MINUTES
Aegon N.V. ANNUAL GENERAL MEETING OF SHAREHOLDERS 2018
MAY 18, 2018
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 18, 2018, 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 although it is allowed to ask questions in Dutch. 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: Ben Noteboom, Bob Dineen, Ben van der Veer, Dick Verbeek, Corien Wortmann-Kool, Dona Young, Bill Connelly and Mark Ellman and himself, Rob Routs. Alex Wynaendts and Matt Rider, members of the Executive Board, are also present and seated next to me. The members of the Management Board present today are Adrian Grace, Allegra van Hövell-Patrizi, Carla Mahieu, Marco Keim, Onno van Klinken and Mark Mullin. In conformity with the Dutch Corporate Governance Code, the auditors who performed the audit of the 2017 annual accounts – Ruud Dekkers and Daniël van Veen from PwC – are also attending this meeting.

The *Chairman* establishes that the convening of this AGM has taken place by announcement on Aegon's corporate website on April 7, 2018. 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 subjects that will be dealt with at this meeting were listed. Notice was given that the agenda with explanatory notes, annexes and enclosures, the Annual Report 2017, 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 shares in the capital of the company at the Record Date of April 20, 2018 consists of 2,680,670,404 (two billion, six hundred and eighty million, six hundred and seventy thousand and four hundred and four) shares. The issued shares are divided as follows: 2,095,648,244 (two billion, ninety five million, six hundred and forty eight thousand, two hundred and forty four) common shares with a par value of 0,12 eurocents, of which 64,488, 094 (sixty four million, four hundred and eighty eight thousand, ninety four) shares are non-voting common treasury shares; and 585,022,160 (five hundred eighty five million, twenty two thousand and one hundred and sixty) common shares B, with a par value of 0.12 eurocents, of which 15,345,680 (fifteen million, three hundred forty five thousand, six hundred and eighty) shares are non-voting common treasury shares B. Discounting non-voting treasury shares and considering the waived voting rights on common shares B, the number of voting shares votes as of the Record Date is: 2,045,402,062 (two billion, forty-five million, four hundred and two thousand, sixty-two).

Later during the meeting, the *Chairman* announces that 87 holders of common shares and common shares B are present at the meeting. They represent, together with shareholders who have voted through e-voting and via proxy voting, a total of 1,401,876,334 votes. This number represents 68.54% of the 2,045,402,062 voting shares at the registration for this meeting. That means that the number of votes that are required for the adoption of a resolution in a normal majority is 700,938,168. As in previous years, shareholders have been actively encouraged to vote at the AGM.

The draft minutes of the AGM of May 19, 2017 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 19, 2017. The final minutes, signed by the Chairman and the Secretary, were available as of November 19, 2017.

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 17, 2018. The final minutes, signed by the Chairman and the Secretary, will be available as from November 16, 2018, on aegon.com. An unofficial translation in Dutch will be made available as well.

2. 2017 Business overview

The *Chairman* explains that Alex Wynaendts, Aegon's CEO, will give a presentation on the course of business in 2017. Afterwards, Matt Rider, Aegon's CFO, will present the financial results as part of the 2017 Reports of the Boards. After the two presentations, shareholders will have the opportunity to ask questions regarding item 2 and 3.1 of the agenda. The slides of the presentations are considered part of these minutes and are published on aegon.com.

Mr. *Wynaendts* welcomes all present and recalls that helping people to achieve a lifetime of financial security is the purpose of Aegon. Last year, Aegon helped nearly 29 mln customers around the world. Their needs are changing fast and Aegon is only able to serve them if we also continue to change. He will therefore first explain in his presentation how the environment in which Aegon operates has changed, after which he will discuss in detail how we have been transforming the company, strategically, financially, organizationally and culturally.

Starting with the external environment in which Aegon operates, he explains that, while 2017 was not a year of radical change, there were a number of welcome developments for Aegon's financial perspective:

- The world economy continued to improve. The modest global growth rate of 3% was the highest since 2011 and growth improved across the majority of the markets in which Aegon operates.
- The financial markets were generally favorable with limited volatility which is good for Aegon as an investor.
- Finally, the rising interest rate was not only good for customers wishing to save for the future but also for the company. Although this rise was of course from a very low base, rates in particular in Europe remain a point of concern.

Looking beyond the world economy and markets, the key trends that affect the industry are consistent with recent years. We continue to operate in a fast-moving highly regulated environment. Political events around the globe continue to lead to uncertainty and digital developments mean that customer demands are changing fast. Above all, people around the world are living longer and healthier lives but are also required to take greater individual responsibility for their own financial future.

Mr. *Wynaendts* then continues that against this background Aegon has been undertaking a strategic transformation. Aegon exists to help people throughout their lives, from providing protection and enabling them to fund their children's education and paying their medical bills, to helping them have a long and happy retirement. The fact that our clients have become even more responsible for their own finances means that they need more relevant advice. Providing that guidance and advice to our customers is a big opportunity for Aegon to develop a broader and deeper relationship with them. Focusing on helping people, not just at one-off moments but across their lifetimes, is why we have shifted our business model from a single-product relationship to a lifetime customer relationship.

He continues that having more user-friendly digital platforms, products and services – not only for customers but also for employers and advisors – is central to Aegon's strategy. The approach is simple: people should be able to connect with us when they want and how they want. We are therefore making considerable investments in order to meet this demand and particularly digital.

He then shows a slide with an example of the digital innovation in each of the three of Aegon's largest markets. For the Netherlands, Mr. *Wynaendts* discusses KNAB, the unique online bank that has grown very fast. In just five years, it attracted over 175,000 customers with one of the very highest customer satisfaction levels in the sector. With regards to the US, he mentions that the Transamerica business has invested heavily in its digital presence, launching a new app and an online knowledge platform and community, all of which are based on the link between wealth and health. Finally, in the UK, Aegon provides investment funds, savings products and pensions to customers and became the number one platform.

He continues that Aegon's increased focus on digitization and innovation is not restricted to Aegon's platforms and he discusses some other important steps made over the last year. In the Netherlands, we implemented robotics to handle customer requests to change address or bank account details. By using this technology, 95% of all requests can be automatically completed with no manual intervention from employees, freeing them up to provide better service on more challenging customer inquiries. In the US, we are transforming how we issue policies. At present, issuing a policy can be a labour-intensive process taking over 35 days. It is also intrusive and time consuming for our customers. For this reason, we are currently investing in our digital underwriting capabilities to reduce the process to take only 48 to 72 hours and becoming 100% digital from submission to contract and servicing. In addition to those examples, sometimes, the best way to transform a company is by working with our peers. In 2016 we were one of the five founding members of the B3i-block chain initiative, which is developing usage for blockchain technology in insurance. The initiative's first project, a common platform for reinsurance, is expected to lead to significant productivity gains in the future.

Mr. *Wynaendts* then states that while enhancing our relationship with our customers has been at the heart of much of the work we have done over the last year, we also have very important relationships with other stakeholders. Integrating responsible working practices in everything that we do is not just good for business; it is also the right thing to do for our customers, for wider society and for the planet on which we live. It is for this reason we set ourselves three clear objectives:

- First, we want to support our customers to improve their financial security and well-being. Our customers' future is dependent on us being able to fulfil the promises that we have made. Last year alone, we paid out close to EUR 50 bln in claims and benefits to them. This shows how relevant we are to our customers.
- Secondly, given that people are living longer and healthier lives and given the purpose of our company, we see it as our responsibility to do all we can to raise awareness about financial security.
- Thirdly, we are stepping up our efforts to protect the environment and combat climate change through our investments. As a large investor, managing of hundreds of billions from our own account and for policy makers, we are working to diminish the carbon footprint of our portfolios. During 2017 for instance, we decided to exclude coal mining investments and we are looking to increase our exposure to renewable energy generation. More recently, we decided to run off our investments in the tobacco sector.

You can learn about our thinking behind these decisions much more in our 2017 responsible investment report, which was published today and which is available to all of you. As you can see in the foreword, Sarah Russell, the CEO of our Asset Management business, is a strong advocate of putting responsible investments center stage and of highlighting how healthy ageing is supported by a healthy environment. *Mr. Wynaendts* concludes that he is proud that Aegon plays a role in addressing some of the big societal problems of our age and is pleased to see that this is one of the reasons why Aegon attracts some of the very best talents to the company.

He then continues discussing the second part of Aegon's transformation: the financial transformation. The focus has been on transforming Aegon to become a strong and financially stable organization, with a strong capital position, proven quality of capital and strong growth of capital generation going forward.

Aegon is today a very different organization compared to the start of this decade. Three steps in particular have transformed us financially and improved the profile of the company. We have responded to the changing environment by divesting over EUR 5 bln of non-core activities. We have optimized the value of our back books, in particular by reducing expenses. And at the same time we have been growing our business by 15% per year in a profitable way. Aegon is now well positioned for the future and well positioned to further accelerate the growth of our company. He then discusses an overview of what was done over the last year to take advantage of growth opportunities:

- First, we have continued to transform our UK business by acquiring BlackRock's pensions business and by acquiring Cofunds, making us the UK's number one investment platform.
- Second, Aegon can report the sixth consecutive year of positive external third-party inflows of our asset management business.
- Third, we have invested in repositioning of our US business. At the start of 2018, we announced that we would be outsourcing the administration of our Life, Health, and Annuities business, which will enable us to convert 26 different systems into one new modern system. This agreement covers around 10 million policies and is expected to reduce expenses with USD 70 mln rising to USD 100 mln annually.
- We have also been optimizing our business by divesting non-core businesses such as our run-off activities to Wilton Re in the US, our brokerage business UMG to Aon in the Netherlands, and the recently announced sale of Aegon Ireland to Athora. This gives us room to invest where we see the greatest potential for growth. It also means we are able to significantly strengthen our capital position.

