MINUTES
Aegon N.V. ANNUAL GENERAL MEETING OF SHAREHOLDERS 2017
MAY 19, 2017
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 19, 2017, 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 via electronic voting devices or via a voting app on the own devices of shareholders. Voting devices, voting smart cards and information to use the voting app have been distributed prior to the meeting.

The *Chairman* states that the following Supervisory Board members are present: Robert Dineen, Shemaya Levy, Ben van der Veer, Dirk Verbeek, Corien Wortmann-Kool and Dona Young as well as himself, Rob Routs. Ben Noteboom unfortunately could not be present due to personal circumstances. The proposed two new members of the Supervisory Board, William Connelly and Mark Ellman, are also present. Alex Wynaendts, member of the Executive Board, is also present. In addition to Alex Wynaendts, who is also a member of the Management Board, the following Management Board members are present: Adrian

Grace, Allegra van Hövell-Patrizi, Gábor Kepecs, Marco Keim, Carla Mahieu, Sarah Russell, Mark Bloom and Onno van Klinken. In addition, Matt Rider, the proposed new member of the Executive Board, is present. In conformity with the Dutch Corporate Governance Code, the auditors who performed the audit of the 2016 annual accounts – Ruud Dekkers, Daniël van Veen and Emile Rondhout from PwC – are attending this meeting.

The *Chairman* establishes that the convening of this AGM has taken place by an announcement on Aegon's corporate website on April 7, 2017. 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 2016, 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 21, 2017 consists of 2,659,517,002 shares, of which 2,074,548,842 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 2,041,267,947.

Later during the meeting, the *Chairman* announces that 97 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 1,399,124,292 votes. These numbers represent 75.25% of the currently issued and outstanding share capital and 68.54% of the 2.041.267.947 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, 2016 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, 2016. The final minutes, signed by the Chairman and the Secretary, were available as of November 20, 2016.

The minutes of this AGM will be kept in English by the Company Secretary, Mrs. Anne-Marie Roth-Verweij. The draft minutes of this AGM will be available for comments on the corporate website for three months from August 19, 2017. The final minutes, signed by the Chairman and the Secretary, will be available as from November 19, 2017, on aegon.com. An unofficial translation in Dutch will be made available as well.

2. 2016 Business overview

The *Chairman* introduces Alex Wynaendts, Aegon's CEO, who will give a presentation on the course of business in 2016. Mr. *Wynaendts* will also address in his presentation the Reports of the Boards for 2016, including the financial results and the first quarter results of 2017. He will therefore cover agenda item 2 and 3.1 in his presentation. The slides of the presentation of Mr. Wynaendts are considered part of these minutes and are published on aegon.com.

Mr. *Wynaendts* welcomes all present and then discusses Aegon's achievements in 2016 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 and well-positioned to help people achieve a lifetime of financial security.

Mr. *Wynaendts* introduces 2016 as a year defined by a series of events that had profound impact on the global economy, and a year in which Aegon did much to transform the Company, to improve operational and financial performance, and to get closer to the millions of customers. He first outlines how Aegon's operating environment has changed, and then explains how Aegon embraces change – taking advantage of opportunities to grow, to transform, and to better serve customers. He then provides an overview of the financial performance for 2016 and the first months of 2017 – together with the progress towards the 2018 targets.

Regarding the operating environment, the world is changing at an increasing pace and we need a thorough understanding of the trends that are shaping and defining this environment. Although some of the trends are outside our influence, it does not mean we cannot be prepared for the future. The trends are as follows:

1. Low interest rates. Looking at the global economy over the last year, low interest rates have once again been the norm, and had an impact on our business and earnings, but also on the savings of many of our customers. While we cannot influence low rates, we can manage how we respond. For the past six years, our strategy has been to shift our focus more to fee-based businesses and away from businesses that depend on investment returns. We have successfully executed on this strategy – growing these businesses – and last year 42% of our underlying earnings came from fees, compared with 16% only six years ago.
2. Political changes. 2016 saw political changes such as Brexit. Also here, we need to be well-prepared for any implications it has on our business.
3. Regulation. In 2016 the trend of more rules and requirements continued, particularly with regard to capital requirements, tax, data privacy and market reforms. These changes affect how we price and sell our products and manage our risks. For this reason, we are engaging even more than before with governments and regulators in order to ensure we are well-advised, and well prepared, for any scenario.
4. New technologies and digitalisation. This is at the very core of our strategy and we are really pleased with the changes we have made over the last year. The topic will also be discussed later in the presentation.

Mr. *Wynaendts* then continues with discussing the purpose of Aegon: helping people achieve a lifetime of financial security. Being there for our 26 million customers is at the heart of everything we do, in the key decisions we make and is it the focus of our thousands of employees. Our purpose is, however, far more than simply an ambition to help people. It is the basis of our strategy, serving our customers throughout their lives and not just at a certain point in time in their life cycle. And in order to serve customers throughout their lives, being a product manufacturer is not enough anymore. We want to be more and more a trusted provider of accessible, understandable and reliable services and solutions. We see that fewer and fewer people have access to financial advice. At the same time, we recognize that their needs are growing as the responsibility for their financial security is increasingly shifting from the state or their employer on to them. This shift and this advice gap represents a huge opportunity for us to better connect with our customers in order to provide them with much needed relevant information, guidance and advice, and to help them achieve their much needed financial security.
We have made a commitment to act responsible and to ensure we have a positive impact on all our stakeholders: from our customers and employees, to wider society and the planet. Being a responsible

business is an integrated part of our strategy, and we use input and feedback from our stakeholders to better understand how they view the Company, the retirement challenge, and the world around us. Customers and employees want us to care about them, their quality of life, and the world we will all retire in one day. Our business is increasingly operating at the intersection between financial security and well-being. And for this reason we are doing all we can to raise awareness on the relationship between financial security and well-being and to create innovative solutions to get our customers to take action, to address societal and financial issues around longevity and aging, and to increase our investments in a clean and healthy planet, as evidenced in our 2016 Responsible Investment Report, which was published today.

Mr. *Wynaendts* then explains that the aim is to be a constant companion along our customers' life cycle. Building a lifelong relationship with the customers begins at the point they start their careers, start a family, through to retirement and old age. At an early stage, our customers need to be protected, for instance when they buy their first house and take up a mortgage. Later in their life cycle, they will need to focus on saving, for their children's education, and increasingly for their retirement. We have built a sizeable retirement business in our key markets with pension assets of over EUR 300 bln and 11 mln plan participants that are saving for their retirement. And we know one thing for sure: they will all retire at a certain point in time, and they will all need advice to be well-prepared for their retirement. The trend is clear. Our customers will need to take more and more responsibility themselves for their financial futures. And we will be there to help them make the right choices that will affect the rest of their retired lives.

Mr. *Wynaendts* continues that at the beginning of last year Aegon made clear that the strategic direction of helping customers achieve financial security along their life cycle is the right long-term strategy. He then discusses how Aegon has accelerated the execution of this strategy as promised:

1. We have strengthened how we build and maintain a meaningful relationship with our customers, for instance by further investing in the latest technological solutions that allow us to get closer to our customers.
2. We have taken measures to create a balanced portfolio of businesses. Critical to this has been the divestment of non-core activities, such as our commercial non-life business in the Netherlands and our annuity business in the UK, while at the same time investing in fee businesses, such as BlackRock and Cofunds in the UK.
3. We have improved our financial performance through both reducing expenses and growing our business. This will also be discussed later in the presentation. In January of last year, we outlined our targets for 2018. Last December we increased our 2018 Group wide expense savings program by EUR 150 mln – from EUR 200 mln to EUR 350 mln – to ensure that we would deliver on our financial targets. At the end of the first quarter this year, we have already realized EUR 160 mln expense savings, and overall we are on track to deliver on our strategic priorities across our whole business.

All our units are assessed on a number of metrics that are important to us. Rather than focus purely on financial metrics, we also continuously ask ourselves: do these businesses fit our strategy? What growth prospects are there and do they contribute to the growth of our Company? Do they deliver sufficient cash flows and returns, both now and in the future? Do they have the scale needed? In short, will they contribute to the success of the Group as a whole?

Mr. *Wynaendts* then discusses the main businesses one by one. In the US, we have done much to optimize our business and improve returns. The US is the largest financial market in the world, and with Transamerica, we have a very strong position in the US market with a strong brand, which is a household name across the US. Every day, more than 10,000 Americans retire. This represents a huge opportunity to 'help people achieve a lifetime of financial security' by offering the products and services they need, helping them make the transition from the stage at which they accumulate assets during their working lives, to when they retire.

In recent years, we have significantly reorganized Transamerica's operations in order to ensure our business is more responsive to our customers' needs, to reduce complexity, to implement new technologies to improve customer interaction, and to achieve a lower cost base. This program continued throughout 2016, and included a thorough review of our location strategy and additional operational improvements through significant expense reduction. This led to further steps to create a single, integrated company. Decisions like this are never easy – particularly having to say goodbye to dedicated and committed colleagues – and in total we saw a net reduction of over 1,000 positions and the closure of three locations.

In Continental Europe, we are increasingly seeking synergies across our businesses – for instance sharing back office support, sharing product knowledge, and developing new technologies through our Digital Centre of Excellence.

