result we will miss some opportunities in the future, so be it. Our first priority is in meeting our promises. If, as an investor, you are looking to position yourself towards rising interest rates, then yes, our sector as a whole will benefit from higher rates. If rates are higher, products become more attractive, more customers will buy them and as such will benefit from them. But if you are looking to an insurance company such as Aegon to take specific bets on interest rates, then you are not at the right place. We will not take these bets, because our first duty is towards our customers to make sure we always meet our promises, whatever the environment is. Therefore, we are well aware of the fact that it is a price we have to pay but it is a price we pay for making promises, for keeping trust of our customers. Mr. *Wynaendts* concludes by assuring the meeting that this is worth much more than what Aegon could potentially earn by taking a gamble on the interest rate, which is not Aegon's business.

Mr. *Keyner* (VEB) states that Mr. Wynaendts explained very well that Aegon is maybe missing opportunities in the future protecting what they have right now, but his first question was actually whether Aegon is protected if the interest rates for the longer term remain very low and become even much lower than we currently anticipate?

Mr. *Button* states in response that the most important measure Aegon took to protect the organization was six years ago when it put in place its Market Consistent Pricing framework. We have shifted the organization over to a mindset from a new business franchise perspective that all of the products that we offer today are priced for a sustained low interest rate environment. That had caused some product shifts along the way, so we have had to back away from certain long-term guaranteed products. We have had to replace them with more traditional protection products, short-term products, and fee businesses. Our pension businesses in the US and the UK are examples being record-keeping fee businesses. Where we had business models still providing longer guarantees, we have supplemented them with putting hedge programs in place. Therefore, we have very large interest rate hedge programs in place in the Netherlands to protect our traditional defined benefit pension business. Even from a new business perspective you see a shift in the Netherlands, shifting more over to a defined contribution type environment to deal with the very fact that Mr. Keyner is mentioning.

The new business franchise has been shifted to that sustained low interest rate environment reality. In terms of protecting the inforce, again it comes back to this. Negative short-term interest rates do not really affect Aegon, but negative long-term interest rates would. We have not really hit negative territory there yet but they are awfully low, particularly in Europe. The big hedge programs we have in place in the Netherlands, which give us quarter to quarter volatility in some of our financial results and even in our some of our capital results, are there to protect the long-term economic value of the organization. We have some pockets of in-force interest rate exposure still open in the US, which could be viewed as an opportunity. So, we have not completely locked out all interest rate exposure because we find rates extremely low right now and to lock in the 30-year hedges on some of those old in force blocks seems a bit imprudent at this time. We do monitor our interest rate exposure very closely. We take it in relation to our economic analysis and our capital analysis. We make sure that we are protected for that sustained low rate scenario, but just a continuation of writing profitable new business, adding positive MCVNB to the bottom line every quarter is one of the most important actions we can take.

Mr. *Van Diepen* (Amsterdam) comments that Mr. Wynaendts told the well-known story again on commissions and moving more towards *property and casualty* insurance and on carbon footprint and sustainability. In his opinion the bottom line for customers is what amount they receive at the end of the day. He further refers to the topic of benchmarking touched upon by Mr. Wynaendts and encourages Aegon to imitate its competitors more in order to enhance profitability. Mr. *Van Diepen* asks if a lot of money was lost on the nationalization of Aegon's operations in Poland and Hungary? He then refers to the consolidated income statement on page 61 of the Annual Review. Could Aegon please explain why the financial transactions item has gone down from EUR 13 billion to EUR 400 million?

Mr. *Wynaendts* reiterates that Aegon wants to run a sustainable business, that Aegon also focusses on sustainable investments, however, subject to the right risk/reward. Therefore, not at the expense of returns. That explains why we have only a small amount in relation to our total in these impact investments although we doubled it from last year, because there is not enough on offer. In terms of expenses Mr. *Wynaendts* emphasizes that he did not say that Aegon is in the middle of the pack. He said that Aegon was actually doing fairly well in terms of benchmarking its expenses. But we need to do more to keep pace with our competitors. As regards Hungary and Poland, Mr. Wynaendts notes that Aegon had a very successful pension business in Hungary, which we have built. We had a very successful pension business in Poland, which we built and partly acquired. Effectively, from one day to another, the government decided that schemes would be nationalized in the sense that all contributions would move from the pension fund to social security to fund the budget deficit. That meant that from one day to another the earnings we were receiving from that pension fund disappeared. That was a significant amount. In order to provide the exact amounts, we need to revert because it has been over a period of time. In any event it has clearly significantly affected the overall profitability of our business.