The management actions taken to transform the company have led to clear results. In order to be less dependent on interest rates and credit markets, we have made considerable investments in our fee business. This has proved to be very successful, as evidenced by the fact that the percentage of our earnings coming from our fee business has tripled since 2010, reaching 45% in 2017.

Our strategic choices to focus on the platform business in the UK and to launch one asset management organization is also clearly paying off. Over the past six years, we have realized a 29% growth in our deposits per year on average. In 2017 alone, this growth in our gross deposits amounted to EUR 44 bln.

Mr. *Wynaendts* then underlines how pleased Aegon is with the strong improvement of the Solvency II ratio to 201% at the end of 2017. At the same time, Aegon has been able to grow its capital generation strongly allowing to deliver on the promise to return capital to the shareholders. For 2017, the total dividend, subject to shareholder approval of the final dividend later this morning, will be almost EUR 560 mln, the sixth consecutive year of dividend growth for our company. He concludes the presentation on the financial transformation by addressing the key 2018 financial targets. Significant progress was made in 2017 and this means that we are on track to deliver on our targets in 2018. Matt Rider, CFO of Aegon, will provide more details.

Mr. *Wynaendts* then shares some of the highlights of the third part of the transformation: the cultural transformation. Everyone at Aegon can be proud of how we have changed. In order to adapt and evolve to our customers' changing needs and to the changing world around us, we need not only to change what we do but also how we do it. For that reason, we have implemented a cultural transformation program called Future Fit, consisting of four themes: agility, accountability, acting as one, and customer centricity.

Putting customers' best interest first is at the heart of everything we do. In recent years, the composition of our work force has also changed and this is a trend we expect to continue. On the one hand, some processes have been automated which inevitably has an impact on jobs. On the other hand, we need new skills. We can achieve this in several ways: by bringing experts from outside, for instance in the fields of data analytics and digital marketing, or by reskilling existing employees, which we do through initiatives as our Center of Excellence for Digital or our Analytical Academy. Finally, adjusting to a new world requires us to change the way we work and how we are organized. This can mean anything from deciding to work with partners, outsourcing certain functions or investing in start-up fintech companies, as we do through our Transamerica Venture Fund.

Then a video is shown in which Carla Mahieu, Global Head of Human Resources, discusses the cultural transformation program and the journey towards becoming a future fit company. After the video, Mr. *Wynaendts* continues and explains that the transformation, offering the very latest digital solutions and improving our customer service level, has led to a significant improvement in customer loyalty. Customer satisfaction is incredibly important, especially when you are developing a lifetime relationship with customers. Therefore, he also visits the customer service centers and is impressed with the skills and the professionalism of all the colleagues working there. Employee engagement, a reflection of the degree to which colleagues feel motivated and committed to Aegon, has also improved, which is especially pleasing given that we are implementing a lot of changes across our business, some of which can have a significant impact on our staff.

Mr. *Wynaendts* then concludes his presentation. He is proud of how Aegon is getting closer to its customers and on how the company is transforming and the financial position is being strengthened. We are successfully executing on our strategy and we are now well positioned to deliver on our key 2018 financial targets, as well as to capture the growth opportunities we see in all of our key markets. He is therefore confident that Aegon will continue to add value to all our stakeholders, to deliver on our promises and to offer our customers the financial security they need in an insecure world.

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

3. Annual Report 2017 and annual accounts 2017

3.1. Reports of the Boards for 2017

The *Chairman* asks Matt Rider, CFO of Aegon, to present the financial performance for the year 2017.

Mr. *Rider* welcomes everyone and explains that 2017 was a year of strong growth in earnings and capital generation. We saw continued strong sales momentum and we have been able to significantly improve both our capital position and our capital generation. He will first address the key financial results for the year. Then he will focus on the capital position and the progress that was made in returning capital to the shareholders and on meeting the other financial targets.

Mr. *Rider* explains that the strong financial performance in 2017 was mainly due to earnings growth from the main businesses as a result of management actions to reduce expenses, favorable financial markets and better claims experience in the US. Our businesses in the Americas, Europe and Asia all increased their underlying earnings before tax over the prior year. Moreover, we continued to generate solid sales. This strong sales growth was mainly driven by our gross deposits, which were up 44% compared to 2016, a reflection of both the expansion of our UK platform business and the continued growth in our asset management business.

The operating expenses increased by 3% to EUR 3.9 bln in 2017. While we devoted significant attention to reducing expenses in our core businesses, we continue to invest in growth for example through the acquisition of Cofunds and BlackRock and in digitizing our businesses. Nonetheless, we are well on track to meet our expense savings target of EUR 350 mln by the end of 2018. At the end of 2017, we managed revenue-generating investments worth more than EUR 817 bln, a 10% increase compared with the previous year. Last but not least, our Solvency II ratio at the end of 2017 was very solid and stood at 201%, just above the top end of our 150% - 200% target.

Mr. *Rider* then focuses on the earnings and notes that the underlying earnings increased by nearly EUR 200 mln to EUR 2.1 bln in 2017. This 10% growth was mainly driven by the transformation of our business, for example the growth of our fee-based businesses, management actions such as our expense savings programmes and a favourable equity market performance. Aegon's net income in 2017 improved significantly compared with 2016, almost EUR 2.4 bln. What's more, below-the-line items such as fair value results, realised gains and impairments, were on balance positive. The strong increase in net income is also driven by a one-off tax benefit of EUR 554 mln due to tax reform in the US. Late last year, corporate tax rates in the US were reduced from 35% to 21%. We expect the reduction to have a significant positive effect, particularly on Aegon's earnings and return on equity, and the lower tax rates are also expected to generate an extra USD 100 mln a year in capital.

We are on track with respect to our return on equity target and last year achieved a moderate increase. The growth of our business and the successfully implemented expense-savings programme together with the expected benefit from US tax reform, gives us confidence that we are on a good trajectory to achieve our 10% return-on-equity target by the fourth quarter of this year.

Just as in 2016, we saw yet another year of record gross deposit with a continued strong growth of 44% to EUR 144 bln. This growth is the result of our strong position in the UK platform business and continued growth in asset management – evidence of our decision to focus on fee-based businesses has been the right one and is supporting the growth of our businesses overall.

Due to our strategic choices, changing customer preferences and our focus on maintaining pricing discipline, we experienced a further decline in new Life sales, which amount to EUR 896 mln for the year. We did however, see strong growth in China due to the continued success of our critical illness product and solid sales on our high net worth businesses. Indeed, our Asian business is very well placed for further development and has the potential to strongly contribute to the growth of our business going forward. New premiums for Accident & Health and general insurance sales amounted to EUR 885 mln, which is a 7% decline year on year, as product exit and lower supplemental health sales in the US more than offset increased general insurance production in Hungary.

Mr. *Rider* then returns to the deposits and notes that across our businesses we experienced outflow of approximately EUR 17 bln over the year, mainly as a result of contract discontinuances in the retirement business from the acquired Mercer. Excluding the Mercer outflows, we had net inflows of EUR 11 bln in 2017. We anticipated the conversion of customers to the Transamerica platform would lead to outflows, although the level of outflows was higher than expected. Now that these conversions have been completed, net deposits are expected to improve substantially as a result of the momentum that Transamerica is continuing to build in the retirement plan market. The outflows from the US were partly offset by continued asset management inflows, which reported positive flows for the sixth consecutive year and increased inflows in the platform business in the UK.

The growth in deposits is mainly driven by our fee-based businesses and new product propositions launched in recent years, for example the continued successful development of our online bank KNAB.

This was an important contributor to the 21% growth in gross deposits we achieved in the Netherlands last year. Another success story is our Dutch mortgage fund. This fund, which was only established in 2013, invests in Dutch mortgages issued by Aegon and provides a long duration asset within an attractive yield for our institutional customers. The fund has already exceeded EUR 12 bln of assets under management and we see further potential for growth in the fund as interest from foreign investors continues to increase.

By introducing new products aimed at servicing our customers throughout their financial life cycles and decisive management actions, we have changed the profile of our business. Other strategic milestones that contributed to this change were the finalisation of the sale of the UK annuity portfolio, the closing of the Cofunds acquisition in the UK and the growth of our general pension fund Stap, which enables separate financial administration of multiple pension plans from multiple employers. As a result of all these steps the fee-based businesses generated 45% of our underlying earnings before tax and three times higher than that percentage in 2010.

Mr. *Rider* continues that the key way to improve the performance is reducing expenses. We are well on track to meet our cost savings target of EUR 350 mln by the end of 2018. The expense savings programme consists of USD 300 mln in the US, EUR 50 mln for the Netherlands and EUR 15 mln for the holding. The continued execution of the savings programme is driving the reduction in our core operating expenses. The increase in our operating expenses is mainly driven by expenses related to acquisitions in our key business lines, which of course add scale to these businesses whilst restructuring charges have also had an impact.