While we have a well-established position in the Dutch market, in order to stay profitable and competitive we need to take actions to improve our customer experience, to accelerate our digital innovations, and to address changes in our operating environment. In the Netherlands, continued low interest rates are accelerating the move towards defined contribution pensions. And for a market so dominated by defined benefit solutions, this is a transformational shift. By responding to this continued shift, Aegon holds a market-leading position in this area, being the largest insurance company among pension administrators. Progress has also been made in the Netherlands in the omni-channel distribution. Our online bank Knab is, for instance, a large driver for fee business growth in the Netherlands. For our Dutch business, we have set an expense savings target of EUR 50 mln by 2018 – more than half of which has already been achieved. Nonetheless, we recognize the need to further improve the capital buffers in our Dutch business. We intend to achieve this through a number of management actions. This will be addressed later in the presentation when the Group capital position is addressed.

In Central and Eastern Europe, the regulatory landscape has changed profoundly in recent years, with governments restructuring pension systems. By addressing these changes and focusing on profitable growth, we were able to significantly increase protection sales in the region – which improved particularly in Hungary, Turkey and Slovakia.

Our business in Spain has grown considerably in recent years due to the success of our distribution partnerships, especially with Banco Santander – the country's largest bank. We are pleased that we extended our bancassurance with them at the end of the year to offer health insurance. In Portugal we also agreed on a more extensive distribution plan with Banco Santander Totta.

In the UK, our priority has been to become the market leader in digital platforms, successfully integrating new business into our platform. 2016 was a year of transformation. We reorganized significant parts of the business, selling the vast majority of our annuity business. These divestments reduced our exposure to low interest rates and volatile markets, and enabled us to continue the shift to a capital-light business. Aegon UK is a very good example of how we are focusing on growing our business. The acquisitions of BlackRock's pension business and Cofunds paved the way for us to become a pure digital provider in the UK, leveraging state-of-the-art technology. Aegon UK is now the leading platform business in the UK, and we are well on track integrating the new business and upgrading customers from our existing platforms. In total, we are now serving over 1.2 mln customers, and administer over GBP 100 bln on our state-of-the-art digital platform.

Aegon Asset Management has developed into a highly successful business. Our aim is to increase earnings by continuing to grow our third party business, and by expanding into additional markets. 2016 was a milestone year when Asset Management became a separate reporting segment for the first time, which underlines its importance for the Group. Asset Management performed well, developing and distributing global and regional strategies, deepening its presence in existing markets, and expanding its geographical footprint. As part of this strategy, new sales forces were launched in Denmark and Germany, focusing on the Dutch Mortgage Fund and the Global funds of its UK business. Last year, our Dutch Mortgage Fund ranked among the top 10 best-selling investment funds in Europe, with assets over EUR 10 bln.

Through its partnerships, Asset Management has been able to leverage its investment capabilities and expertise. A particularly good example is in France, where La Banque Postale Asset Management's multi-asset retail position continues to attract strong inflows from the French postbank's retail network of over 11,000 branches. We also have high expectations for our General Pension Fund (APF) in the Netherlands. This was the first such fund to receive approval from the Dutch Central Bank, and the fiduciary investments for it are carried out by TKP Investments, a subsidiary of Aegon Asset Management.

Moving to our businesses elsewhere in the world, we can be pleased with how we are successfully executing our strategy and focusing on growth. In our Emerging Markets – especially those in Asia – we will continue to evaluate our business in light of the need to achieve sufficient scale. Asia is a region with real growth potential, and we have done much to grow our distribution network there. In China, we are really excited by digital initiatives rolled out by Aegon Tsinghua Tongfang, including an app that enables customers to apply for a new policy by chatting via a tablet. In India, Aegon Life is continuing to target the rising affluent market, and in order to do this we are now fully focused on e-sales, which have seen strong growth.

Mr. *Wynaendts* then comes back to the point raised earlier, that being a digital innovator is at the very heart of our strategy. The trend of customer demand shifting towards digital first is continuing to shape our industry, and having the best and most customer-friendly digital platforms, products and services is key to success. Our aim is that customers can connect with us when and how they want, and we are investing to ensure that we can meet their digital needs.

Technology is increasingly important to provide advice and guidance, to simplify transaction services, and to utilize big data and analytics in order to better connect with customers and to develop a long-term relationship. While we develop some technologies, tools and services ourselves, in many cases the best road to success is by partnering with digital experts or by investing in technology start-ups through our dedicated Transamerica Ventures Fund. A short video will now be shown that gives a flavor of some of our most exciting work over the last twelve months in terms of innovation and digitization. This gives a good sense of how we are innovating and striving to do all that we can for our customers by becoming a truly digital company and to enhance the customer experience.

Mr *Wynaendts* then moves on to the second half of his presentation: the financial performance of Aegon. He is pleased that Aegon performed strongly from a financial perspective in 2016, despite the uncertain and challenging environment in which we operate.

He starts with the key numbers stating that our underlying earnings before tax increased by 2% to EUR 1.9 bln in what was a challenging environment, as expense savings and favorable equity market were more than offset by adverse claims experience and the impact of lower interest rates for most of the year. Net income improved strongly to EUR 586 mln. Operating expenses increased by 1% compared with 2015 to EUR 3.8 bln: increased variable personnel expenses compared with 2015 and the acquisition of the defined contribution business from Mercer in the US more than offset expense savings. Operating expenses excluding acquisitions decreased by 1% compared with 2015 and sales increased by 15% compared with 2015, reaching a record high of EUR 12 bln. Revenue-generating investments increased to EUR 743 bln, due to higher third-party off balance sheet assets and favorable market movements. Finally, we maintained a solid capital position, with a Solvency II ratio of 157% for the Group at year-end, which is in the upper half of our target.

Compared with 2015, the 2% increase in underlying earnings before tax was primarily a result of higher underlying earnings from the UK. Net income rose significantly to EUR 586 mln, which was the result of a strong underlying result, offset by a book loss on the sale of the annuity portfolios in the UK, fair value losses and gains on investments. Our return on equity at the end of the year stood at 8.0%, an increase of 70 basis points on 2015, and is on track to reach 10% by 2018.

42% of our earnings is generated by our fee business – a reflection of the successful execution of our strategy. This shows how our focus on fee business is supporting the growth of our business. Our sales figure is a combination of both new life sales and gross deposits. We are very satisfied with our sales for 2016, as they grew by 15% in comparison with the previous year to EUR 12 bln. We are seeing a continuous shift from life sales to deposits, which showed a growth of 20% to EUR 100 bln. This is record high and was mainly the result of increased gross deposits for retirement plans in the US, growth of the UK platform, growth at our online bank Knab in the Netherlands – which has now more than 125,000 customers – and growth in Aegon Asset Management – especially at our Chinese joint venture AIFMC.

The Group Solvency II ratio of 157% at the end of 2016 was in the upper half of our target range of 140% - 170%. The ratio remained stable at this level during the first quarter of 2017. The EUR 0.8 bln of capital generated throughout 2016 added 8 percentage points to the ratio. This was offset by EUR 0.9 bln of capital return to shareholders, as we executed the EUR 400 mln share buyback program in the beginning of last year and paid out over EUR 500 mln in dividends to our shareholders.

As mentioned earlier, we recognize the need to further improve the capital buffers in our Dutch business and intend to do so through a number of management actions, as we are committed to maintaining an adequate level of capitalization for our Dutch business. In light of this, we downstreamed EUR 100 mln of capital into Aegon Leven from the Dutch Holding company during the first quarter of 2017. The management actions fall broadly into three categories: 1) improving the risk profile, through measures such as optimizing our Asset & Liability Management and hedging, 2) continuing to review our global portfolio of businesses to ensure that they all meet our financial and strategic objectives and to ensure our use of capital is optimized, 3) continuing to support our Dutch business as a core part of the Group. We are working with our regulator DNB to clarify a number of outstanding issues, and we will provide a comprehensive plan on precisely what actions we will take to improve the Dutch capital position with our second quarter results on August 10, 2017.

We remain committed to our promise to return EUR 2.1 bln of capital between 2016 and 2018 to our shareholders. So far, we have already returned EUR 930 mln, EUR 400 mln of which through a share buyback, which was executed in the first half of 2016. In addition, provided that the final dividend is approved today, we will have paid out an addition EUR 530 mln of dividend for the year 2016. Our 2016 dividend marks the fifth consecutive year of growth in our dividends to our shareholders

Mr. *Wynaendts* then provides an update on the progress towards the 2018 financial targets. In terms of sales, we continue to see strong growth throughout the Group in excess of our 10% target, driven by a strong increase in gross deposits. As mentioned earlier, we have achieved run rate expense savings of EUR 160 mln, which shows we are well on track to deliver our EUR 350 mln expense savings target by the end of 2018. As also stated before, the commitment is to returning EUR 2.1 bln to the shareholders over the period of 2016 through to 2018. We remain confident that Aegon will continue to make significant progress towards the targets.

Mr. *Wynaendts* concludes his presentation. In recent years, the profile of the Company has been transformed and the financial position has been strengthened. In 2016, we successfully accelerated the execution of our strategy. Our focus was on improving the customer experience and enhancing the relationship we have with them. The steps we have taken to get closer to our customers are clearly paying off, as evidenced by the significantly higher deposits our customers have entrusted to us, as well as by the higher ratings that they have given us. During 2016, we delivered strong results and maintained a solid capital position, while at the same time making good progress towards our 2018 financial targets. If the last twelve months have shown us anything, it is that we are living in uncertain times. By executing on our strategy we will be able to continuously add value for all our stakeholders, deliver on our promises, and offer our customers the financial security they need in an insecure world. He then thanks the 29,000 employees for their hard work, commitment and dedication, and thanks the shareholders for their continued support.