Subsequently, Mr. *Button* replies to Mr. Van Diepen's question on the consolidated income statement that there is simply an offset in the policy holder claims and benefits. Unfortunately, a consolidated income statement for the insurance industry is a little hard to follow at times. For our unit-linked policies and our separate accounts businesses in the US - this is where we invest policy holder monies on their behalf - the returns of those policy holder accounts show up in the policy holder claims and benefits and then the offset goes to this financial transaction line. So, this is basically the situation in which there is either a unit-linked policy or a variable annuity where those returns are earned, but then handed to the policy holder directly. They are in and out of two lines on an income statement. In fact that line dropped by EUR 13 billion down in the policy holder claims line.

Mr. *Taverne* (VBDO) starts by complimenting Aegon for the fact that the tax policy has been explained so clearly in the Annual Report. Could Aegon please explain if there isn't a contradiction in aiming for fair tax on the one hand and optimizing the tax position on the other? Is there any tax optimizing taking place in Bermuda since Aegon has offices there? With a view to upcoming regulation does Aegon intend to proceed to country-by-country earnings and tax reporting, just like Delta Lloyd?

Mr. *Wynaendts* thanks Mr. Taverne for his compliment. We are talking about fair taxes. The core elements of the global tax policy is a responsible and a principle approach. That means we are a responsible tax payer. It is about twelve principles of responsible tax paying, risk management and governance. Paying fair taxes means paying the right amount of taxes in the right place. The right amount means not too little and not too much. That is why Mr. Wynaendts does not think there is any inconsistency between optimizing tax and paying the right amount in the right country. As regards Bermuda, Mr. Wynaendts refers to the life insurance business in Bermuda in respect of which taxes are paid locally. The Bermuda company in itself is a legitimate business and is not meant to be a way of reducing taxes outside of the scope which we have been very clear about. In terms of country-by-country reporting he confirms that Aegon is aware of the recommendation from the OECD. It will require quite some work to get this published and we are making the necessary preparations to do so and to be able to comply. So, this will be published in due course.

Mr. *Stevense* (SRB) would like to know how alternative investments in hedge funds have cost Aegon EUR 358 million in earnings. How does Aegon make sure that they are not excluded from the 'big data' trend? Could Aegon please explain more about 'capital light'? Does Aegon intend to file objections against the proposal of the Insurance Chamber to decrease the actuarial interest from 4.2% to 3.7%?