At the turn of this year, we announced the partnership with Tata Consultancy Services in the US to outsource the administration of our Life and Annuity businesses. This will lead to considerable cost savings and represents a major component of the USD 300 mln cost savings target by Transamerica by the end of 2018. This partnership in the US, together with other expense savings initiatives across the group, have enabled us to achieve EUR 200 mln of run rate annualised expense savings by the end of 2017, which is obviously a very substantial amount. We are well on track to meet the EUR 350 mln target for the group by the end of 2018. It is nonetheless important to note that these expense savings will partly be offset by costs relating to the implementation of new rules and regulations, for example IFRS17.

In 2017, we strongly improved our group Solvency II ratio to 201%, which represents a 44-percentage point increase and puts us just above the upper end of our target range. This was an important development, given that a strong capital position acts as a buffer, protecting both our business and our policy holders, for instance in the event of a sharp drop in world financial markets.

Aegon's businesses are also generating more capital, which rose to EUR 2.1 bln in 2017, due in part to the successful divestments. Recent divestments in particular have increased our financial flexibility with the sale of our US run-off businesses freeing up and additional USD 800 mln of capital. Management actions have also helped, such as switching to the fee businesses, reducing costs and risk and developing products and services that require less capital.

A very important step last year was the successful recapitalisation of our Dutch business, which is now expected to return to dividend-paying status. Aegon the Netherlands is now expected to upstream EUR 100 mln in dividend in the first six months of 2018 and to pay a further dividend over the second half of 2018. Of course, this is subject to normal governance. At the same time we reached an agreement with our Dutch regulator DNB on a number of open issues for calculating our Solvency position. The result of the successful recapitalisation is that Aegon the Netherlands' solvency position increased to 199%. Capital ratios also improved significantly in two main other business units.

While the tax reform in the US is expected to result in a one-time increase in our US capital requirements, we still expect our overall solvency ratio to remain in the upper half of our 150% - 200% target range. Finally, something else that is important to note with regards to capital is that the quality of our capital has also improved over the course of 2017. Indeed, our Tier 1 capital as a percentage of capital we have to keep under Solvency II, increased strongly from 132% to 166%.

Moving to the return on capital to shareholders, Mr. *Rider* notes that a strong capital position and growing capital generation means that it is possible to pay a sustainable and growing dividend. For this reason, we are able to increase our 2017 dividend by 4% to EUR 0.27. This means that we have grown our dividend for six years in a row. The growing dividends are well funded by the remittances from our business units, while also allowing for investments in strategic priorities. During the year, our operating units generated approximately EUR 1.3 bln of capital, excluding market impacts and one-time items. This is nearly 10% increase in normalised capital generation year over year and we expect it to grow yet further during the course of 2018 to approximately EUR 1.4 bln. After holding and funding costs of approximately EUR 300 mln, we had EUR 1 bln free cash flow in 2017. This more than covers our capital return to shareholders for the year of almost EUR 560 mln and underscores our commitment and ability to return EUR 2.1 bln to our shareholders over the period 2016-2018.

Mr. *Rider* then discusses the long term care. Following recent events in the industry there has been increased attention for this book of business. In this respect, he underscores that claims experience in our long-term care business has been in line with expectations over the last six quarters. We do a thorough assumption review every year. These results reflect three primary drivers we use to manage this block of business:

- First, investment income. Here, we have actively managed our investment portfolio and since 2002 we are using forward-starting swaps to lock in then higher interest rates. As a result, we expect to achieve a return on our investment portfolio in excess of 7%.
- Secondly, premium rate increases which we have been pursuing since 2002 are among the first in our industry. In our latest round of rate increases, which was launched in 2016, we have seen good success rates. This round of actions is anticipated to lead to over USD 1 bln in additional premiums. So far, we have the majority of the requests completed at levels in line with our initial expectations.
- Thirdly, we have reinsurance coverage on approximately 20% of the book.

Furthermore, we have a rigorous process of diligently reviewing our long-term care reserves on an annual basis. Our reserves reflect the features and characteristics of our book of business as well as increasing amounts of claims data, given the relatively high average age of our customers.

We have completed reviews with our auditors in the process of setting our reserves and we also periodically engage independent outside actuarial firms to validate our conclusions. In summary, we are comfortable with the level of our provisioning and reviewing actual experience to expected is a routine that is annual part of our business.

Mr. *Rider* then concludes his presentation saying that we can be pleased with the significant progress that was made to date in terms of financial targets. We have already achieved 80% of our planned cost reductions and are ahead of our target on sales. Given our strong Solvency II ratio and return on capital over the last recent years, this means we are on course to meet all of our 2018 financial commitments. That said, we recognize that there is still work to be done on return on equity. The figure is moving in the right direction and we can expect a boost from the recent cuts in US tax rates. It is also positive that growth in capital-light businesses supports these returns. We are therefore confident that we are on a good trajectory to achieve our 10% return-on-equity target by the fourth quarter of this year, to a large extent driven by growth of our business and the successful execution of our expense savings programmes.

The *Chairman* thanks Mr. Rider for the presentation and then gives the shareholders in the meeting the opportunity to ask questions on the presentations of Mr. Wynaendts and Mr. Rider.

Mr. *Keyner* represents the Dutch Shareholder Association (VEB) and has proxies for about three quarter of a million shares as well from some of the retail investors. He has three questions. He starts that he is slightly more positive and optimistic than in the last few years as Aegon has delivered on the strategic objectives. The key one was customer satisfaction and Mr. Keyner notices a huge progress in the Net Promoter Score (NPS). He wonders whether the numbers are right and validated by the external accountant as the improvement is so dramatic. His second question relates to the financial criteria that are taken into consideration when reviewing potential take-over candidates. If Aegon would apply the same financial criteria to its own business, which business would you like to get rid of? His third question concerns the discussions with the SEC that were noted in the annual report and in press releases. What is the background of these issues? Is there any kind of lack of control mechanisms within Aegon and if yes, what is Aegon doing in order to close those gaps?

Mr. *Wynaendts* thanks Mr. Keyner for his questions and his agreement that Aegon made significant progress in transforming the company. On his question with regard to the NPS, he explains that Aegon works diligently on improving the NPS in all the businesses. There is indeed quite a significant improvement with which Aegon is pleased. It is a very thorough process to measure NPS and it is done on a consistent basis, year on year. Therefore, the numbers are comparable and we hope that we are able to hold on to this significant improvement. We are working hard in all of our businesses to focus on improving the relationship with our customers and you see an improvement in the outcome: 29 million customers.

To the second question, he explains that we are happy with our businesses because we have critical size, we have the scale we need and we have growth opportunities for the business going forward. We will be looking at those businesses where we do not think that we have the critical scale, where the overall market may not be big enough for us and in the context of changing environment, to see what the best way forward is. It is not possible to discuss this here, but Aegon has shown a very strong track record in addressing those businesses that are not optimal and we will continue to do so.

To the third question on the SEC, Mr. *Wynaendts* states that this of course is a situation that we regret. What has happened is that we have discovered a number of errors ourselves, which we self-reported to the SEC. The errors have to do with the implementation of very complex quantitative models. The fact that we cooperate with the SEC has also allowed us to engage with the SEC in a constructive way. The investigation is still open. We will obviously inform you as soon as it closed but we have already taken a provision in the fourth quarter that we believe is going to be sufficient going forward.

Mr. *Keyner* would then like a confirmation that the models are right, but that there has been some discussion about the way Aegon has explained them to the customers or the impact on the customers.

Mr. *Wynaendts* clarified that the discussion was more about the disclosures regarding the models, the exact functioning of the models and how we explained that in the prospectus to customers.

Mr. *Van Kleef* represents MN Investors and also has power of attorney to speak on behalf of Menzis and APB Asset Management. He has a question about the sustainability targets for Aegon. He applauds that Aegon supports the Sustainable Development Goals (SDG's) and appreciates the report on the performance of the selected indicators. What is Aegon's strategy and the goals for 2030 to increase the impact? Would you intend to expand the scopes of the three selected goals?

Mr. *Wynaendts* reminds the shareholders of the three SDGs that Aegon has identified for its business. That is SDG3, which is good health and well-being, SDG7, affordable and clean energy and SDG11, sustainable cities and communities in which we live. Our strategy is to focus on the interconnection between what we call long-term financial security and well-being. As part of that strategy we have three main objectives. The first is to help our customers improve their financial security and well-being. The second is to be a thought leader. We have made a lot of progress there in research into retirement and healthy solutions. The third is to help and take care of the environment. Just to bring you back to the first one. We have last year paid over nearly EUR 50 bln of claims, benefits, pension payments to our customers, which shows very clearly the importance of what we are doing. We also have achieved a lot of recognition in the US, but also globally, on the work we are doing in the Transamerica Center for Retirement Studies. We also have an Aegon Center for Longevity and Retirement in the Netherlands and a lot of policy makers in Europe, but also globally, are using this as very important reference material. In terms of our commitments to investments, last year we have made EUR 800 mln in green investments of which EUR 436 mln in renewable energy. We have decided to run off and exclude coal mining investments and, in line with our focus on financial security and well-being, we also recently announced that we have decided to divest our tobacco equities. We will no longer made new investments in that sector from our general account. So, a lot of things that we are doing demonstrate our commitment to also be part of the communities. It is important for us, it is important for our customers; they demand this. It is important for our employees and therefore it is also important for our shareholders.