The *Chairman* thanks Mr. Wynaendts for his presentation.

3. Annual Report 2016 and dividend

3.1. Reports of the Boards for 2016

As the presentation on the 2016 Business overview by Mr. *Wynaendts* covered both agenda items 2 and 3.1, the *Chairman* gives the shareholders in the meeting the opportunity to ask questions on this presentation.

Mrs. *Verdegaal* (MN Services) starts by stating she welcomes the section on financial security and well-being in the presentation and the actions on climate change, including the divestment of coal-relating mining assets and increasing investment in technologies in line with climate and energy transition. She would appreciate a reflection on the following themes. First she would like to urge Aegon to commence the integration of TCFD-style - the task force on climate-related financial disclosures – reporting into its risk return decision making. Secondly, she would hope that Aegon will have an active dialogue with its investee companies on them filling and adhering to this reporting system. Lastly, she encourages Aegon to work towards disclosing along this framework within the coming years.

Mr. *Wynaendts* responds that it is needed to ensure that we look after the interests of all our stakeholders. That starts with our customers, our employees and our shareholders but we also need to focus on the wellbeing of our customers on the planet on which we are working. That is why we have taken quite a number of actions over the last year to effectively ensure that, where it makes sense and where we can do this in an effective way, we do indeed also take measures ourselves. For example, we are a carbon-neutral company, we have that measured retro-actively over 2015 and 2016. We have excluded investments in coal mines where this represents more than 30% of the activity of our group. As such, we are also taking continued steps to further improve and to take action where we can. Finally, we have made quite significant investments in renewable energy because we also see that these investments are making sense from a risk-return point of view for our shareholders and therefore also for our customers.

Mrs. *Van Heck* (VBDO) then raises three questions about climate change and sustainable development goals and more in particular the actions to reach the goals in the Paris Climate Agreement. Firstly, she wants to know what additional actions Aegon will take this year to further minimise climate risk and fossil fuel risks in its investment portfolio. Secondly, she asks if Aegon is willing to set ambitious and concrete targets for responsible investments and to also report on them next year as this will increase motivation for such investments? The third question is on behalf of a Polish NGO. She understood that the Aegon Polish-managed pension funds still holds a relatively large number of shares in Polish state-owned companies PGE and ENEA and that those are still building new coal-fired power plants. They have been excluded by other investors and she wants to know whether Aegon is planning to divest those companies in the coming year.

Mr. *Wynaendts* responds to the first question by stating that quite a number of actions are taken on an ongoing basis. The Responsible Investment Report of Aegon Asset Management, which is published for the first time this year, is a clear signal of the importance that we attach to responsible investments, just like Aegon’s customers and employees. The establishment of a specific and more permanent climate risk group within Aegon Asset Management is another example. On the second question about targets for responsible investments, he is of the opinion that it is not a good idea to set targets, as the availability of these type of investments is limited. We want to continue to encourage our teams to look for opportunities that address the needs from social responsibility and at the same time also address the needs of achieving a decent return. We are making promises to our customers for the long term and that can only be done if we are able to achieve decent returns in the market. Finally, on the question on the Polish pension funds, he recognizes that Aegon holds these investments. We are aware of the issue and we will be looking into it, but a straight answer cannot be given because of the complexity of the challenging legal and fiduciary structure of these Polish funds, which are furthermore in a form of transition. Hopefully, by next year this issue will have been addressed.

Mrs. *Van Heck* (VBDO) reiterates by asking how comparable companies in the portfolio that are so heavily in coal, building coal-fired power plants, like these two Polish ones, are dealt with. Do you analyze this actively? Are you looking into divestment from those companies?

Mr. *Wynaendts* answers that we have been very clear that those business that derive more than 30% from coal, have been divested. In a number of cases it is more complicated. You have seen companies that produce electricity that switch from coal to gas. So, there are a lot of changes taking place. On these, we engage with the companies. He furthermore mentions that we have a fiduciary responsibility in the sense that our customers decide on investments.

Mr. *Keyner* (VEB) starts that he is speaking on behalf of the VEB and some minor shareholders that have given a proxy, together 870,000 shares. He states that the strategy of Aegon is the correct one, but that the execution is much too slow. He has a couple of remarks and questions. He first remarks that considering the strategic objective of customer and employee satisfaction, Aegon is doing much worse than its competitors. His second question is whether the solution for Aegon is not in reducing cost but in the balance. He acknowledges that Aegon has made progress with operational excellence, but states that Aegon is much too cautious in taking drastic and big steps and that part of that is reflected in the share price. Costs are reduced, but were already very high and the balance sheet is not giving sufficient returns. His third question is what Aegon can learn from competitors that are structurally doing much better than Aegon in generating return on capital? He refers to a.s.r. and NN Group, although much smaller than Aegon, capable of showing higher returns on equity. Mr. *Keyner* concludes with a question on the strategic shift to the fee business. It was presented as a success story but according to the Annual Report, there is a deterioration of this fee business.

At the request of the *Chairman*, Mr. *Wynaendts* answers the questions. Regarding the customers, the NPS Score has increased. It is extremely difficult to compare that with competitors, because we have a NPS Score that covers our businesses across the world and you cannot compare that only with businesses in one country. We focus and continue to focus on improving the relationship with our customers to ensure that they recognize us not only as a party from which you buy a product, but also as a service provider in the longer term. We put a lot of effort and investments in that. With this, you see that it is a small improvement every year compared to the previous year. You also raised a point around employees satisfaction. At the time that you do a lot of restructuring and cost reduction, you also create uncertainty for employees. If you happen to measure that exactly at that time, we should not be surprised that engagement scores of our employees have come down.

As mentioned in the presentation, we need to take steps to continue to improve our return on equity. Last year, we achieved 8%. Our target for 2018 is 10%. We have made it very clear that we will achieve this by a combination of growing our business but in particular by taking our expenses down. Management has taken very drastic steps. In the beginning of 2016, our target from expense savings was EUR 160 mln. We have doubled that target, as you know, in the US to EUR 300 mln with a total target of EUR 350 mln. It means that we are taking the steps that are needed in order to achieve the returns which shareholders are entitled to. In the first year, we have already achieved the original target that we had set ourselves for two years. We will continue to work on that.

Finally, your question on fees. We wanted to move our business from one that was very dependent on spread business five years ago to a balanced position, where fees are now three times what they were five years ago. We do not need to increase that very much beyond that, because we need to have the right balance of our business. Our business is about providing financial security to our customers and that will mean that we will continue to have businesses that are spread businesses. The decline from 43% to 42% in fee business, was actually because our technical business and our spread business did pretty well last year, compared to the previous year. It is about creating the right balance of our business, reducing the exposure to capital markets risk and at the same time working, executing on our commitment to delivering our expenses targets. And as you also recognize, we have made significant progress because executing on that will allow us to achieve the 10% target which we have set for 2018.

Mr. *Keyner* (VEB) agrees with the last point, but questions whether cost reduction can solve the key issue, the fact that the balance sheet does not generate enough return. He furthermore repeats his question whether Aegon can learn something from some of its competitors. He also repeats his statement that the strategy might be right, but that he is afraid that the speed of implementation is too slow. All the competitors are moving in a rapid pace, doing similar things like ICT, hands on, and so on and so forth, so you are still lagging behind. Is cost reduction really the key and are you aggressive enough? If it cannot go much faster than what it is, then maybe there is another issue that you need to address and maybe you can learn something from some of your competitors.

Mr. *Wynaendts* responds that he thinks we have covered the cost issue as much as we could. We need to find the right balance in our investments between taking risk and also the amount of capital that we need to hold for that risk. So, when you look at our investments of our portfolio, we have significant parts of our portfolio for example here in the Netherlands invested in government bonds but also in mortgages. As you know, we have been one of the first companies in the Netherlands to successfully put mortgages on our balance sheet that we originated ourselves. That was a very good decision. We have had hardly any losses and we are making incremental spread. At the same time, we have also decided some time ago that in the context of Solvency II we would not invest in equity anymore. That means you have a limitation of what you can achieve. Therefore, when you compare investment performance you need to compare that in relation to the capital allocation. In terms of investment performance our businesses within the constraints that have been set, have actually performed well. We need to take the right decisions in terms of risk profile and what risk we are prepared to take on our balance sheet. Effectively we do take a lot of indirect risk on equities, because in our fee business we are taking a fee over the assets we manage and if equity markets go up and down, our fees also go up and down. So, we have already quite some exposure to the markets and that is what we are seeing then as supporting our underlying earnings last year and will continue to support it this year.

Mr. *Keyner* (VEB) responds that he understands that if you take on more risk you can have more returns, vice versa. However, it seems awkward that Aegon is having issues, especially in the Netherlands' business, with the Solvency II ratio whereas a.s.r. does not have that issue and neither does NN Group. So, if we are more conservative, at the same time you are not rewarding yourselves or us, as shareholders, with a higher solvency ratio. So, we have issues on both sides. Returns are relatively low and at the same time you are not considered to be very safe as far as the Dutch Central (National) Bank is concerned and Solvency II.