Mr. *Button* replies to the first question on hedge funds in particular that Aegon has little over 2% of its US general account portfolio allocated to alternative portfolio assets, which are primarily hedge fund investments right now. So, we have about US$ 1.8 billion in hedge funds. That is something we are looking to take down in the near to medium term and redistribute those to other private equity and real estate alternatives and away from hedge funds. That being said, the performance over the last four to five years in that asset class has actually been quite strong. We have seen some very good asset performance in yield. In the first quarter we lost about US$ 130 million on that portfolio, so the first quarter was not a strong quarter, consistent with the performance numbers we really saw across the whole industry in the US, but if you step back and look at a four to five year performance period, Mr. Button believes it was quite strong. Mr. Stevense's fourth question was about the actuarial assumption and the decrease from 4.2% to the 3.7% of the Ultimate Forward Rate (UFR) under EIOPA for Solvency II. There is a proposal from EIOPA out there to lower the UFR used for the Solvency II calculations. The proposal is to lower it by 50 basis points, but no more than 20 basis points per year in any one calendar year and starting in 2017. So, really what is at risk here is in the near term would be lowering of the UFR from 4.2% to 4.0% in 2017. There is still going to be an industry debate around that. We still firmly believe that a UFR was chosen to be a long-term assumption for a reason. It is an assumption that you grade to over 60 years and from a yield-curve perspective: you leave the current yield curve at the 20 year point and you grade to the UFR over the next 40 years. So, it takes 60 years to get to that assumption. We are of the opinion that a long-term assumption like that should not be revisited or reviewed frequently. That sort of nullifies the whole concept. That being said, Mr. Button acknowledges there is some momentum behind that debate. The Dutch Central Bank has said they are supportive of the change, so it will be interesting to see where that debate goes. The CEO and CFO will continue to participate in that debate through various forums. Next Mr. *Button* addresses the third question about 'capital light'. Capital light basically represents a de-risking strategy that Aegon has been on for quite a number of years. It has helped us prepare for a sustained low interest environment, and has meant we have had to give up on certain long guarantees and products that use a lot of capital and use our balance sheet. When we provide 20, 30, 40 and sometimes 60-year guarantee that requires a lot of capital to make sure that we are covering our promises that far out. What 'capital light' means is that we have had to back away from that and do more fee business, more services business like the pension businesses in the US and in the UK, which are record-keeping fee businesses. In our traditional insurance businesses where we offer protection products it means we have had to back away from offering long life insurance contracts with guarantees and come back to offering more term insurance, shorter term products and products with more limited guarantees or more participation features from our policy holders. 'Capital light' is a general theme across all of our businesses to reduce risk and prepare for lower for longer interest rate scenarios.

Mr. *Wynaendts* responds to the second question on how Aegon effectively avoids that people who have unfavorable behavior in the context of big data get access to insurance. Firstly, we are monitoring this carefully and are well aware of that issue. Secondly, turning it into a more positive answer is maybe saying that big data is also helping and stimulating people for the right behavior, too. We have a lot of efforts around big data, around creating communities, people living more healthily, so that is also part of what we are trying to do. Yes, we are keeping an eye because there is a potential exclusion of people. At the same time, we are trying to turn the big data into a positive way for people to have healthier lifestyles and as such be able to have access to financial security at reasonable pricing.

The *Chairman* concludes by offering Mr. Stevense to discuss this topic further after the meeting.

Mr. *Spanjer* (Amsterdam) wishes to know exactly how much money was lost on the nationalization of operations in Hungary and Poland. Further he asks how many policies have been switched in 2015 from defined benefit to defined contribution in the Netherlands?

Mr. *Wynaendts* notes that as a general statement most of the new pension premiums are coming into defined contributions. He further explains that at this point in time Aegon's assets are being matched on the basis of the defined benefits liabilities. Effectively, there is hardly any new pension scheme being started on the old defined benefit system. We still have employees in the old system that obviously will stay in the old system and will continue to be, but in most cases the new premiums that are being paid are being paid in a new environment, a DC environment, a PPI environment, or the APF – 'Algemeen Pensioenfonds' – which is a somewhat hybrid solution that allows some mutualization while also focusing on a more limited group. There are new solutions taking into account low interest rates while ensuring there is also enough pension for the future. Regarding Aegon's APF Mr. Wynaendts is pleased to say Aegon already has commitments of EUR 2.2 billion for the new APF for which they are just about to launch. He emphasizes that given the new forms of pensions, it is really important that Aegon continues to innovate.

Mr. *Heinemann* (Den Haag) is following up on Mr. Spanjer's remark about the nationalization of the operations in Poland and Hungary and the aftermath. Shouldn't the European Commission address this?

Mr. *Wynaendts* stated that Aegon together with all the large European companies that have been similarly affected, was very active in approaching the responsible European Commissioner, pointing to the fact that this goes against the rules, the spirit and that this is not good governance. However, unfortunately in their reaction the European Commission pointed out that they did not have any specific leverage to use in order to counter this. That is a reality. He emphasizes that Aegon together with all the French, German and other large companies have done everything we could do to put as much pressure. You could even argue that the more pressure we are putting on the European Commission the more it had a negative impact locally. Aegon hired local attorneys. Mr. Wynaendts even went there personally, as did Mr. Kepecs, head of the region, who was heading a committee of all large insurers. There was no basis from a legal or regulatory perspective that the allowed the European Commission to go against this.