Mr. *Spanjer* has several questions on the annual report and especially on the letter of the CEO. He questions the statement in the letter on the favorable interest rates and asks why there is a difference in interest rates between two subsidiaries of Aegon: in one year you can get 0.45% in deposits with KNAB whereas Aegon Bank in one year will give you 0.20%. He furthermore asks what the impact is for Aegon of the changes of corporate taxes in the US, as this is not specified in the letter from the CEO. With regards to the cost savings of EUR 350 mln he asks whether it can be specified how this is being saved. Continuing with the digitization, he asks who is responsible for the digitization and cyber security and how Aegon will deal with the GDPR that will come into force next week.

Mr. *Wynaendts* answers that the letter from the CEO is a summary which cannot contain all details on the questioned topics. With regard to the interest rates, he notes that rates have improved quite significantly in the US. That has been good for our business and for all those people who save for their retirement. In the Netherlands and in Europe it has been limited. We hope that the small rise that we have seen in 2017 will continue because it will translate in higher savings rates for our customers and therefore will induce more customers to save for the future. He furthermore explains that the interest rates at KNAB and Aegon bank are for different market segments with different services. That also means that you have different interest rate levels. It depends on the maturity, it depends on the service level. With regard to the EUR

350 mln in expense savings, he refers to the presentation of Mr. Rider which contained an overview of the savings and how we feel confident that we will hit our objective of EUR 350 mln. To the question on cyber security, he reassures that this is at the heart of the priorities on all our technological work and all our investments. We have a very qualified team, led by a CISO – Chief Information Security Officer, and they work with our own team and with outsiders. These outsiders take part in so-called red team exercises and are hired to try and hack us. For the time being, we have been able to effectively shut ourselves off from these outside red teams that are especially hired to get into our system.

Another shareholder attending the meeting then asks what Aegon is doing for the shareholders in terms of returns. It seems, Aegon is running well for the executives and the employees but not for the shareholders. What can the management do to boost the shareprice?

Mr. *Wynaendts* answers that the management does its best to look after the interests of all stakeholders. Customers first, shareholders and employees of the company. We do our best also for shareholders. That is why we are committed to return capital to our shareholders. He points out that Aegon has had a dividend that has been growing every year. Today, there is a dividend yield of around 5%. That is an attractive dividend yield, especially if you compare it to what you get on a savings account. We will continue to strive to build a sustainably growing dividend and that should benefit shareholders going forward. Aegon's share price did increase over last year and since the beginning of this year.

Mr. *Vreeken* has several questions on sustainability. With regards to Aegon's role model he asks which percentage of the roofs of the Aegon offices has solar panels and generators and what percentage of the employees has solar panels? Could Aegon draft a plan for all employees to be able to purchase solar panels relatively cheaply? He then refers to the parking garage and asks whether it is possible to invest in light electric vehicles or electrical speed bikes. Not everybody needs to arrive by bicycle but vehicle-sharing and more use of frequently running trains would be a good idea.

Mr. *Wynaendts* answers that the whole roof of the building is covered with solar panels which are made available for Aegon but also for the people in the neighborhood. He furthermore states that Aegon has invested over EUR 436 mln in renewable energy. So, we are clearly committing the money of our company to contribute to renewable energy. With regards to the question on the garage, we have a responsibility to help customers and to help our employees, but that ultimately, they have to decide where they live and how they get here. The office is located near a train station, so that the employees can come here by train, although Aegon would appreciate the trains stopping more often in this station. Furthermore, in the garage are also a lot of plugs for electric-charging of the cars. That is a very clear commitment to facilitate those that come here with an electric car.

Mr. *Borkink* asks with regard to the reinsurance of 20% of the business whether the counterparty risk influences the solvency ratio of Aegon. He furthermore asks to elaborate on the influence of the participation in blockchain with regard to the reduction in administrative expenses.

Mr. *Rider* answers with regard to the first question that Aegon has to hold required capital against counterparty risk. That is baked into the capital requirements under Solvency II. With respect to the question on blockchain, he answers that Aegon is involved in the first B3i-initiative looking at blockchain for insurance. As of today, it is not decreasing the operating expenses but we view it as potentially impactful for us in the future. The emphasis on B3i today is mainly on getting common electronic insurance contracting among reinsurers as a first step and also on Property & Casualty insurance. Many companies are involved and we were one of the first ones into it. But at this point, it is more of a research thing than something that is being put into practice today.

Mr. *Van Iepen* states that Aegon is working in a saturated market in which it has to compete. He furthermore asks what is expected to happen in England after the Brexit, assuming that the British pound will prevail and you want your income in euros? Then he asks about the long-term trends and where to find the figures for China in the annual report. With regard to sustainable investments, he concludes that for private investors the bottom line is earnings per share, dividend per share and the future of the firm.

Mr. *Wynaendts* answers with regards to the Brexit that insurance is a local business. We have local customers, local liabilities and local assets. What indeed is translated then is the profit. Fortunately, we have a profit and a rising profit in the UK. That is then translated from pounds to euros. So yes, we can be exposed to the fluctuation of the pound against the euro, but our business in itself is not significantly impacted by Brexit. In terms of the interest rates, he explains that longer-term higher interest rates are positive for everybody. It starts to be positive for our customers because they get more returns. They can save more for the future. They can have a more attractive retirement plan. So, every year higher rates is good for customers and if it is good for customers, it is also good for us. He continues that he agrees that not all investments in renewable energy are successful. That is the reason why we have to be doing the right thing, but at the same time never forget that we also need to make an investment return. What we want is good returns because we have a fiduciary responsibility to all our customers to do the best in terms of returns. If on top of that we are able to find investments that are contributing positively to this world, then we have a win-win situation. That is what we focus on. That translates into the profit and that then translates into higher dividends to our shareholders.

Mrs. *Magis* represents the VBDO, the Dutch Association of Investors for Sustainable Development. She has three questions about responsible investment and impact investments. First she asks whether Aegon would be willing to commit to a target of concrete actions to increase the share of responsible investments in the portfolio, so not a specific percentage of the overall portfolio but commit to a number of concrete actions that you can undertake to pursue more of these investments long term. Her second question relates to the concept of living wage, which refers to the concept paying a wage to an employee that provides for the basic necessities. Could you make a commitment to incorporate that in your responsible investment policy in the same way you have incorporated it in your sustainable procurement policy? If you can commit to that, could you then explain to us how you will follow up on this or how you will engage on this? Her third question is about SDG3 on health and well-being. Other companies engage with medical companies and put the discussion of access to affordable medicine on the agenda. Is that something that you would be willing to commit to as well in your engagement with the companies you are investing in?

Mr. *Wynaendts* answers to the first question that Aegon is taking a lot of initiatives in different parts of the world. We have to find the right balance between fiduciary responsibility of delivering adequate returns. If we do not deliver adequate returns we cannot meet the promises we make and we cannot supply the pensions our customers are counting on. So, we have tried to focus on a number of areas and we focus on micro-finance and clean energy. The other area where we actually are quite important is what we call sustainable real estate. That is an important asset class for us in all our markets, particularly in the US where it is called 'affordable housing'. By the end of last year, we had over 8.1 billion in impact investments and that is up from 7 billion. It is an improvement but on the other hand it is not a question of more money so more investments; you have to make sure that you get the right investments, that meet our requirements.

To the second question on living wage, he answers that this is a relatively new theme, which is why we have not yet taken a firm position. Our approach in these cases is that we first engage with external stakeholders. We try to understand what the positions are, and will then evaluate to what extent we can bring that back into the responsible investment policy. We will come back on this once we have a better understanding of what all the different aspects are and what it really means to put it in a policy.

With regards to the third question in relation to SDG3, Mr. *Wynaendts* explains that Aegon is not a primary health insurer. We offer supplemental health and what is important is that we also try to find a good fit between wealth and well-being. If you want to grow old you need to be healthy. Unfortunately, in many of the markets in which we operate it also requires you to be able to afford that and that you have the means to pay for medical insurance and everything that comes with it. These two are very closely connected. In the US in particular we have developed this whole campaign around wealth and health, how the two are linked together even without us being a health insurer. That is a theme that you will hear more about every year, so hopefully next year we will be able to show you more.

Mr. *Keyner* then would like to hear the perspective of the executive team and the Supervisory Board on the development of the share price over the last ten to twenty years. He states that it is difficult to influence the share price on the short term, but on a longer period the score card for the effectiveness of a company and its executive team can be determined by the performance of the share price, including the dividends, over a longer period. In 2008 the share price of Aegon was around EUR 9 and today it is EUR 6. Having 5% dividend yield is great, but maybe 2% is enough and then the share price could have moved to EUR 20 in the meantime. There was a credit crisis, low interest rates and so on, but he concludes that Aegon has not been able, in the last decade at least, to increase shareholder value in a dramatic way.