Mr. *Wynaendts* states that we had a solvency ratio at 157%, which is in the middle and actually at the upper end of the middle of our range. So, for the Group we have a strong solvency position. We have also acknowledged that we need to further strengthen the solvency position of our Dutch business. We are engaging with our regulator to ensure that we do this together and we provide the information at the Q2 results in August 2017.

The *Chairman* comments that both the Management Board and the Supervisory Board have realized that our environment has changed very quickly and that the situation in the US, the acceleration of the expense-savings programme and the realigning our strategy have been the result of those discussions. So, it is very much on our minds.

Mr. *Van Der Kooi* then questions what Aegon will do to reach out to the group of new customers born after 1980 that is not terribly concerned about its retirement and has an entirely different view on its careers. They can be a group with huge potential for Aegon, but he does not see that message in the television and radio commercials.

Mr. *Wynaendts* responds that she is right that in the presentation we are focusing on those that have started to accumulate assets and that are being aware. We nevertheless do a lot of work which we are more than happy to share with you. In particular, we have our global retirement studies, where we do research with different ages of people. It is indeed very difficult to get the younger generation to understand what it means to start saving. Of course, we also see that as our responsibility and as an opportunity but you will probably see more of us engaging with that group through different channels, like digital channels. We have a number of ventures that we invest in. Knab is a good example. That is a bank that has seen a lot of interest, in particular of younger people that are entirely prepared to do everything digitally. So, in that part of the media, which is a very new part, you will see much more effort. As said in the beginning, our objective is to serve our customers along the life cycle. It starts very early; when they start a family, when they want to buy a house, when they need a mortgage and when they take some life insurance for protection. That is where our engagement starts. It is true that at that point in time the more important item for them is to buy the house and get the mortgage. Savings come only later. We try therefore to engage with them on an ongoing basis, so that we stay connected along the life cycle and are able to help to address their needs. That is the core of our strategy: financial security along the life cycle of our customers. You will see more of that, but in particular in those channels that appeal to the younger generation.

Mr. *Spanjer* is not convinced that Aegon is doing so well and has a couple of questions. He refers to page 318 of the Annual Report 2016, where is stated that EUR 909 mln dividend less was paid and to page 373 where is stated that 180,000 shares were repurchased an no dividend will be paid on that. Then why are you paying EUR 900 mln less in dividend even though the management received EUR 3.4 mln more? He furthermore asks to share more about the rising interest rates later in 2016, as stated in the Annual Report. His third question is what the definition of the term 'bulk amount' is with respect to the original cost savings targets for 2018 of EUR 200 million announced in January 2016. His last question is about the scenarios for the Brexit. Do you have to apply for a new bank license in Ireland? If the Brexit takes two years will you enter a vacuum or will you not enter a vacuum?

Mr. *Wynaendts* repeats that the dividend we pay to our shareholders has risen for five consecutive years, so every year you as a shareholder had a higher dividend. EUR 0.26 over 2016, assuming this will be approved. That is how you should be looking at it in terms of dividend per share. Regarding the question about remuneration, he explains that we have extended the Management Board, so there are more people in 2016 than we had in 2015. We have added a global CTO – Chief Technology Officer – we have added global asset management, but also a global HR. So, we have had a number of additions to the board and therefore, the remuneration numbers are not comparable.

In terms of interest rates, Mr. *Wynaendts* states that interest rates first went down in 2016, even to negative territory in the Netherlands, and then in the US there was a recovery, from a very low level, at the end of the year to above 2% for 10-years bonds. That explains our comment about interest rates down and then up. Regarding the term 'bulkbedrag', he proposes to further discuss at the end of the meeting. In terms of the Brexit, our business in the UK – and that is of course the nature of our business – is a business where we have our assets and liabilities in the same country, in the same currency. Our customers are also in the same country. So, the Brexit in itself for the UK has had limited impact on our business other than the impact it has had on financial markets. Yes, you are right, we have an operation in Ireland. Ireland is likely to remain in Europe and this is part of all the negotiations that are taking place between the UK and the European Commission of which we do not know the outcome. We will for sure have a transition period to address these issues going forward. So, we are not concerned about that. That is the reason that we have not mentioned it extensively in our 2016 nor in our 2017 Q1 report.

Mr. *Spanjer* reiterates that 143 mln shares were bought back and that the shareholders received EUR 0.26 dividend. According to page 318 a much lower dividend is paid?

Mr. *Wynaendts* explains that if you buy back shares you have fewer shares to pay dividend on, even though it is a high dividend. So obviously the amount will end up lower. What you need to consider is that because there are fewer shares, you as shareholder are entitled to a larger share. In that respect, a share buyback is appealing to shareholders.

Mr. *Spanjer* responds that it was 274 mln in 2015 and in 2016 it becomes at 265 mln – 9 mln less – if there is a share buyback, then you would expect the same absolute amount to be paid out in 2016 as well?

Mr. *Wynaendts* proposes to review it after the meeting.

Mr. *Van Ieperen* has a few remarks and questions. He is a private shareholder and interested in earnings per share, in dividend. Last year, he described an anecdote about competitive rowing: when you have a lot of wind, one team will come in first. He does not think that Aegon is there yet. He then questions whether life insurance does not offer more than the interest on the savings account and whether management can respond to this perspective for the US market. He then questions whether it costs Aegon to have so much net cash and cash equivalence at year end as he does not think you can deposit it at the European Central Bank. His last question is what is meant with the reduction of the geographical footprint as mentioned in the presentation.

Mr. *Wynaendts* first responds to the remark about life insurance. You are absolutely right that Life insurance in an environment of low interest rates is a product that we have seen as a company that is not always in the interest of customers nor in the interest of Aegon. So, we have been very strict in only selling those Life insurance products and that is in particular protection business, which do not have a savings component that are in our view value for our customers as they are value for the Company. It is not surprising therefore that you see a decline in Life insurance. However, this decline is more than offset by the enormous growth we have had in terms of deposits. Our deposits have grown very significantly. This is the reality of the shift of our business. It is the result of the strategic direction which we have taken to move away from interest-rate sensitive products that we do not think are really attractive for our customers, to fee-based businesses. You have seen the result of that. So, your observation is very consistent with our strategy.

The second thing is that you are absolutely right that with low interest rates holding cash is not attractive. That clearly is part of the issue that was raised earlier by the representative of the VEB: how can you make good returns on your investments? We also have to take into account the need for liquidity. Our customers are entitled to ask for their money. So, we have to make sure that we have enough money in the bank available, freely at any time, to be able to address the need of our customers. And that is the right balance that we have to look for. We also have to make sure that if there is a crisis or an unpleasant situation happening – we are living in uncertain times – we have enough liquidity that we can pay our to our customers when they ask for it because there would be nothing worse for us than not being able to deliver on our promises. So yes, it does cost money.

Finally, the location footprint is about reducing the number of locations in which we are present. We have reduced our presence in three locations and the one you are the most familiar with is our location in Los Angeles.

Mr. *Van Ieperen* reiterates by referring to Ageas, a company that rose out of such a deep point. They are not operating in the US but there are many similarities. A lot of money can be made in this business.

Mr. *Van der Graaf* questions how and when Aegon will generate serious shareholder value. The share price is not going anywhere and each time when Aegon issues a press release something is going on.

Mr. *Wynaendts* recognizes his concern. The last two quarters, we have seen the markets react negatively to the numbers. We have been very clear about what actions we are taking to improve our returns: taking our expenses down, simplifying our business and growing our business. We need to come to an agreement with our regulator about an adequate level of capital for our Dutch business. Unfortunately, we were not able in the previous quarters to provide guidance until Q2. We will provide guidance at that point in time.

The *Chairman* adds that we are also worried about the development of the share price and that we are doing everything to address that.

Mr. *Heineman* has three questions. First, he states that we should be more realistic about coal mining and oil and gas operations as for the next 30 years fossil fuels will remain necessary. He asks the Chairman to provide an appropriate answer to that. Second, he states that we need to lobby with the governments so that eventually, when the economy is more favorable, investments in shares will be possible because there are clear signs of a turnaround on the market. The third question is how close the correlation between the very low interest rates and the performance by insurance companies is.
If we get an interest rate of 12%, which is far from impossible, will Aegons's share price soar?
And why are the interest rates so low?

The *Chairman* agrees that the world is going to need a lot of fossil fuel in the future for the next 30 years and although 90% of the coverage in the media is about renewables, 90% of the consumption for the next couple of years will still be on the fossil fuel side. On the other hand, even within fossil fuels there are ways to clean up our act in the resources industry. Moving from coal to gas for example has had a huge impact on total emissions. Basically, we are living in this real world that you are describing but within those parameters we can clean up our act and Aegon should be able to help with that.

Mr. *Wynaendts* adds that we are looking at renewable energies but the availability is limited and we should also take into account the returns on investment we are making. Responding to the question on investing in equities, he states that because of the Solvency II capital framework in which we have to operate, investing directly in equities in our portfolio is actually not attractive because of the risk return. Indirectly we have quite a lot of equity exposure. Today, we have 714 bln of assets we manage for our customers and not all is in equity. But when the equity markets go up, the value goes up and the fees we make on it also go up. So indirectly, we have an exposure and we benefit from equity markets. That is the way we believe in the long term we should benefit from equity markets.