Mr. *Kepecs* adds that when the nationalization happened in Hungary Aegon tried on every level but the final answer was that the pension itself is not under the European Commission legislation. That was the unfortunate answer and that is why we could not pursue it any further.

Mr. *Keyner* (VEB) suggests that Aegon should consider transferring the pension scheme for its own executives and middle management from defined benefit to defined contribution. Mr. Keyner would like to know from the auditor in respect of the scandal concerning the sale of insurance policies with excessive charges – de 'woekerpolisaffaire' – whether PwC in assessing the potential liability exposure used external legal counsel, which is not the same as Aegon's external legal counsel?

The *Chairman* notes that in terms of pension Aegon is bound by contract, but they will certainly take Mr. Keyner's suggestion into account. Mr. *Wynaendts* adds that in terms of transferring from defined benefit to defined contribution Aegon has made significant changes where possible, but contracts have to be abided by. We are looking for new employees, for new situations in our businesses to effectively change from the old business model to the new one.

Mr. *Keyner* (VEB) suggests that perhaps Mr. Wynaendts himself as chief executive should set the example when his terms are being renegotiated.

In reply to Mr. Keyner's question regarding the assessment of the potential liability exposure Mr. Dekkers (PwC) states that the answer is no, we did not use our external legal advice because we have internal specialists on legal matters. The way we assess this – that is the reason it is a key audit matter – is because it can have a material impact. Under IFRS, you need to have two things in order to book a provision. You need to have a legal or constructive obligation. That is the first question. The second question is that if there is a legal or constructive obligation you need to be able to put a number on it, or a range. So, the problem with the cases which are explained in detail in the financial statements is that the first question is still out there – is there a legal or constructive obligation? – and also the second question, that you cannot even begin to think about, is what the potential outcome could be. It could be very low or it could be very high. IFRS then states that you need to give fairly detailed disclosure to explain to the reader what the risk is, so that the reader can make his own assessment. Maybe this answer is not really helpful, but this is where we are and we have done a lot of work to get to that answer. We made sure that the disclosures are as detailed and as comprehensive as possible.

Mr. *Keyner* (VEB) concurs with Mr. Dekkers that according to IFRS you cannot book any amount. However, he questions whether IFRS prohibits you to give some kind of indication on whether this could run into millions or hundreds of millions or billions. More importantly, according to Solvency II potentially the rules are different. You still continue to report in IFRS but at the same time your Solvency II ratio has to take into account the kind of risks that you are taking. So, Mr. Keyner wonders whether you are getting enough support to make a good judgment on the potential impact.

Mr. *Dekkers* (PwC) responds that of course, IFRS does not prohibit any further disclosures in that respect but it is up to management to make that judgment, if possible. Then we as auditors need to review if it is possible and if it is reasonable. That is also a difficult assessment. Mr. Keyner's question with respect to Solvency II is a very good question because that is something which is indeed strange. The reason why under IFRS you are not allowed to take a provision is because you cannot quantify it. At the same time Solvency II states that you need to put a number on it. So, that is still something which is under discussion with the DNB and needs to get a solution, because at this moment it is not solved.

The *Chairman* thanks Mr. Dekkers of PwC. PwC have been with Aegon for a short time but they certainly have been a very good accountant. That does not mean that they do everything we want, but that they are quite critical of our operations and our numbers. They help us think twice about things that we needed to do.

The *Chairman* establishes that there are no further comments or questions on the Annual Report, Remuneration Report and Annual Accounts.

Following an electronic vote showing 1,431,977,301 (99.90%) votes in favor, 1,370,895 (0.10%) against and 1,093,276 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has adopted the Annual Accounts for 2015.

4. Proposal to approve the final dividend 2015

The *Chairman* states that Aegon's dividend policy aims to pay out a sustainable dividend to allow equity investors to share in the Company's performance, which dividend can grow over time if the Company's performance permits. In normal circumstances, Aegon would expect to declare an interim dividend when announcing the second quarter results and to propose a final dividend at the Annual General Meeting of Shareholders for approval. Aegon proposes a final dividend for 2015 of EUR 0.13 per common share and EUR 0.00325 per common share B. This results in a total dividend for the financial year 2015 of EUR 0.25 per common share and EUR 0.00625 per common share B, taking into account the interim dividend of EUR 0.12 per common share and EUR 0.003 per common share B, paid in September 2015. The final dividend will be paid fully in cash or stock, at the election of the shareholder. Stock dividend will be repurchased to neutralize the effect of dilution.