Mr. *Wynaendts* answers that the management looks after the interest of all the stakeholders, employees, customers and shareholders. He recognizes the disappointment in the share price. As management we have done and try to do everything we can to improve the performance of the company. We have remodeled our company by selling a lot of businesses. We have stopped doing certain businesses. We have taken our expenses down and that is very tough. You see here a management that is committed to do everything to ensure that we look after the interest of our customers, provide them with the right level of service and that we also look after the interest of our employees and our shareholders. Our work is to ensure that we improve profitability. Our work is to aim to increase the dividends. As you noticed, we have improved dividends over the last six consecutive years. You noticed yourself the 5% dividend yield. He continues that he does not want to look back to what the situation was ten years ago and blame it on how it was then. As management team we are very committed to do everything we can to have a company that is more efficient and that is growing. We are convinced that you will see the share price react accordingly. We are starting to see the results of all the hard work and we hope that we see a continuation of that trend.

Mr. *Keyner* reiterates that it is not possible to decrease costs to EUR 3.5 bln instead of EUR 350 mln, so that there are limitations to what can be done. At the same time, the shareholder value that has been destroyed is a big magnitude of EUR 350 mln. So, maybe the answer is that this management team in this industry is not able to create huge shareholder value, unless one thing changes, which is interest rates?

Mr. *Wynaendts* answers that he was trying not to blame everything on others, not to blame it on the market, not to blame it on the past. We have very low interest rates, close to zero interest rates in Europa and we have had very low interest rates in the US. With higher interest rates you will certainly see also higher share prices.

The *Chairman* then also reacts and states that the task of the Supervisory Board is oversight and advise. Nevertheless, we have been concerned about the share price as well. We checked the strategy of the company sideways, upwards and downwards and we now believe that we have a strategy in place that is solid and that is going to deliver shareholder value in the long term. We are taking that very seriously.

Mr. *Spanjer* then has several more questions. On page 3 of the annual report he asks whether the outsourcing of the administration of the Life and Healthcare activities is part of the EUR 350 mln cuts? How much progress was made since January? On the letter of the CEO he asks how the draft bill from 9 October 2017 to merge pension funds will impact Aegon's earnings model? On page 9, he sees fulltime and part-time employees, tied agents, trade unions and other employer representative groups and wonders whether Aegon has trade union people on the pay roll. With regards to the UK, he notes that the discount rate has changed. What will be the consequence? He concludes with questioning page 12, where it is stated that in 2017 revenue was down because the gross premium income in 2016 was EUR 23.453 mln. By 2017 it was EUR 22.826 mln.

Mr. *Wynaendts* answers with regard to the outsourcing that on April 16, 2018 the transfer has taken place. So, it has been executed a month ago. The benefits of that outsourcing, which means that we will do the same work for less costs, is part of the EUR 350 mln. You have to find ways of achieving that, while not affecting the level of service to our customers. To the second question about small pension funds. He answers that in this very low interest rate environment there is not a lot of activity going on right now. Maybe later, if rates go up and the pension coverage ratios will be 100 or above again, you might see more activity. He assures that Aegon is very well-positioned at that point in time to look at the opportunities. In terms of premium amounts, he notes that the dollar has declined compared to the euro. When we have a lot of our businesses in dollars, the translation into euros shows lower euros in premium. But that does not mean that the premiums always decline.

Mr. *Spanjer* reiterates that the Ogden discount rate in the UK is down. Does that have anything to do with personal injuries?

Mr. *Wynaendts* answers that in the UK we are providing protection products, which is Life insurance and Term insurance. 95% of our business is investment products as we mentioned. We are the largest platform in the UK after the acquisition of Cofunds and BlackRock and we have a platform that has around EUR 150 bln of assets. That is our core business in the UK.

Mr. *Van Der Graaf* then also refers to creating shareholder's value and asks whether it is an option to accelerate the cost saving program, like Nationale Nederlanden.

Mr. *Wynaendts* answers that Aegon has EUR 350 mln in terms of targets for expenses, which re-increased from a much lower level only one year ago. So, the EUR 350 mln is already an increased target compared to what it was. We doubled our target actually in the US, which has been very significant.

Mr. *Van Der Graaf* continues that the dividend has increased annually. That is a good thing, but it is not a lot of money. Company-wide it is a lot of money, but if you really want it to have an effect that would lead to shareholder's value and a higher share price, you should not only increase the dividend but you would actually have to increase it over and above what the market expects.

Another shareholder attending the meeting asks whether Aegon has been able to maintain the car insurance market share and whether Aegon has been able to increase it? He furthermore questions whether it can be specified which amount will be saved as a result of the plans in the US. He then states that the UK is not a very prominent market.

Mr. *Wynaendts* answers that car insurance is not our largest business. We want to provide car insurance to those customers that we can serve. We keep a stable market share. In terms of the financials related to the changes in tax in the US from 35% to 25%, Mr. Rider has already given a presentation, but he can clarify further. In the UK we are trying to improve the performance. We have a big integration of the acquisition of Cofunds. That means that we will take expenses out. As a result of that, 2019 is expected to show very significant improvement over 2018, after all the conversion from Cofunds and all the integration has taken place. If we have committed a GBP 65 mln cost reduction, you should see that coming through in the P&L account.

Mr. *Rider* then gives the high-level impacts on the US tax reforms and explains that, all in all, the effects of the tax reform were quite positive for Aegon. The first is that when the reduction in the tax rate was announced just before the end of the year, we saw a EUR 1 bln increase in shareholder equity as a consequence of having the tax rate come down, of which about EUR 550 mln was reflected in the net profit. That is one of the big reasons why our net profit was so high in 2017. Looking forward, it will be impactful for our income. Net underlying profit would be expected to increase by about EUR 140 mln per year and the group ROE would be expected to increase by about 55 basis points. There are other capital impacts, RBC ratio's in the US, which we expect to be reduced, but that is largely offset by about USD 100 mln in annualized capital generation going forward.

Another shareholder attending the meeting refers to the video in which it is shown that the head office has been provided with solar panels. His question is if it can be shown that Aegon is increasing the number of panels in the buildings? The same applies to electrical cars. Are there also electrical cars being driven by the members of the Executive Board? He then refers to the option to become world champion in scale-ups. For example, there are very cheap drugs that are withdrawn from the market. Is it possible to set up investments funds and make sure that these drugs remain in the markets?

Mr. *Wynaendts* answers on the solar panels that Aegon has reduced its emissions in 2017 by 14%, so we are making progress. We also have commitments to be a carbon-neutral company. In July, we will have a two-week experiment in Leeuwarden, in the north of Holland, where we will have what we call 'duurzaam naar je werk gaan'. Around a 1,000 employees will go to their work. They will either be allowed to work from home, then they do not need to take the car. They will go on what we call the 'elfwegentocht', the eleven roads trip, where we try to bring people together for those who are not able to go by bicycle or train. We also take a number of other initiatives. When these employees have to go to The Hague for example, we really stimulate video conferencing. In case we have to do meetings face-to-face we will use what we call blue diesel car fuel, which is supposed to be much better for the environment than the standard one. So, we do a lot of things like this. It is important that the employees embrace it. We will help them, but they have to embrace it.

The *Chairman* then notes that there are no further questions and moves to the next agenda item.

3.2 Remuneration report 2017

The *Chairman* introduces Ben Noteboom, Chairman of the Supervisory Board Remuneration Committee, who will present the 2017 Remuneration report. Mr. Noteboom's presentation slides are considered part of these minutes and are available on aegon.com.

Mr. *Noteboom* notes that the remuneration consists of three components: the fixed salary, the variable pay and other benefits like pensions. He explains that the salary of Mr. Wynaendts did not change in 2017 compared to 2016. Mr. Rider started in 2017, so his salary can of course be seen as an increase compared to 2016. The variable compensation is conditional, allocated after completion of the performance year, depending on the results and what has been achieved. The maximum is 100% of the fixed salary as per legislation for international finance holdings in the Netherlands. 50% is in shares, 50% in cash. Once we have calculated the variable pay, the pay-out is in four instances. The first year after the completion of the relevant year we pay out 40% and the remaining 60% is paid out in the consecutive years three years after that, after we have made an ex-post assessment whether or not the reason the variable pay was awarded was actually valid or not.

The presentation shows the performance indicators that were applicable in 2017, including the outcomes in terms of the amount of variable compensation to be allocated over 2017. The results are shown in the same format as last year, so it is easier to compare. The largest part of the applicable indicators for the Executive Board is formed by the Group targets. These contained financial and non-financial targets. Generally speaking, the performance of the Group with regard to the financial targets was above target, with the exception of Market consistent value of new business and Return on economic required capital. Both scored between threshold and target level, so not below the minimum. The performance of the non-financial Group targets was above target. The same holds for the Personal targets for both CEO and CFO. These individual targets were specific for their roles. These scores have resulted in the percentages variable compensation shown on the slide. When added up, they provide an overall outcome for the CEO of 90.36% and 89.11% for the CFO. The conditional variable compensation is allocated over the performance year. In 2018 40% will be paid half in shares and half in cash. The shares will have to be kept by the board for another three years after they are actually vested. The remaining part of the performance year will be paid out in future years, again subject to the ex-post assessments. It will always be 50-50 with a retention period of three years. With that, Mr. *Noteboom* concludes his presentation.