Finally, low interest rates are not good for our business and low interest rates are even worse for our customers, for those that save through the bank and through their pension funds. Yes, higher interests rates will be good for Aegon and will be good for shareholders too. An interest rate of 12% could potentially not be that attractive because then we will see other things happening. But that becomes very technical. The best outcome would be a slowly and gradually increasing interest rate. If that takes place, this company will do better, our customers will do better and our shareholders will do better.

Mr. *Heineman* reiterates whether Aegon isn't being restricted by government regulations and insurance restrictions? If we let market forces rule then some parties become too ambitious. But if you overregulate the market you cut their wings and strangle them.

Mr. *Wynaendts* answers that there are many things changing in the world we operate in. We have lower interest rates that are indeed driven by ECB. There is no doubt about that. They are also driven by the fact that our economies have been suffering heavily and are still not in a great shape. And you are right, the increase in wages is going to be an important driver of increased consumption, which hopefully will lead then to higher interest rates. On the other hand, we also have a regulatory environment in which we have to operate in and which requires more capital than in the past. In that sense, the constraints in which we operate make it more difficult and that is why we have been very actively changing the structure of our business towards more fee business in order to be less dependent on these factors, like low interest rates and increased capital requirements than we had before.

The *Chairman* adds that the situation in 2008 and 2009 has led to many more constraints. Usually it happens that this might go a bit too far at some point but we will hopefully reach an equilibrium again.

Mr. *Borkink* asks what the effect of the new UFR regulations for insurance companies will be. How will that impact the solvency of, for example, Aegon Life? He also questions whether the Aegon Life solvency ratios, will be published in a separate publication.

Mr. *Wynaendts* responds that the UFR, the Ultimate Forward Rate, which is being applied in the Solvency II environment, is a rate that is agreed by the European Commission on the proposal of EIOPA, the insurance regulator in Europe. The insurance regulator has made a proposal to reduce it further. The European Commission still has to approve and endorse that recommendation. Assuming that they would endorse it, which is probably the base scenario, it would have a negative impact on our capital. We have provided these sensitivities. Regarding the second question on Aegon Leven: in two and a half hours we will publish the SFCR, which is a document that will provide you Aegon Leven. In the last call on Q1, a week ago, it was already noted that there is a difference between Aegon Nederland and Aegon Life of around 15 points because of the structure of the business.

The *Chairman* adds that we have not timed the publication of the SFCR to be after this meeting.

Mr. *Ten Cate* has three questions. On May 1, 2017, René Frijters left Knab Bank. Can you tell me more about that? How was Knab doing? There was also a video about Fintech and blockchain. Are those only investments or do you also get a return on that? And have you already started talking about divesting your sell in Transamerica?

Mr. *Wynaendts* explains that René Frijters has been working for us in the past to set up Knab and that he has been developing ideas that we have set up working together. So, Knab is doing well with about 125,000 customers at the end of last year. In the meantime we have more customers. We have a broader range of products. We actually see that in the self-employed market – the 'zzp'-markt – we are even market leader. The self-employed seem to be very keen to work on what we are offering on our platform with Knab. We have worked extremely well together with René Frijters and we set up the bank. He has been very much a pioneer and then there comes a time that you have to bring the bank to focus on a lot of other issues, controls and regulations. That is why René Frijters has decided to move on. He remains an ambassador of the bank, so he is not disconnected.

In terms of blockchain fintech, the objective is twofold. We have this fund, the Transamerica Venture Fund, which is a commitment we have made to invest in those companies that meet two requirements. One, it has to be a good investment and two, the investment has to be in the area that is relevant for Aegon in the future, relevant in the sense that we can also add value. So, let me give you a simple example. We like to invest in companies that provide robo-advisory and artificial intelligence where not only we become an investor, but we can also bring customers. So, we are adding value to the company. That is why these investments until now have been good investments from purely financial point of view but equally important very relevant for us to move into the new world of digitisation.

Finally, on your third question, our US business is a core part of our business. It is an important contributor to the success of Aegon and will continue to do so.

Mr. *Keyner* (VEB) takes the floor again and repeats the question what Aegon can learn from competitors. He furthermore repeats his second question whether cost reduction is the key to the success of Aegon? Is cost reduction the solution in making sure that the return on equity moves to 10% or beyond? Your answer was cost reduction, simplification and grow your business. Could you be more specific? It could mean getting rid of a part of your portfolio. Those kinds of more drastic or even more strategic actions could be considered in really making the steps that are necessary to generate the kind of returns which investors are waiting for.

Mr. *Wynaendts* confirms that we always look at competitors but that he also believes that the competitive environment in changing in such a way that we should also look at competitors that we do not see as competitors today and will be a competitor of tomorrow. That is probably the biggest challenge for us: how do we ensure that we today become and remain relevant in the next five years? That will be particularly by also looking at competitors in new players, those that do not have to carry out the burden of the past, which we all have to carry. So, we obviously do look at all our competitors, but we cannot talk explicitly about competitors.

Mr. *Keyner* (VEB) answers that he does not expect any specific comments on competitors, but asks to mention one single point where Aegon really needs to improve to get at least in the same league as its current competitors and why Aegon is in the backyard of the performance and customer and employee satisfaction.

Mr. *Wynaendts* repeats that we do look at our competitors. We look broadly at competitors and not only at the existing ones. We look at new business models. We try to see where we need to improve very clearly. We need to improve our Solvency II- ratio and our capital position in the Netherlands. But in terms of our business, we need to grow and simplify our business and to reduce our expenses. That is a very important driver because that is the one we have most control of. We continue to look at all our businesses. We review our portfolio to ensure that we optimize the use of capital. That is a direct way of saying that those businesses that do not meet our requirements and our long-term strategic objectives will be reviewed. We continue to do so. If you look at the past, we have a strong record. Look at our reinsurance business, our Canadian business, and our French business. We have stopped certain business alliances in the US. We sold our commercial non-Life in the Netherlands and we sold our annuity book. So, we have a very good track record of optimizing our portfolio. But once you want to sell parts of your business you need a buyer. You need a willing buyer. We have also been clear that with low interest rates it is difficult to find buyers that would pay the kind of price that would make sense for us. When the rates have come up and the way where they are right now, there is more possibility. We can assure you, without going to disclose anything further at this point in time, that we are working very hard to explore all options to ensure that we optimize our portfolio.

The *Chairman* thanks the participants for the questions and notes on the expense side that you cannot starve yourself to prosperity. So basically, it is just one element of getting better. It does not solve your situation and it does not make you beat competition. But in a world where we are growing more to fee business and digitizing, your cost has to come down with that because that is the idea. With that, he proposes to move to the next item on the agenda.

3.2 Remuneration report 2016

The *Chairman* introduces Corien Wortmann-Kool, member of the Supervisory Board Remuneration Committee, who will present the 2016 Remuneration report in the absence of the chairman of the Supervisory Board Remuneration Committee, Mr. Noteboom. Mrs. Wortmann-Kool's presentation slides are considered part of these minutes and are available on aegon.com.

Mrs. *Wortmann-Kool* starts by briefly summarizing the context of Aegon's remuneration policy. This context is extremely challenging, because Aegon is a global company based in the Netherlands. In recent years, European and national legislation and DNB regulations all had their impact on remuneration in the Dutch financial sector and therefore also on Aegons remuneration policy worldwide. This means we had to introduce a maximum to variable compensation, limit on sign-on, retention and severance payments and other measures. Aegon's remuneration policy varies per country, taking into account circumstances and conditions on the labour markets in which we operate and have to compete. In the USA and Asia in particular, the ratio between fixed and variable pay differs significantly from that in the Netherlands. To continue to be able to attract and retain key talents, we use the flexibility on variable compensation provided for in Dutch legislation, up to the maximum of 200%. Shareholder's approval for this was given last year.

Mrs. *Wortmann-Kool* continues with focusing on the Executive Board remuneration policy. It is important to note the underlying objectives to allow us to attract and retain qualified executives, to pay for performance, to align with international market practices, and to comply with European and Dutch legislation and regulations. As in previous years, there has not been a change to the Executive Board Remuneration Policy in 2016. The Executive Board Remuneration Policy contains three main elements: 1) the fixed compensation (the annual base salary), 2) the variable compensation, 3) benefits, for instance pensions. With regards to 2), the variable compensation, it is important to note that the variable compensation is conditionally allocated after completion of the performance year, depending on the results and what has been achieved. The maximum is 100% of the fixed (annual base) salary. In line with Dutch legislation for international financial holdings, 50% of the allocation is in shares and 50% is in cash. 40% of the allocation is paid out/vests in the year following the performance year and 60% of the allocation is deferred and is paid out/vests in the subsequent three years, subject to ex-post assessments. After vesting, the variable compensation shares are subject to a holding period of three years.

Mrs. *Wortmann-Kool* starts with discussing 1), the fixed compensation in 2016. The annual salary for the CEO was subject to a change in 2016. As per January 1, 2016 the CEO's annual salary was increased with 10% as the Supervisory Board decided to reduce the gap between his total compensation and the desired market position. The desired position is close to the median of the peer group of European Insurance Firms. The peer Group consists of: Allianz, Aviva, Axa, CNP Assurances, Generali, Legal & General, Mapfre, Münchener Rückversicherung, NN Group, Old Mutual, Prudential Plc., Standard Life, Swiss Re. and Zurich Financial Services. After the 10% increase the overall remuneration of the CEO is still in the lower half of the peer group. Mrs. *Wortmann-Kool* confirms that there has been no change to the annual salary of the CFO.