The *Chairman* establishes that there are no comments or questions on the dividend proposal.

Following an electronic vote showing 1,427,303,944 (99.55%) votes in favor, 6,406,881 (0.45%) against and 730,414 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the final dividend for 2015.

5. Proposal to release the members of the Executive Board from liability for their duties

The *Chairman* puts forward the proposal to release the members of Aegon's Executive Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2015 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2015 Annual Accounts.

The *Chairman* establishes that there are no comments or questions on this proposal.

Following an electronic vote showing 1,387,535,602 (98.43%) votes in favor, 22,166,263 (1.57%) against and 24,684,741 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has released the members of the Company's Executive Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2015 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2015 Annual Accounts.

6. Proposal to release the members of the Supervisory Board from liability for their duties

The *Chairman* puts forward the proposal to release the members of Aegon's Supervisory Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2015 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2015 Annual Accounts.

The *Chairman* establishes that there are no comments or questions on this proposal.

Following an electronic vote showing 1,387,467,382 (98.42%) votes in favor, 22,250,616 (1.58%) against and 24,720,798 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has released the members of the Company's Supervisory Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2015 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2015 Annual Accounts.

7. Proposal to reappoint Mr. Robert Routs to the Supervisory Board

Mr. *Bailey*, solely for the purpose of this agenda item acting as chairman of the meeting, puts forward the proposal to reappoint Mr. Rob Routs as a member of Aegon's Supervisory Board for a term of four years from May 20, 2016 (i.e. until the end of the AGM to be held in 2020). The Supervisory Board proposes reappointing Rob Routs in view of the constructive and effective way in which he has undertaken his role as chairman of the Board.

Rob has broad managerial and financial expertise, in addition to considerable experience in the international business world. His knowledge and experience in particular as chairman of the Supervisory Board match the desired expertise and his reappointment safeguards the continuity and knowledge of the organization within the Supervisory Board. We have full confidence that with Rob Routs as chairman of the Supervisory Board Aegon N.V. is very well positioned for helping people achieve a lifetime of financial security. Information regarding Rob is available in the agenda in the explanatory notes on page 5 in annex 1.

Mr. *Spanjer* (Amsterdam) has a question for Mr. Routs. In his opinion Mr. Routs' salary increase of EUR 40,000 is astronomical. At AEGON Netherlands the staff receives 0% or at most 1% increase. How will Mr. Routs deal with this in the future if he remains the chairman?

Mr. *Noteboom* reminds Mr. Spanjer that Aegon has the statutory obligation to take the interests of all stakeholders into account when they look at all aspects of managing the business. One of these aspects is remuneration. We are aware of course that there are different opinions about, amongst other things, the levels of remuneration, but in order to establish this policy we have perfect governance worldwide, so also in the Netherlands. Shareholders are entitled to vote on the remuneration policy. So, we just execute the policy that has been approved by shareholders.

Mr. *Spanjer* indicates that he is not satisfied with this answer.

Mr. *Routs* comments that first of all, Aegon is an international company that wants to have a good mix of individuals on the Supervisory Board, who are able to make a valuable contribution. We have to entice people also out of the US, Asia and other countries. Money is not the main driver for all of them, but we certainly have to pay them a decent and competitive amount of money in order to come here. Besides that, they have a huge advisory function to the Company as well. If you compare this to the hourly rate that you pay a consultant, you quickly come to the conclusion that these people are fairly cheap consultants to the Company at the same time.

Mr. *Spanjer* says this is not what he referred to. He meant to refer to the fact that in a single year there was a EUR 40,000 increase in salary.

Mr. *Routs* states that Aegon did not change anything this year and that the increase is due to the fact that the relevant Supervisory Board member was appointed during the year.

As a final remark Mr. *Spanjer* states that we have to keep this within reason. In the beginning Aegon did not pay such high fees either. Other companies, such as DSM, are also perfectly reasonable. At a certain point, we will just have to set some limits.