The *Chairman* thanks Mr. Noteboom for his presentation and asks whether there are questions.

Mr. *Keyner* acknowledges that in 2017 the performance of Aegon has been better than the year before and the two years before that, but it was not a fantastic year. When an executive gets 90% of the maximum bonus, it must be the best year ever almost, but that is not the case. The year before also 82% of the maximum bonus was awarded. Is it possible that the targets which Aegon is using are not tough enough? Is it possible that the targets are set on purpose in a very soft way in order to compensate a small part of the gap that you are seeing with your competitors in the US?

Mr. *Noteboom* answers that it is not the case. We cannot compare the salaries with the US, because a 100% bonus will not make any difference. We have very tough discussions every year on determining the targets. It is based on the ambition that we put in the company, so it is a total of the targets that we have for all the elements of the Group, the US, The Netherlands altogether. If you look at the transformation, which Mr. Wynaendts already explained, the strategy and the cultural changes are extremely important to create long term value. That is how we look at it.

Mr. *Keyner* reiterates whether Mr. Noteboom understands that, when you ask a normal shareholder with a little bit of distance to your company how he thinks that Aegon has been performing last year(s), very few shareholders would conclude that it was really great? The share price also indicates that. Now, there may be very good reasons for that. However, one would then expect that maybe 10% bonus would be enough or 20% or 12%. Are you trying to cover the gap for a small part with the US competition by accepting very soft targets? The targets, as far as shareholders are concerned, are very soft indeed.

Mr. *Noteboom* answers that he just explained the target setting, which we think is tough. It is based on the policy approved by the shareholders. We apply the policy and that is how we come to this outcome.

The *Chairman* notes that it is not only financial performance that drives this. We have to have 50% of our targets in non-financial and they are driving this as well.

Mr. *Keyner* answers that in the next remuneration policy review, it could be considered to make the value creation in the long run more prominent. The way and the extent to which Aegon is creating economic value for the shareholders should become much more prominent in your target setting.

The *Chairman* and Mr. *Noteboom* note that we are forced by law to have a significant amount of non-financial targets. We have to follow the legislation. In terms of the financial side of the business, there is a strategy and we are on our way to meet that strategy. You cannot expect that in the first step all those targets are met. Basically, your targets are set for the next years and the remuneration is being paid accordingly.

Mr. *Van Kleef*, representing MN Services, then questions the used NPS again. It appears that there are three different NPS's that are being used in order to measure customer loyalty. In 2016 for the benefit of variable remuneration Aegon used the transactional NPS as an important non-financial key indicator. In 2017 it was changed into the customer-oriented NPS. Given the enhanced customer focus in 2017 this seems obvious, but the change of this indicator has not been communicated clearly by Aegon. Given the fact that it is a metric for non-financial performance, it is important to be transparent. As shareholders we want to understand how you establish your remuneration, so we would urge Aegon to communicate these metrics in a timely and transparent fashion and also to report changes in the used NPS matrix.

Mr. *Noteboom* explains that the change was made because it is a more reliable indicator. It is also an indicator that we use everywhere now, so that problem has been tackled.

Mr. *Spanjer* states that the remuneration policy is poor. Communication to the market is disastrous because the share price remains low. Five years ago it was EUR 9 and now it is hovering somewhere around EUR 5. You pay out 90%, 50% and so on. With the NPS, you have to attend this meeting in order to understand that that has changed. Are these shares purchased at the stock exchange?

The *Chairman* answers that the share price of EUR 9 was not five years ago, but ten years ago. He then establishes that there are no further questions and proposes to move on to the agenda item on implementation of the Corporate Governance Code 2016.

3.3 Implementation Corporate Governance Code 2016

The *Chairman* introduces the agenda item and explains how Aegon addressed and implemented the Corporate Governance Code 2016. He first provides a brief background of the Corporate Governance Code 2016, which was required to be implemented by the end of last year. The Code has four focus areas, namely: long-term value creation, adequate control and risk management systems, the effective management and supervision thereof, which includes best practices on remuneration and the effective functioning of the AGM and the relationship of the company with its shareholders. The Code introduced the requirement for a strategy to create long-term value and a requirement to have a culture that supports long-term value creation. As introduced in the Code 2016 there is a stronger focus and more detailed best practices in the field of adequate systems of control and risk management. Compared with the Code 2008 there were limited fundamental changes with regard to the areas that focused on management and the supervision of management, the functioning of the AGM and the relationship with the shareholders.

He then explains that Aegon assessed the Code on a clause-by-clause basis examining to what extent Aegon was impacted, what was needed to do differently and what was needed to comply. The conclusion was that the impact of the 2016 Code in Aegon was limited and that to a large extent Aegon had already complied with the new Code:

- Creating long-term value is at the core of our business, it is our business. No adjustments had to be made to our strategy in that regard. Aegon’s purpose to help people to achieve a life time of financial security is also the foundation of our strategy as delivering a lifetime of financial security underscores the need for long-term value creation. Our company strategy has four objectives: loyal customers, operational excellence, empowered employees and an optimized portfolio.
- In 2016 the Management Board introduced the Future Fit Program to enhance a culture that supports our strategy. As was shown in the video the goal of Future Fit is to create a more flexible organization to enable to adapt quickly to the fast-changing environment in which we operate by introducing new ways of working and new ways of doing business. The values of Future Fit are agility, accountability, acting as one and customer centricity.
- A strong emphasis on the need for adequate systems of control and risk management is new to the Code 2016. We already fully comply to all these best practices as this is central to how we manage our business as a regulated insurance group.
- There are some adjustments made in the field of effective management and supervision but none of those had any fundamental impact on our organization. We have for instance aligned the term of office of a member of the Supervisory Board. It is an initial period of four years plus the possibility for reappointment for another period of four year and then another two plus two years.

- The impact of the Code on remuneration was explained by Mr. Noteboom when we discussed agenda item 3.2.
- We already fully comply with the best practice for the functioning of the AGM and the relationship with our shareholders included in the code.
- The Dutch organization of Aegon Asset Management is an institutional investor and again complies with the best practices laid down in the Code for institutional investors and it has published its voting policy and outlined how it voted in the companies in which it holds shares.
- In order to ensure that all best practices were adequately covered the charters of the Board and the Committees were amended.

The *Chairman* establishes that there are no questions regarding the implementation of the Corporate Governance Code 2016.

3.4 Annual accounts 2017 and report independent auditor

The *Chairman* notes that Mr. Rider has already discussed the financials for 2017 with the reports of the Boards for 2017 and then invites Mr. Ruud Dekkers from PwC, the independent auditor, to comment on their audit work with regard to the 2017 annual accounts.

Mr. *Dekkers* (PwC) then gives his insights into the audit report of the Aegon 2017 Financial Statements. He refers to the Audit Report on the pages 323 to 331 of the Annual Report and then discusses the PwC opinion. With regard to the audit scope, he explains that the scope was established based on the way Aegon is organized, which is consistent with the prior years. We performed audit work on all in-scope regional units where Aegon has operations, which included the Americas, The Netherlands, the UK, Central and Eastern Europe, Spain and Asset Management. In the Americas, The Netherlands and the UK, due to their relative size, full-scope audits were performed based on our overall materiality, while in CEE, Spain and Asset Management specific audit procedures were performed. The coverage of our audit work amounted to 98% for revenues, 97% for total assets and 99% for profit before tax.

With regard to the materiality, *Mr. Dekkers* indicates that the materiality level was set at EUR 90 mln, which is an increase compared to the materiality level of EUR 65 mln used in the 2016 audit. Materiality has been calculated consistent with last year as 5% of the three-years average income before tax normalized for the Canadian and UK divestments.

Mr. Dekkers then addresses the key audit matters. Key audit matters are the most important matters have identified in the Audit Plan and in the audit work during the year. The first four are the same as last year. The fifth one is new:

- The first one is valuation of insurance contracts. This is the most significant liability on an insurance company's balance sheet and involves significant judgments to determine the amount. We used our own actuaries to assist in auditing these balances. We assessed the calculations and judgments, including assumptions paid by Aegon, to determine the reasonableness of the recorded liabilities.
- The second key audit matter is deferred policy acquisition cost and value of business acquired. These are up-front costs associated with writing an insurance contract, which are capitalized and expensed over the life of the contract. These assets require significant judgment regarding their recoverability. We used our own actuaries to assess the recoverability assumptions and judgments made by Aegon.
- The third key audit matter is fair value of hard to value financial instruments. This matter relates to investments that are illiquid and thus require significant judgment from Aegon management in

determining their valuation. We use our own valuation specialists to assist in auditing the calculations and assessing the judgments made and assumptions used by Aegon.

- The fourth key audit matter is uncertainties in policy holder claims and litigation. The insurance industry continues to face consumer activism and regulatory scrutiny over product design and selling practices. Aegon has encountered claims and litigations in this respect. We have assessed the company's position on these matters, including underlying facts and circumstances, and by obtaining lawyer's letters to the extent considered necessary for our audit, as well as assessing the need to record a liability and the required disclosures.
- The fifth, new, key audit matter is the US tax reform. President Trump signed the Tax Cuts and Jobs Act, the so-called US tax reform, into law on 22 December 2017. Given the significance of its impact, we identified the US tax reform as a key audit matter. We used our own tax specialists to assist us in performing our audit procedures. We have assessed the accounting position for the US tax reform. We tested deferred and current income tax balances inclusive of the impact of the US tax reform and assessed that the classification of the impact of the US tax reform was appropriate.