Mrs. *Wortmann-Kool* then further explains the approach to 2), the variable compensation for the Executive Board. Aegon uses 1-year performance measures as the maximum on variable pay at 100% of the annual salary does not allow enough room for a separate long-term incentive scheme next to a short-term scheme. The current compensation plan already contains performance measures aimed at the long term, like the successful implementation of our strategy. In as far as variable pay is made available, there is a 3- year deferral applicable to the largest portion. For any shares vesting there is a further holding-period of another three years. So, even with 1-year performance measures it already takes seven years before the Executive Board members can have access to their variable pay in full. These 3-years deferral periods are subject to exposed assessments by the Supervisory Board.

The performance indicators that are used for variable remuneration, contain financial performance measures as well as non-financial ones. Most of these are aimed at long-term value creation. The financial performance measures comprise elements like the market consistent value of new business – which is sales growth – return on equity, capital generation, et cetera. The non-financial measures are related to the successful implementation of the strategy, for instance the number of customers on digital platforms, NPS (Net Promoter Score) scores, restructuring and cost-reduction in important markets like the USA, UK and the Netherlands, and individual indicators on aspects like talent development, et cetera. These all focus at transforming the Company and make it fit for the future.

The largest part of the in 2016 applicable performance indicators for the Executive Board members is formed by the group targets. These contain financial and non-financial targets. Generally speaking the performance of the group with regard to the financial targets was between threshold- level and target-level, with the exception of market consistent value of new business, which did not achieve the threshold-level, and return on economic required capital for which the result exceeded target. The performance on the non-financial group targets was on target or above. The same holds for the personal targets for both the CEO and CFO. These individual targets were specific for the respective roles. When added up, the scores result in an overall outcome with percentages variable compensation of 82.25% for the CEO and 81.87% for the CFO, which are percentages of the annual base salary.

The conditional variable compensation that is allocated over the performance year 2016, means that in 2017 40% of the variable compensation related to performance year 2016 is payable directly. Half of this will be in shares – 20% of the total – and the other half in cash, also 20% of the total. The number of shares to be made available in 2017 'upfront' is subject to a 3-year retention period before they are at the disposal of the Executive Board members, with the exception of shares withheld to meet income tax obligations.

The remaining part, 60%, of the conditional variable compensation over the performance year 2016 is to be paid out in future years, subject to ex-post assessments that may result in downward adjustments and subject to meeting the additional conditions. In each of the years 2018, 2019 and 2020, 20% of the total conditional variable compensation may be made available. Any pay-out will be split 50/50 in a cash payment and an allocation of shares, vesting. After vesting a retention period is applicable for a further three years, before the shares are at the disposal of the Executive Board members, again with the exception of shares withheld to meet income tax obligations.

The *Chairman* thanks Mrs. Wortmann-Kool for her presentation. He notes that a lot that has been discussed is mandatory and he asks whether there are questions.

Mr. *Keyner* (VEB) states that he cannot relate the financial results, like return on equity and credible growth in profitable businesses, and the Solvency issues with a variable compensation that is so close to the maximum. Variable compensation can only be allocated if you have shown extraordinary performance vis-à-vis very aggressive targets and preferably you would even outperform those targets. Could the Supervisory Board explain why this variable compensation is reasonable?

The *Chairman* explains that the variable compensation needs to contain the non-financial part, so there is no choice. That the weight now has shifted to the non-financial part is a logical outcome of the way the remuneration system has been structured and has to be structured.

Mrs. *Wortmann-Kool* adds that slide 5 of the presentation gives transparency on how the different indicators were assessed. You not only see greens but also yellows and reds, which actually reflect the issues Mr. Keyner covered. So, this gives a good insight in how we value this.

Mr. *Keyner* (VEB) follows up by stating that with this score card, he is surprised that Aegon is paying the variable compensation so close to the maximum. This would explain maybe 10% of your maximum that will be paid out as variable pay but it is not; it is 80% or 90%. With these red dots, especially in key elements that have to do with generating return and making sure that at least you cover the cost of capital, this hurts. The share price demonstrates that shareholders see that you are not performing up to what is expected.

Mrs. *Wortmann-Kool* responds that Aegon maybe could have better clarified the balance between financial and non-financial targets, because two thirds are non-financial targets. As the Chairman said, the way we draft this is set by regulation. It is extremely complex and we do put the balance. She highlights that we want to also focus on the long-term value creation and therefore, you should also not underestimate the importance of the non-financial targets.

Mr. *Heineman* states that the justification to pay incentives is often that capable people have to be hired. He is however of the opinion that a large company like Aegon needs a pool to create talent. You have to acknowledge what someone's capacities are and have the time and the possibility to see how talents in the pool are performing. In that way, we can avoid any catastrophes that have indeed taken place in other companies, companies that hire people from abroad that more or less failed abysmally.

The *Chairman* responds that it is only a couple of years ago that the talent management system had been started. We have now with the help of Carla Mahieu, who is the Global head of our HR, put together an excellent succession system. So, my hope is that in the next couple of years we will have our own 'kweekvijver'.

Mr. *Heineman* answers that then we can limit the debates as to whether incentives are justified or not. We can even avoid that.

The *Chairman* continues that it is very difficult to attract good people. People want to be paid. At a number of occasions, we have seen that we could not offer people enough to come to us. It is not a figment of our imagination, it is reality.

Mr. *Heineman* responds that you can observe somebody during a certain period, which gives sufficient opportunities to give a good judgment about the person in question.

The *Chairman* agrees. The ideal world is however where you have a balance of people from inside and outside, because you cannot always stay on the inside. You need to bring in some fresh ideas and fresh blood as well. He then responds to the question of Mr. Heineman if it is really an argument that you always have to bring in somebody from the outside at a top level as this is an extreme risk in his opinion. The *Chairman* responds that sometimes it is better to deal with the devil you know than with the devil you do not know. At degrees it is that risky, but we have ways to value people that come to us in better ways than we had in the past.

Mrs. *Wortmann-Kool* adds that there are some great examples in this room. For instance, the new CRO and the new CTO. That is also something to underline in this respect.

Mrs. *Verdegaal* (MN Services) states that she would also appreciate to see more granularity in the reporting regarding variable compensation based on the non-financial aspects and the strategic aspects. Is it correct that this is something you are open to, to provide such granularity going forward?

Mrs. *Wortmann-Kool* answers that more transparency was already showed. She would not exclude that Aegon would step up on this issue in the upcoming years to go.

The *Chairman* thanks Mrs. Verdegaal for her follow-up comment that it has been a real priority to have more transparency on board profile and competencies and that she would like to thank the major extract that was already circulated yesterday. He responds that, basically, transparency can always go so far, because you do not want to endanger your competitive position either. So, it is a despair that you ask for more detail. On the other hand, you do not want to put your soul on the table.

The *Chairman* establishes that there are no further questions and proposes to move on to the agenda item on the annual accounts 2016.

3.3 Annual accounts 2016 and report independent auditor

The *Chairman* mentions that Mr. Wynaendts has discussed the financials for 2016 with the reports of the Boards for 2016 and then invites Mr. Ruud Dekkers from PwC, the independent auditor, to comment on their audit work with regard to the 2016 annual accounts.

Mr. *Dekkers* (PwC) refers to the extended audit report from PwC that can be found on pages 290 to 327 of the Annual Report 2016. He then starts with discussing the materiality, which determines the scope and depth of our audit work.

The materiality level was set at EUR 65 mln, which is consistent with last year. We established our scope, what we do, based on the way Aegon is organized, which is also consistent with prior years. We performed audit work on all in-scope units where Aegon has operations, which included the Americas, The Netherlands, the UK, Central and Eastern Europe, Spain and Aegon Asset Management. Our coverage amounted to 98% for revenues, 96% for total assets and 94% for profit before tax.

Key audit matters are the most important matters we have identified in our Audit Plan and in our audit work during the years. We have identified five key audit matters, which I will comment upon briefly. The first four are consistent with last year. The fifth one is new:

1. 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 the calculations and judgments made by Aegon to determine the reasonableness of the recorded liabilities.
2. Deferred policy acquisition cost. These are upfront cost, associated with writing an insurance contract which are capitalized and expensed over the life of that contract. This asset requires significant judgment with regards to its recoverability. We used our own actuaries to assess the recoverability and judgments made by Aegon.
3. 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. Also, here, we used our own valuation specialists to assist in auditing the calculations and assessing the judgments made and assumptions used by Aegon.
4. Uncertainties in policy holders claims and litigations. The insurance industry as a whole 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 the need to record a liability and required disclosures.
5. The sale of the UK annuity's business. The accounting for this transaction is inherently complex and subjective in nature, given that the transaction is in two parts and the resulting loss consisted of several components, for which management had to estimate its value based on assumptions. We took a substantive approach and used our own actuaries to assist us in performing our audit procedures. We assessed and challenged assumptions used in the calculations and assessed the reasonableness of the methodology applied by Aegon management in making those calculations.

Mr. *Dekkers* then discusses the other information including the Director's Report. With respect to the other information included in the Annual Report, based on our knowledge and understanding obtained during our audit we have concluded that this is consistent with the financial statements, does not contain material misstatements, and it contains all information as required by law. Mr. *Dekkers* then concludes his presentation.