Mr. *Routs* confirms that this year Aegon has not done anything.

Mr. *Stevense* (SRB) asks if the Articles of Association of the Company contain a mandatory retirement age of 72.

Mr. *Routs* confirms that there is no age limit. In the Netherlands the limit is three 4-year terms. That might change when the new corporate governance code is introduced, which provides that the limit is two 4-year terms and two potential 2-year extensions.

Mr. *Bailey* established that the meeting may proceed to the vote.

Following an electronic vote showing 1,248,892,518 (88.34%) votes in favor, 164,796,264 (11.66%) against and 20,761,640 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Routs as a Supervisory Board member for a four-year term as of May 20, 2016.

Mr. *Routs* thanks the meeting for this vote of confidence.

8. Proposal to reappoint Mr. Ben van der Veer to the Supervisory Board

The *Chairman* puts forward a proposal to reappoint Mr. Ben van der Veer as a member of Aegon's Supervisory Board for a term of four years from May 20, 2016 (i.e. until the end of the AGM to be held in 2020). The Supervisory Board proposes to reappoint Ben van der Veer in view of the constructive way in which he has contributed as a member of the Board and the chairman of the Audit Committee.

Ben gained substantial experience as an auditor of large international companies and has a strong financial and international background. He also qualifies as a financial expert within the terms and conditions of both the Dutch Corporate Governance Code and the US Sarbanes-Oxley Act. We have full confidence that with Ben as a member of the Supervisory Board and as chairman of the Audit Committee, the continuity and the knowledge of the organization within the Supervisory Board is safeguarded. Information regarding Mr. Van der Veer is available in the agenda and in the explanatory notes on page 5 and in Annex 2.

The *Chairman* establishes that there are no further comments or questions on the proposal.

Following an electronic vote showing 1,394,112,194 (97.38%) votes in favor, 37,525,384 (2.62%) against and 2,812,844 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Van der Veer as a member of the Supervisory Board for a four-year term as of May 20, 2016.

9. Proposal to reappoint Mr. Dirk Verbeek to the Supervisory Board

The *Chairman* puts forward a proposal to reappoint Mr. Dirk Verbeek as a member of Aegon's Supervisory Board for a term of four years from May 20, 2016 (i.e. until the end of the AGM to be held in 2020). The Supervisory Board proposes to reappoint Dirk Verbeek in view of the constructive way in which he has functioned as a member of the Board.

Dirk has a broad knowledge and experience of the insurance industry and is knowledgeable about risk management systems in a large international company. Dirk has a considerable international business and insurance knowledge and experience. We have full confidence that Dirk as a member of the Supervisory Board will guarantee the continuity and knowledge in the organization and that that will be safeguarded. Dirk is a well-regarded member of the Board and again, explanations are available on page 5 in annex 3.

The *Chairman* establishes that there are no further comments or questions on the proposal.

Following an electronic vote showing 1,405,341,235 (98.16%) votes in favor, 26,296,022 (1.84%) against and 2,745,995 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Verbeek as a member of the Supervisory Board for a four-year term as of May 20, 2016.

10. Proposal to approve the Company's subsidiaries may pay variable compensation of up to 200% of the annual fixed compensation to their employees working outside Europe

The *Chairman* announces that the next proposal is to approve that the Company's subsidiaries may pay variable compensation of up to 200% of the annual fixed compensation to their employees working outside Europe. Mr. Noteboom has addressed this in his presentation of the Remuneration Report and asks if there are any further questions to the ones that were raised earlier?

Mr. *Spanjer* would like to know why this only applies to employees working outside Europe? In his view this is discriminatory towards for example employees in the Netherlands.

The *Chairman* points out that Aegon adheres to current legislation.

Following an electronic vote showing 1,404,015,729 (97.99%) votes in favor, 28,766,344 (2.01%) against and 1,598,489 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the proposal under agenda item 10.

11. Proposal to cancel all common shares repurchased during the EUR 400 million share buyback program

The Company announced this program on January 13, 2016. It is proposed to cancel the shares acquired by the Company during this EUR 400 million share buy-back program, and to reduce the issued share capital accordingly.