Mr. Dekkers concludes his presentation by reporting on the other information included in 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 contains all information as required by part 9 of Book 2 of the Dutch Civil Code.

The *Chairman* thanks Mr. Dekkers for the presentation. He furthermore thanks Mr. Dekkers, Mr. van Veen and Mrs. Blomberg for the contribution and the help that they have given on behalf of PwC as off 2008. In 2018 the auditor role will be taken over by Mr. Heuvelink and Mr. Zoon. He then gives the shareholders the opportunity to ask questions.

Mr. *Keyner* has two questions for the Aegon management. He states that reviewing the income statement, it appears that the actual result is determined by two components: the results from financial transactions and, on the cost side, policy claims and benefits. However, maybe one and a half pages in the Annual Report are used to explain these very important elements in the income statement. Could you elaborate on these two elements, since they seem to be determining really whether you are profitable or not and the extent to which you are profitable. In addition, he asks to what degree Aegon really controls and has influence on these two elements? His second question concerns the sensitivity analysis. He states that it seems that Aegon is accepting more risk than the previous year, for example in the exposure for interest rate risk and the development of the equity markets. Is this really a choice and why is that choice made?

Mr. *Rider* answers that the publicly available financial statements are extraordinarily complex and that most of the revenues, the real revenues, are coming from spreads: the amount that we are earning on our invested assets minus the amounts that we are crediting the policy holders in various parts of our businesses. There are other elements of our revenue which are fee-based revenues. Mr. Wynaendts and others have talked about the extent to which we have really driven our fee-based revenues over the past few years. You commented that most of our financial result is driven by financial transactions and how we control. It is actually a difficulty in presentation, but we do in fact control quite a bit of this. That is on the expense side and the way we manage our investment portfolios to generate an adequate yield for ourselves and also to pay benefits to our customers over time.

With respect to the second question on the sensitivity analysis, Mr. *Rider* explains that most of the numbers in the annual accounts are IFRS-based. These are the public books and records. Most of our hedging policies are geared towards protecting capital generation and in fact dividends, remittances from the underlying country units up to the group and in fact protecting our ability to pay dividends to shareholders. In many cases, the IFRS and regulatory capital accounting bases are at odds. We try to balance that to try to maintain our gross financial leverage ratio as part of the hedging, but our hedging programs are mainly there to protect capital generation. Sometimes that is at odds with what comes through our IFRS-reported figures. So, it is simply not a question of us taking more risk. If you look through the sensitivities, you see that they are far more balanced than they were last year. Up equity markets are improvements, down equity markets go the other way. It is balanced on the interest rate side. But these are primarily geared to protecting capital and dividend paying ability.

Mr. *Keyner* reiterates that if you compare this to 2016 the sensitivity seems to almost double. So, if in the past the equity markets increased by 10% there is a 5% impact on you and now it will be 10%. You seem to be more sensitive. He wants to know whether that is not a choice as the accounting rules have not changed that dramatically.

Mr. *Rider* answers that Aegon is more sensitive on an IFRS-basis, but less sensitive in fact on a capital basis, which is the primary goal of hedging. He agrees with Mr. Keyner that this means that IFRS is becoming less relevant to understand the business, the profitability and the capital generation for the future. Aegon will publish the SFCR on Solvency II capital which is more insightful to look at capital generation and capital generation going forward.

The *Chairman* then notes that Aegon has released PwC from the obligation to observe confidentiality to allow them to comment on the audit and the auditor's report on the financial statements of Aegon.

Mr. *Keyner* then also has two questions for the auditor. Firstly, he would like a confirmation from the auditor that there was no reason for him to doubt the internal control mechanisms in relation to the SEC investigation. He understood that it is not so much that the models themselves were wrong or that there were errors in the models, but that it had more to do with the communication towards the customers. His second question is whether the auditor had discussions with the management on a strategic level, meaning: what kind of disruptive forces may threaten Aegon in the next five years? Did these kinds of discussions happen and have these discussions led him to change his work in checking the books? This goes beyond the role an accountant would have had maybe five to ten years ago, but is the role we expect these days from an accountant.

The *Chairman* likes the management to comment on the SEC question and invites Mr. Dekkers to answer the second question.

Mr. *Dekkers* indicates that PwC has many discussions with management, for example on cyber security. That is one of the themes that management already commented on. It has a lot of focus and it is one of the issues that we have been discussing with them as well.

Mr. *Keyner* asks whether there had also been discussion about the business itself? So disruptive forces that threaten the way Aegon has been earning money for a century or more, for example when some complete new way of insuring yourself will be invented by a tech company. These are the kind of discussions that are very strategic and can have a huge impact – low probability but a huge impact – and maybe this is also apparent with Aegon.

Mr. *Van der Veer*, the Chairman of the Audit Committee, then comments on the questions. He explains that at the start of the financial year, the Audit Committee and the Supervisory Board have a good discussion with the external auditors on their audit plan. An important part of that audit plan is their risk profile, how they look at the company. They are aware how we look at the company, including those possible disruptive elements and new digitalization efforts we are taking as a company. As an Audit Committee we like to compare their look at the risk profiles of the company with our view, including these disruptive possibilities. Any discussion will of course take place over there. When we have agreed on that risk frame work, the auditors will finalize their scope into the right audit. On the SEC matter, Mr. *Van der Veer* confirms what Mr. Wynaendts said earlier. The SEC issue has nothing to do with being in control or that we are not in control there. It is an issue in models used in funds as sub-advised by Aegon Asset management, not in Aegon itself.

Mr. *Keyner* refers to the statement about being in control. It is stated that the models are fine and that Aegon maybe just communicated in an inappropriate way. He would like to have a confirmation from the auditor whether this led him to any kind of new doubts about the control mechanisms within Aegon.

Mr. *Van der Veer* repeats his confirmation. When such an issue was raised, a couple of years ago, we did our own investigation. As Audit Committee we followed that investigation of the company, the communication with the regulators etcetera. Of course, there are always certain oversights you can strengthen which we discuss in full transparency with our external auditor. That is normal business.

Mr. *Dekkers* then points to page 142 of the financial statements where the auditor's report on the internal control for financial reporting can be found. That is a positive report. He can confirm that what has been said around the SEC-investigation is correct and also that it is in the fourth key audit matter.

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

3.5. Adoption of the annual accounts 2017

The *Chairman* then puts forward the adoption of the annual accounts 2017 and establishes that there are no further comments or questions on the annual accounts 2017.

Following an electronic vote showing 1,400,566,319 (99.98%) votes in favor, 261,955 (0.02%) against and 897,884 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has adopted the annual accounts for 2017.

3.6. Approval the final dividend 2017

The *Chairman* states that Aegon's dividend policy is to pay out a sustainable dividend to allow shareholders to participate in the performance of the company, which can grow over time if the performance of the company so allows. In normal circumstances Aegon would expect to declare an interim dividend when announcing the first half year results and to propose a final dividend at the AGM of shareholders for approval. Aegon proposes to pay a final dividend for 2017 of EUR 0.14 per common share. This results in a total dividend for the financial year 2017 of EUR 0.27 per common share, considering the interim dividend of EUR 0.13 paid in September 2017. The final dividend will be paid fully in cash or stock at the election of the shareholder. The value of the dividend in common shares will be approximately equal to the cash dividend. It is the intention to neutralize the dilutive effect of the stock dividend by repurchasing shares.

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

Following an electronic vote showing 1,391,850,156 (99.34%) votes in favor, 9,251,578 (0.66%) against and 642,948 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the final dividend for 2017.

4. 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 2017 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2017 annual accounts.

The *Chairman* proposes to first address any questions on both agenda item 4.1 and 4.2 before the voting on these items is opened.

4.1. Release from liability for the members of the Executive Board for their duties performed during 2017

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

Following an electronic vote showing 1,347,950,515 (97.07%) votes in favor, 40,689,783 (2.93%) against and 13,108,593 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 2017 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2017 annual accounts.

4.2. Release from liability for the members of the Supervisory Board for their duties performed during 2017

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

Following an electronic vote showing 1,347,896,548 (97.09%) votes in favor, 40,734,726 (2.93%) against and 13,106,631 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 2017 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2017 annual accounts.

5. Composition of the Supervisory Board

The *Chairman* puts forward the proposals to reappoint Mrs. Corien Wortmann-Kool and Mr. Robert Dineen as members of Aegon's Supervisory Board for a term of four years from May 18, 2018 (i.e. until the end of the AGM to be held in 2022). The Chairman proposes to first address the proposed reappointments and any questions on agenda items 5.1 and 5.2 before the voting on these items is opened.

5.1. Reappointment of Corien M. Wortmann-Kool

The Supervisory Board proposes reappointing Corien Wortman-Kool as member of the Supervisory Board for another term of four years as of May 2018 until the end of the AGM to be held in 2022. The Supervisory Board proposes to reappoint Corien Wortmann-Kool in view of the constructive way in which she has contributed as a member of the Board, the Audit Committee and the Nomination and Governance Committee. Corien Wortmann-Kool has extensive knowledge of the financial sector legislation, such as Solvency II, financial supervision in Europe and financial markets legislation and competition policy. 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 Corien Wortmann-Kool as a member of the Supervisory Board, Aegon is well-positioned to help people achieve a lifetime of financial security. Information regarding Corien Wortmann-Kool is available in the agenda in the explanatory notes on page 4 and in Annex 1.