The *Chairman* thanks Mr. Dekkers and states that Aegon has released PwC from the obligation to observe confidentiality in order to allow them to make those comments on the audit in the auditor's report. He then opens the floor to questions on the annual accounts 2016 and the report of the independent auditor.

Mr. *Keyner* (VEB) has three questions about the annual financial statements. The first question is whether investors should be concerned about the Solvency II ratio, especially in the Dutch operations. Will the possibility of dividend be under pressure? He knows that there will not be any specific statement before the second quarter, but wants to know whether there is cause for concern. The second question is for the auditor. The auditor operates within a large official organization that audits the books for many large insurance companies. How would the auditor assess the valuation philosophy of Aegon compared to competitors? Would the auditor describe Aegon especially or far more conservative than many competitors, middle-of-the road, not very aggressive or more opportunistic and more aggressive? The third question is also for the auditor and relates to the Unit-linked policies. Which developments in the Solvency II calculations consider possible liabilities that arise from that? Is the position that it can be a lot or it can be very little? We need not set aside an additional 10% for the possibility that you might need to pay something out.

Mr. *Wynaendts* responds by confirming that Aegon will come back on the first question with the results of the second quarter at August 10, 2017. He also repeats that it is important for the Company that all operating units are adequately capitalized. Aegon NL is part of a group, a group that is strongly capitalized, and as such should also be able to rely on the group. So no need to worry therefore.

At the request of the *Chairman*, Mr. *Wynaendts* then also comments on the third question regarding the 'woekerpolis'-impact, although the question was addressed to the accountant. He states that under Solvency II, capital is allocated to what is called operational risk, which covers a lot of different eventualities. We have until today not yet specifically allocated an amount of capital to a risk around the woekerpolissen, for the simple reason that it is absolutely impossible to quantify that. In addition to that, Aegon has taken steps since 2005 to repair and to improve and to ensure that the risk on that portfolio is minimized.

Mr. *Dekkers* (PwC) responds that one could argue that, if there is uncertainty and it is difficult to assess potential liability, whether zero or maybe a billion euro or more, this could be a reason why you should make a big reservation in the Solvency II ratio and a reason for being more careful.

Mr. *Wynaendts* repeats that Aegon has already taken into account a lot of operational risk. So, if you want to add up risk upon risk upon risk, there is no business anymore. So, we need to make sure we do that in the right balance. Again, we have taken a lot of steps in the past to improve our position. As such we believe that the products we have in our portfolio for our customers are products that we feel are the right products for them.

Mr. *Dekkers* (PwC) then clarifies on the third question of Mr. Keyner that the contingence liabilities are excluded from the Solvency II ratios and refers to page 92 of the report. He then continues responding to the second question of Mr. Keyner. It is not an easy question, because there are about hundreds of different assumptions. There are economic assumptions like interest rates, but it is not one interest rate, there are different interest rates in The Netherlands, in the UK, in the US. You also have assumptions about mortality, but these are also different per country and per group of customers. And mortality is only one, you also have persistency, you have morbidity, and so on. Actually, we present on an annual basis a very extensive report to the Supervisory Board about all the assumptions. In that we not only look at benchmarking, but specifically at the Company's own experience. So, the experience of the past, combined with external studies and information, sums up the Company's overall experience, on top of the benchmarking which happens in the industry. So, it is quite difficult to say anything without oversimplifying. We normally use the word 'appropriate' in this respect and I would say that is also the case here.

Mr. *Keyner* (VEB) reiterates that he translates 'appropriate' as ‘middle of the road’.

Mr. *Dekkers* (PwC) answers that he thinks he would say appropriate.

At the question of another shareholder about the uncertainty for investors and the developments on the stock exchange as a result of the solvency issue, Mr. *Wynaendts* affirms that he also does not like the uncertainty, but that we have to accept that we have to work in an environment with constraints and with a regulator. As said earlier, this is hugely complicated and about interpretation. You need to get a lot of technical specialists involved. We cannot get answers quicker from our regulator than this. That is why we have agreed with the regulator a clear path that we follow and that will culminate in giving that clarity. We would have preferred it differently, but this is the reality.

The *Chairman* adds that the speed is determined by the speed at both ends, by the regulator and by Aegon. We need to get decisions and based on those decisions we can move forward. So, it is not only us, we are looking at the other party as well. That is going to bring us to that date that Mr. Wynaendts was talking about.

The *Chairman* then establishes that there are no further comments or questions and proposes to move on to the next agenda item.

3.4. Adoption of the annual accounts 2016

The *Chairman* then puts forward the adoption of the annual accounts 2016 and establishes that there are no further comments or questions on the annual accounts 2016.

Following an electronic vote showing 1,395,028,469 (99.87%) votes in favor, 1,824,710 (0.13%) against and 2,254,804 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has adopted the annual accounts for 2016.

3.5. Approval the final dividend 2016

The *Chairman* states that Aegon’s dividend policy is to pay out a sustainable dividend to allow our shareholders to participate in the performance of the Company. This can grow over time if the Company’s performance permits. In normal circumstances, Aegon expects to declare an interim dividend when announcing the second quarter results and to propose a final dividend at the AGM for approval. Aegon proposes a final dividend for 2016 of EUR 0.13 per common share and EUR 0.00325 per common share B. This results in a total dividend for the FY 2016 of EUR 0.26 per common share and EUR 0.00650 per common share B, taking into account the interim dividend of EUR 0.13 per common share and EUR 0.00325 per common share B of September 2016. The final dividend will be paid fully in cash of stock, at the election of the shareholder. The value of the dividend in common shares will be approximately equal to the cash dividend. 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 1,393,087,309 (99.65%) votes in favor, 4,831,252 (0.35%) against and 1,180,672 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the final dividend for 2016.

4. Appointment of PricewaterhouseCoopers as independent auditor for the annual accounts 2017 and 2018

The *Chairman* explains that following the evaluation and recommendation of the Supervisory Board Audit Committee, it is proposed that PwC is appointed as an independent auditor for the annual accounts 2017 and 2018. In 2013 PwC was appointed for the annual accounts of 2014, 2015 and 2016.

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

Following an electronic vote showing 1,395,921,668 (99.85%) votes in favor, 2,160,593 (0.15%) against and 1,021,972 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has appointed PwC as independent auditor for the annual accounts 2017 and 2018.

5. Release from liability

The *Chairman* puts forward the proposals to release the members of Aegon's Executive Board and the members of Aegon's Supervisory Board from liability for their duties, to the extent that the exercise of these duties is reflected in the 2016 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2016 annual accounts.

The *Chairman* proposes to first address any questions on both agenda item 5.1 and 5.2 before the voting on these items is opened.

Mr. Keyner (VEB) states that he has an ongoing concern about Aegon's performance as mentioned before during the meeting. He questions whether the Executive Board is properly composed in membership and if the Supervisory Board should consider whether any assistance is necessary, for example by appointing a Chief Operating Officer and by attracting the view of an outsider. The time is approaching to consider whether the composition of the Executive Board is correct or whether you need some new blood.

The *Chairman* responds that it is a relevant question. Today, a new CFO will be appointed and in recent years several people from outside were brought on board: a Chief Risk Officer, a Chief Investment Officer and so on and so forth. We refreshed nearly half of the total Management Board. So, we are working on that. The *Chairman* furthermore indicates that we work hard on our strategy and that the Supervisory Board is on top of that. Every year we spend two or three days refreshing and reconsidering the strategy.

Mr. *Keyner* reiterates by stating that the financial performance is lagging behind the own targets and that he made the same comment in 2014, 2015 and 2016. 2018 should be the moment of truth with a 10% return on equity, but Aegon is not there yet. Aegon should act more quickly and look more at the present competitors, ICT and current legacy issues.

5.1. Release from liability for the members of the Executive Board for their duties performed during 2016

The *Chairman* establishes that there are no additional comments or questions on the proposal to release the members of the Executive Board from liability for their duties.

Following an electronic vote showing 1,348,889,364 (99.26%) votes in favor, 10,101,239 (0.74%) against and 40,129,671 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 2016 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2016 annual accounts.

5.2. Release from liability for the members of the Supervisory Board for their duties performed during 2016

The *Chairman* establishes that there are no additional comments or questions on the proposal to release the members of the Supervisory Board from liability for their duties.

Following an electronic vote showing 1,348,797,698 (99.24%) votes in favor, 10,338,856 (0.76%) against and 39,979,133 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 2016 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2016 annual accounts.

6. Composition of the Supervisory Board

The *Chairman* puts forward the proposal to reappoint Mrs. Dona Young as a member of Aegon's Supervisory Board for a term of four years from May 19, 2017 (i.e. until the end of the AGM to be held in 2021). It is furthermore proposed to appoint Mr. William Connelly and Mr. Mark Ellman as a member of Aegon's Supervisory Board for a term of four years from May 19, 2017 (i.e. until the end of the AGM to be held in 2021).

The Chairman proposes to first address the proposed (re)appointments and any questions on agenda items 6.1, 6.2 and 6.3 before the voting on these items is opened.

6.1. Reappointment of Dona Young

The Supervisory Board proposes reappointing Dona Young in view of the constructive way in which she has contributed to the Supervisory Board, the Risk Committee and the Audit Committee.