There being no questions, the meeting proceeds with the vote.

Following an electronic vote showing 1,430,483,246 (99.88%) votes in favor, 1,705,175 (0.12%) against and 1,560,756 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the proposal to cancel the shares.

12. Proposal to authorize the Executive Board to issue common shares

The *Chairman* establishes that the full text of the proposed resolution to authorize the Executive Board to issue common shares has been included in the explanatory notes to the agenda. In accordance with Dutch law, shareholders are asked to give the Executive Board authority to issue common shares or grant rights to subscribe for common shares for a period of eighteen months, starting on May 20, 2016, subject to prior approval by the Supervisory Board. The purpose of this proposal is to enable the Executive Board to react quickly, without having to wait for prior approval from shareholders, to circumstances that may require an issue of common shares. Under the terms of the resolution, this authorization will be limited to 10% of Aegon's issued capital, plus an additional 10% in the event of an acquisition. This '10 plus 10' formula is common among companies in the Netherlands. The *Chairman* remarks that this authorization is exactly the same as last year. Upon adoption, this Resolution will replace the authorization granted in 2015.

The *Chairman* establishes that there are no comments or questions on this proposal.

Following an electronic vote showing 1,324,100,785 (92.38%) votes in favor, 109,229,256 (7.62%) against and 1,120,431 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2016, to issue common shares or rights to acquire common shares, subject to approval of the Supervisory Board.

13. Proposal to authorize the Executive Board to restrict or exclude pre-emptive rights upon issuing common shares

The *Chairman* establishes that the full text of the proposed resolution to authorize the Executive Board to restrict or exclude pre-emptive rights upon issuing common shares has been included in the explanatory notes to the agenda. In accordance with Dutch law, shareholders are asked to give the Executive Board authority, for a period of eighteen (18) months, starting on May 20, 2016, to restrict or exclude shareholders' pre-emptive rights when issuing common shares or granting rights to subscribe for common shares, subject to Supervisory Board approval. This authority, together with that for agenda item 12, will give the Executive Board the opportunity to react quickly, without having to wait for prior approval from shareholders, to circumstances that may require an issue of common shares with or without restricted pre-emptive rights. This authorization is also limited to 10% of Aegon's issued capital, plus a further 10% in the event of an acquisition. This authorization is exactly the same as last year. Upon adoption, this Resolution will replace the authorization granted in 2015.

The *Chairman* establishes that there are no comments or questions on this proposal.

Following an electronic vote showing 1,257,713,661 (87.76%) votes in favor, 175,360,876 (12.24%) against and 1,361,471 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2016, to restrict or exclude pre-emptive rights of existing shareholders following an issue of common shares or the granting of rights to subscribe for common shares, subject to approval of the Supervisory Board.

14. Proposal to authorize the Executive Board to issue common shares under incentive plans

The *Chairman* established that the full text of the proposed resolution to authorize the Executive Board for a period of eighteen (18) months, starting on May 20, 2016, to issue common shares and/or to grant rights to subscribe for common shares to employees and/or management on the basis of the Aegon Group Global Remuneration Framework and the Executive Board Remuneration Policy has been included in the explanatory notes to the agenda. Variable compensation for senior management and the Executive Board members is usually paid out in cash and shares over multiple years and is subject to specific conditions being fulfilled. This authorization shall be limited annually to one percent (1%) of the total nominal amount of the common shares issued at the time that this authorization is used for the first time in any calendar year. The authorization may only be withdrawn by the General Meeting of Shareholders on a proposal of the Executive Board that has been previously approved by the Supervisory Board. Upon adoption, this authorization will replace the one granted in May 2015.

In reply to the suggestion of Mr. *Spanjer* to buy the required shares on the stock market to support the share price, the *Chairman* states that any issuance of shares will be deducted from the amount of shares bought back under the EUR 400 million share buyback program.

The *Chairman* establishes that there are no further comments or questions on this proposal.

Following an electronic vote showing 1,421,947,360 (99.22%) votes in favor, 11,193,768 (0.78%) against and 1,302,652 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2016, to issue common shares and/or to grant rights to subscribe for common shares to employees and/or management of Aegon N.V. and all of the companies with which Aegon N.V. forms a group, as part of either a group-wide incentive plan or the remuneration policy of the Executive Board.