Mr. *Spanjer* mentions that there is a large shareholder with more than 10% and that according to the Code that person can claim a position on the Supervisory Board. If there is a Supervisory Board member that is not independent, could that be Mrs. Wortmann and if not, who would it be? He furthermore notes that Mrs. Wortmann is with ABP, another pension insurance company. What if the draft bill from 9 October 2017 is enacted and ABP is also able to buy up small pension funds? Is agreed how Mrs Wortmann would operate in case of a conflict of interest?

The *Chairman* answers that all Supervisory Board members are independent. He furthermore states that any of the Board members who has a conflict or feels that a conflict is coming in the organization has to self-declare that there is a conflict. So, the moment that there will be a conflict in the future, we will hear that from Mrs. Wortmann. Secondly, the Compliance Department keeps a very close eye on that as well.

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

Following an electronic vote showing 1,364,928,034 (97.61%) votes in favor, 33,487,331 (2.39%) against and 3,334,623 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mrs. Wortmann-Kool as a Supervisory Board member for a four-year term as of May 18, 2018.

5.2. Reappointment of Robert W. Dineen

The *Chairman* then moves on to the reappointment of Mr. Robert Dineen to the Supervisory Board. The Supervisory Board proposes Robert Dineen to be appointed as a member of the Supervisory Board for a term of four years as of May 2018 until the end of the AGM to be held in 2022. Robert Dineen has an extensive knowledge of the US insurance industry. He brings valuable transformation experience to Aegon and can build on the experience in several European countries and in the US. His knowledge and experience fit the profile of the Supervisory Board and matches the desired expertise. We have full confidence that with Robert Dineen as a member of the Supervisory Board, Aegon is well-positioned to help people achieve a lifetime of financial security. Information regarding Robert Dineen is available in the agenda in the explanatory notes on page 4 and in Annex 2.

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

Following an electronic vote showing 1,352,984,149 (96.76%) votes in favor, 45,327,588 (3.24%) against and 3,428,251 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Dineen as a member of the Supervisory Board for a four-year term as of May 18, 2018.

6. Authorization of the Executive Board to issue shares in the context of replacing Solvency II grandfathered securities

The *Chairman* introduces the agenda item which concerns the proposal to authorize the Executive Board to issue shares in the context of replacing Solvency II grandfather securities. He clarifies that the authorization will be granted for a period of five years as of May 18, 2018 and not as of March 18, 2018 as was mentioned in the Dutch AGM agenda. This was also clarified in the Dutch agenda as published on Aegon's corporate website.

Mr. *Ride*r then explains that the Solvency II regulation allows companies to grandfather Solvency I compliant debt securities which were issued before Solvency II was introduced. This is allowed for a maximum period of ten years. Aegon has EUR 3.5 bln of such grandfathered securities which need to be replaced before the end of the year 2025. The replacement of these securities by Solvency II compliant instruments leads to capital optimization and is in the best interest of the shareholders. This authorization enables Aegon to issue up to EUR 2 bln in Solvency II compliant contingent convertible securities in the coming five years. It is because of the potential conversion that shareholder approval is necessary for the issuance of common shares of up to 30% of issued capital for the next five years. The requested authorization will only be used in connection to the issuance of these contingent convertible securities and for no other purposes. The authorization is for a period of five years because that allows an orderly issuance when the market conditions are favorable.

He then explains that the issuance of the contingent convertible securities themselves will not lead to dilution. Actual dilution would only take place in case of conversion, a conversion that will only happen in case of extreme conditions, when the capital position of Aegon is profoundly impacted. The 30% dilution percentage as shown on the presentation is based on a number of assumptions, namely that we indeed issue contingent convertible securities with EUR 2 bln of principle, that the share price at the moment we issue these securities amounts to EUR 4.30 based on a 52-week low while the current share price is close to EUR 6. Furthermore, we presume a 30% discount in case of conversion, a percentage which is in line with current market expectations.

Mr. *Rider* concludes his presentation by saying that Aegon believes it is in the best interest of the shareholders to replace the currently grandfathered securities by Solvency II compliant contingent convertible securities. . As at today, Aegon is strongly capitalized with a Solvency ratio of 201% at the end of 2017.

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

Following an electronic vote showing 1,313,213,862 (93.74%) votes in favor, 87,711,125 (6.26%) against and 790,800 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board to issue shares in the context of replacing Solvency II grandfathered securities.

7. 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 7.1, 7.2, 7.3 and 7.4 and to address any questions on all these items before the voting is opened.

7.1. 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 shareholders to authorize the Executive Board to decide on an issue of common shares or grant rights to acquire common shares for a period of 18 months, starting 18 May 2018 and 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 capital plus 10% in case of an acquisition or in case the capital position of the company needs to be safeguarded or conserved.

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

Following an electronic vote showing 1,310,981,808 (93.56%) votes in favor, 90,183,986 (6.44%) against and 583,067 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 18, 2018, to issue common shares or rights to acquire common shares, subject to approval of the Supervisory Board.

7.2. 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 6 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 the granting of rights to acquire common shares for a period of 18 months starting 18 May 2018 and subject to Supervisory Board approval. This, together with the authorization of 7.1, allows the Executive Board to react quickly on circumstances necessitating an issue of common shares without or with limited pre-emptive rights. This authorization also is 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.

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

Following an electronic vote showing 1,257,946,745 (89.79%) votes in favor, 143,018,846 (10.21%) against and 778,672 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 18, 2018, 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.

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

The *Chairman* establishes that the full text of the proposed resolution has been included in the explanatory notes on page 6 and 7 of the agenda. This 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 granted in 2017.

Mr. *Spanjer* asks why the shares for the incentive plans are not bought at the stock exchange instead of issuing new shares. Issuing more shares would make it more difficult to make profit and to increase the share price.

Mr. *Rider* answers that there are shares in treasury, but that the resolution to issue additional shares is for specific remuneration purposes. However, shares in the market are repurchased to neutralize the impact of stock dividend.

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

Following an electronic vote showing 1,367,651,302 (97.64%) votes in favor, 33,103,122 (2.36%) against and 994,363 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 18, 2018, 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.

7.4. 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. This authorization to acquire share in Aegon N.V. is identical to the one granted in previous years. Although according to 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 authorization to 10%. This authorization will allow the Executive Board to be flexible and to react quickly to circumstances necessitating a repurchase of Aegon N.V. shares and can be used for any and all purposes. Upon adoption, this Resolution will replace the authorization granted in 2017.

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

Following an electronic vote showing 1,397,862,261 (99.81%) votes in favor, 2,665,657 (0.19%) against and 1,220,869 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 18, 2018, 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.

8. Any other business

The *Chairman* congratulates Mrs. Wortmann-Kool and Mr. Dineen on their reappointment as member of the Supervisory Board. He also expresses the gratitude of the Supervisory Board to Mr. Verbeek who will retire from the Supervisory Board after ten years of service to the Board. The Board has greatly benefited from his knowledge and experience as a member of the Supervisory Board. The Board is very grateful for his challenge of the Board and the management and he will be missed in the future.

The *Chairman* then recalls that he will retire as Chairman of the Supervisory Board, having also served for ten years. He looks back very fondly on his time at Aegon and what was achieved over the years. He notes that the Board has elected William Connelly to succeed him as Chairman of the Board after this AGM. He congratulates Mr. Connelly with his election and *Mr. Connelly* then thanks the Chairman on behalf of the Supervisory Board for his service and efforts. Under the Chairman's leadership a lot has changed within Aegon.

Mr. *Van Ieperen* then asks whether it is possible to make an abbreviated version of the Annual Report in Dutch or English with the core figures for retail shareholders next to the Annual Report.

The *Chairman* answers that the request will be taken into account, but that Aegon is also subject to significant rules and regulations around the Annual Report.

Mr. *Wynaendt*s then takes the opportunity to thank the Chairman for his time, commitment, challenge and support over the last ten years, also on behalf of the whole Management Board and on behalf of everybody in the company. These have been ten extraordinary years, starting just before the crisis in 2008. The Chairman has been really supportive and helped Aegon through a very significant transformation. It was a difficult period with very volatile financial markets and historically low interest rates. *Mr. Wynaendts* then also thanks Dirk Verbeek, on behalf of the Management Board and all the colleagues, for his time, support, challenge and the insights he has brought to the company. He then thanks all the colleagues around the world for their hard work, their dedication and commitment. It is only through this continued dedication that Aegon is able to transform the company, but most importantly to serve the millions and millions of customers around the world that depend on Aegon. He is very proud to be part of such a talented team and group of people.

The *Chairman* agrees with that statement and confirms that there are no questions left.

9. 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 13.30 CEST.

Drawn up in The Hague on August 17, 2018, to be adopted and signed on November 16, 2018.

/s/ William Connelly	/s/ Anne-Marie Roth-Verweij
____________________	______________________________
William L. Connelly, Chairman	Anne-Marie Roth-Verweij, Secretary