Dona has extensive experience in mergers and acquisitions, public transactions and spin-offs and has broad experience in the areas of governance, board succession and board composition. Her knowledge and experience match the desired expertise and her reappointment safeguards the continuity and knowledge of the organization within the Supervisory Board. We have full confidence that with Dona Young as a member of the Supervisory Board, Aegon is well-positioned for helping people achieve a lifetime of financial security. Information regarding Dona Young is available in the agenda in the explanatory notes on page 5 in Annex 1.

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

Following an electronic vote showing 1,364,712,837 (97.75%) votes in favor, 31,354,062 (2.25%) against and 3,041,349 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mrs. Young as a Supervisory Board member for a four-year term as of May 19, 2017.

6.2. Appointment of William Connelly

The *Chairman* then moves on to the appointment of Mr. William Connelly to the Supervisory Board. Bill Connelly gained extensive knowledge and experience during his 35 years in the financial services industry. He brings valuable transformation experience to Aegon and built on his experience in several European countries and in the US. His knowledge and experience fit the profile of the Supervisory Board and match the desired expertise. We have full confidence that with Bill Connelly as a member of the Supervisory Board, Aegon is well-positioned to help people achieve a lifetime of financial security. Information regarding Bill Connelly is available in the agenda in the explanatory notes on page 5 in Annex 2.

Mr. *Connelly* then presents himself in a short introduction video. He states he grew up in the United States, in particular in the Caribbean and has now been living in Europe for 36 years. His background is financial services, banking. He started his career with the Chase Manhattan Bank, but more recently has been 26 years with ING, 13 of which in Holland as the board member responsible for everything to do with corporate and financial institutions, wholesale banking. What he finds fascinating about Aegon, is the transition it is going through, as a Dutch based institution with a true global reach. His background is an international one, but having spent 13 years in Holland, he is also familiar with the Dutch market, both in terms of business and the regulatory environment. He ends the introduction video by stating that he looks forward to working with the board in continuing to develop Aegon's future path.

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

Following an electronic vote showing 1,364,092,415 (97.71%) votes in favor, 31,959,627 (2.29%) against and 3,056,710 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has appointed Mr. Connelly as a member of the Supervisory Board for a four-year term as of May 19, 2017.

6.3. Appointment of Mark Ellman

The *Chairman* then moves on to the proposal to appoint Mr. Mark Ellman to the Supervisory Board. Mark Ellman gained important insights into Aegon's US business as a non-executive director. He brings substantial experience from working closely with numerous US and multinational insurance companies. His knowledge and experience fit the profile of the Supervisory Board and match the desired expertise. We have full confidence that with Mark as a member of the Supervisory Board, Aegon is well-positioned to achieve its future plans. Information regarding Mark Ellman is available in the agenda in the explanatory notes on page 6 Annex 3.

Mr. *Ellman* then also introduces himself in a short introduction video. He lives in the New York area in the United States and started his career as a public accountant, working for one of the then dictating county firms. After working for several years, he switched and went to law school and worked as a corporate lawyer in New York also for a number of years before he switched to investment banking. He worked primarily with financial institutions, insurance companies and asset management in particular. During that time, he came into contact with numerous global insurers just like Aegon and worked with them on strategy, capital management, mergers and acquisitions and financings and securities offerings. He is thrilled to be coming to the Supervisory Board and he is hopeful and thinks that his various experiences will add value to the board. One of the great pleasures of his career is that he has been working with really talented and interesting people in teams. He knows working with the talented individuals of the Supervisory Board will enable him to help Aegon achieve its strategic objectives.

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

Following an electronic vote showing 1,361,006,607 (97.49%) votes in favor, 34,988,678 (2.51%) against and 3,113,988 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has appointed Mr. Ellman as a member of the Supervisory Board for a four-year term as of May 19, 2017.

7. Composition of the Executive Board

7.1. Appointment of Matthew Rider

The *Chairman* announces that the next proposal is to appoint Mr. Matthew Rider as member of the Executive Board and CFO for a term of four years as of May 19, 2017 until the end of the AGM to be held in 2021. Matt has extensive experience in the insurance companies in the US as well as in The Netherlands. His knowledge and experience match the desired expertise and experience for the Executive Board. We have full confidence that with Matt Rider as a member of the Executive Board we will be ready to face our future. Information regarding Matt is available in the agenda on the explanatory notes on page 6 and Annex 4.A. Annex 4.B contains information on the most important terms of the service agreement between Aegon and Matt Rider. We are excited that Matt is wanting to come on board.

Mr. *Rider* then introduces himself in a short introduction video and says he is excited to be back in The Netherlands. He started his career 30 years ago as a junior actuary and has spent his entire working life doing insurance finance and asset management finance. He hopes to bring his knowledge and experience from the 30 years of working in the industry and states he always have had a particular emphasis on getting good processes in place and getting good controls in place. He gets the most gratification in developing people and will tend to spend a good deal of his time on that. He concludes the introduction by saying that he enjoyed the first several months at Aegon. The issues are familiar, it is a comfortable working environment and he likes the people at Aegon, feeling he fits in with Aegon so far.

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

Following an electronic vote showing 1,366,203,912 (97.86%) votes in favor, 29,846,768 (2.14%) against and 3,059,105 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has appointed Mr. Rider to the Executive Board for a four-year term as of May 19, 2017.

8. Issuance and acquisition of shares

The *Chairman* puts forward the proposals for the issuance and acquisition of shares. The *Chairman* proposes to first address the proposals of the agenda items 8.1, 8.2, 8.3 and 8.4 and to address any questions on all these items before the voting is opened.

8.1. Authorization of 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 on page 6 of the agenda. In accordance with Dutch law we ask our shareholders to authorize the Executive Board to decide on issues of common shares or to grant rights to acquire common shares for a period of 18 months, starting May 19, 2017, subject to Supervisory Board approval. With this authorization, the Executive Board can react quickly if an issue of common shares is necessary. The authorization is limited to 10% of the issued share capital plus 10% in case of an acquisition or in case of a capital injection if the Company needs to be safeguarded and conserved. This resolution will replace the authorization that was granted in 2016.

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

Following an electronic vote showing 1,303,014,852 (93.24%) votes in favor, 94,538,511 (6.76%) against and 1,541,944 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 19, 2017, to issue common shares or rights to acquire common shares, subject to approval of the Supervisory Board.

8.2. Authorization of 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 on page 7 of the agenda. In accordance with Dutch law it is proposed that shareholders authorize the Executive Board to restrict or exclude pre-emptive rights of existing shareholders upon the issuance of common shares or granting the rights to acquire common shares for a period of 18 months, starting May 19, 2017 and subject to Supervisory Board approval. This, together with the authorization of item 8.1 allows the Executive Board to react quickly in circumstances necessitating an issue of common shares without or with limited pre-emptive rights. This authorization is also limited to 10% of the issued capital plus 10% in case of an acquisition or in case the capital position of the Company needs to be safeguarded or conserved. This resolution will replace the authorization granted in 2016.

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

Following an electronic vote showing 1,278,219,544 (91.50%) votes in favor, 118,719,299 (8.50%) against and 2,155,545 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 19, 2017, 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.

8.3. Authorization of the Executive Board to issue common shares under incentive plans

The *Chairman* established that the full text of the proposed resolution has been included in the explanatory notes on page 7 of the agenda. The authorization is identical to the one granted in previous years. On the basis of the Aegon Group global remuneration framework and the Executive Board remuneration policy variable compensation for senior management and the members of the Executive Board is usually paid out in cash and shares over multiple years and is subject to specific conditions being fulfilled. This authorization includes the shares to be granted to the members of the Executive Board based on the remuneration policy for the Executive Board. Upon adoption, this authorization will replace the one that was granted in 2016.

To the question of Mr. *Spanjer* (Amsterdam) why Aegon cannot just purchase the shares for the incentive plans at the stock exchange, Mr. *Wynaendts* replies that the mechanism is that shares that are issued outside the incentive plans are bought back.

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

Following an electronic vote showing 1,392,271,283 (99.65%) votes in favor, 4,823,115 (0.35%) against and 2,015,241 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 19, 2017, 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.

8.4. Authorization of 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 on page 7 of the agenda. The authorization is about acquiring shares in Aegon N.V. and is identical to the one granted in previous years. Although according to the Dutch law a repurchase of shares is allowed to a maximum of 50% of Aegon’s total issued capital it is proposed to limit this 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 or all purposes. Upon adoption, this resolution will replace the authorization from 2016.

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

Following an electronic vote showing 1,392,607,327 (99.73%) votes in favor, 3,734,871 (0.27%) against and 2,765,128 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 19, 2017, 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.

9. Any other business

The *Chairman* congratulates Mrs. Young on her reappointment as member of the Supervisory Board and Mr. Connelly, Mr. Ellman and Mr. Rider on their appointments as new Board members of Aegon. He also expresses the gratitude of the Supervisory Board to Mr. Levy 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. We are very grateful for his long commitment and the advice given to the Supervisory Board members and the Executive Board members. Mr. Levy is a person with a lot of experience and a lot of exposure to business over the years. He is sincerely thanked for everything he has done for the Company.

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.

10. Closing

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 after the meeting. The meeting is closed at 13.45 CEST.

Drawn up in The Hague on August 19, 2017, to be adopted and signed on November 19, 2017.

/s/ Rob. J. Routs

Rob J. Routs, Chairman

/s/ Anne-Marie Roth-Verweij

Anne-Marie Roth-Verweij, Secretary