15. Proposal to authorize the Executive Board to acquire shares in the Company

The *Chairman* establishes that the full text of the proposed authorization to the Executive Board to acquire shares in the Company has been included in the explanatory notes to the agenda. This authorization for a period of eighteen (18) months, starting on May 20, 2015, to acquire shares in Aegon N.V. is similar to the one granted in previous years. Although Dutch law limits a repurchase of shares to a maximum of 50% of Aegon's total issued capital, it is proposed to limit this authorization to 10%. This authorization will allow the Executive Board to be flexible and to react quickly to circumstances necessitating a repurchase of Aegon N.V. shares and can be used for any and all purposes. Upon adoption, this Resolution will replace the authorization granted in 2015.

The *Chairman* establishes that there are no comments or questions on this proposal.

Following an electronic vote showing 1,429,978,032 (99.82%) votes in favor, 2,576,900 (0.18%) against and 1,877,780 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2016, to acquire, for a consideration, shares in Aegon's own capital. The number of shares that may be so acquired shall not exceed 10% of Aegon N.V.'s total issued capital. Common shares and common shares B may only be acquired at a price no higher than 10% over the actual local market value of the shares immediately prior to the acquisition.

16. Any other business

The *Chairman* congratulates Mr. Van der Veer and Mr. Verbeek on their reappointment as members of the Supervisory Board. He also expresses the gratitude of the Supervisory Board to Mr. Bailey who will retire from the Supervisory Board after twelve years as per today. The Board has greatly benefited from his knowledge and experience as a member of the Supervisory Board since April 22, 2004. We are very grateful for his long commitment to Aegon. Irv has served as vice-chairman to the Supervisory Board. He has also started the Risk Committee with this Company almost eight years ago and has done a tremendous job as to put this on its feet. He brought a lot of knowledge to the business and to our boards and sincerely thanks for everything that he has done for the Company and all the long travels he has undertaken from the US.

The *Chairman* also thanks management and all Aegon employees around the world for their continued dedication to helping our customers take responsibility for their financial future.

In reply to a question of Mr. *Heinemann* if from now on the general meetings of shareholders could start as from 13:00 CEST, the *Chairman* says that Aegon will consider this.

In response to Mr. *Van Diepen's* question if Knab bank in Hoofddorp contributes to Aegon's profit, Mr. *Wynaendts* states that Aegon does not publish by individual businesses what their contribution is to the profit. The only disclosure that can and has been made is that Knab bank has around 100,000 customers. This is quite a success, but we will need more customers to have Knab becoming a positive contributor to the profit.

Mr. *Keyner* (VEB) notes that he has full confidence in both the executive and non-executive boards. Nonetheless, he suggested that Aegon look for some inspiration by inviting someone from a hedge fund, preferably from the US. Aegon may have to be much more aggressive and take more radical steps than they are taking according to their business plans. All companies in the industry are moving towards fee-based business, but would this not be a wonderful point in time to take some big strides with a bit of help from outside?

The *Chairman* answers that for our next strategy meeting in June we have actually invited somebody from the outside.

The *Chairman* gives Mr. Stevense the opportunity to ask a final short question.

Mr. *Stevense* (SRB) noticed that in the resume of Mr. Noteboom, there is one position missing because he is also a Supervisory Director at Vopak.

Mr. *Noteboom* replies that when the agenda was sent out he was not yet a member of that board.

Mr. *Stevense* (SRB) says he would have appreciated it if this had been reported anyway.

17. Close of the meeting

There being no other business, the *Chairman* thanks everybody present for attending and participating in the meeting, noting that members of the Supervisory Board and Management Board, as well as Investor Relations officers, will be available for questions. The meeting is closed at 13.25 CEST.

Drawn up in The Hague on August 20, 2016, to be adopted and signed on November 20, 2016.

/s/ Rob. J. Routs	/s/ Anne-Marie Roth-Verweij
Rob J. Routs, Chairman	Anne-Marie Roth-Verweij, Secretary