

REMUNERATION POLICY AND REPORT

AEGON's Compensation Committee is responsible for designing, developing, implementing and reviewing the Group's Remuneration policy. This policy outlines:

- The terms and conditions for employment of Executive Board members;
- Remuneration for members of the Group's Supervisory Board.

The Compensation Committee has four members:

- René Dahan (Chairman)
- Karla M. H. Peijs
- Willem F.C. Stevens
- Leo M. van Wijk

Each year, AEGON's Compensation Committee reviews the Remuneration Policy based on information provided by the Group's independent external advisors Towers Perrin. This Committee may recommend changes in the Policy to the Supervisory Board. Any material changes must be referred to the General Meeting of Shareholders (AGM) for approval.

SUPERVISORY BOARD REMUNERATION

Members of AEGON's Supervisory Board are entitled to:

- A base fee for membership of the Supervisory Board itself;
- A fee for membership of each of the Supervisory Board's committees;
- An attendance fee for each committee meeting Supervisory Board members attend in person.

Each of these fees is a fixed amount. Members of AEGON's Supervisory Board do not receive any performance or equity-related compensation and do not accrue pension rights with the Group. These measures are designed to guarantee the independence of Supervisory Board deliberations and strengthen the overall effectiveness of AEGON's corporate governance.

The structure of Supervisory Board fees is as follows:

Base fee

For membership of the Supervisory Board
Amounts in EUR (per annum)

Chairman	60,000
Vice-Chairman	50,000
Member	40,000

Committee fee

For membership of a Supervisory Board committee¹
Amounts in EUR (per annum)

Chairman of the Audit Committee	10,000
Member of the Audit Committee	8,000
Chairman of other committees	7,000
Member of other committees	5,000

¹ AEGON has four committees in total: Audit, Compensation Nominating and Strategy.

AEGON pays a premium to members of its Audit Committee because of the additional workload involved.

Attendance fee

For committee meetings attended in person
Amounts in EUR

Audit Committee	3,000
Other committees ²	1,250

² In case of intercontinental travel, this fee is doubled to EUR 2,500.

Information on the members of AEGON's Supervisory Board may be found on pages 88-90.

REMUNERATION POLICY

AEGON has a clear and well-defined policy toward executive remuneration. This policy is reviewed and assessed each year by the Group's Compensation Committee. If necessary, this Committee will recommend amendments to AEGON's Supervisory Board. Any material changes are then submitted by the Supervisory Board to the General Meeting of Shareholders for approval.

AEGON's Remuneration Policy has four main objectives:

- To enhance the simplicity, transparency and credibility of executive remuneration;
- To ensure AEGON is able to attract and retain highly qualified members for its Executive Board;
- To provide competitive, performance-related remuneration consisting of both fixed and variable components;
- To ensure the interests of Executive Board members are closely aligned with those of shareholders by linking remuneration directly to company performance.

The policy applies to all members of AEGON's Executive Board. In addition, it is also used as guidance when setting levels of remuneration for members of the Group's Management Board and other senior managers throughout the company. Executive Board members are appointed for an initial term of four years and may be reappointed for successive mandates also of four years. AEGON's current Remuneration Policy took effect January 1, 2007. It was approved by the AGM on April 25, 2007.

ENSURING COMPETITIVE REMUNERATION

As part of its overall remuneration policy, AEGON regularly compares the Group's levels of executive remuneration with those at selected peers. Two separate peer groups have been established, one for US-based Executive Board members and a second for European-based members.

Companies included in these two peer groups were chosen according to the following criteria:

- Industry: preferably life insurance;
- Size: companies with similar levels of assets, revenue and market capitalization;
- Geographic scope: preferably companies operating globally;
- Location: companies based in the United States and Europe.

AEGON's objective is to create stable and consistent peer groups. The Supervisory Board periodically reviews the composition of these two groups to ensure they continue to provide a reliable basis for comparison.

The two peer groups are made up of the following companies:

United States

- American International Group (AIG) (United States)
- Genworth Financial (United States)
- Hartford Financial Services (United States)
- Lincoln National (United States)
- Manulife Financial Corporation (Canada)
- Metlife (United States)
- Prudential Financial Inc. (United States)
- Sun Life Financial Group (Canada)

Europe

- Allianz (Germany)
- Aviva (United Kingdom)
- Axa (France)
- Fortis (Belgium/the Netherlands)
- ING Group (the Netherlands)
- Legal & General Group (United Kingdom)
- Munich Re (Germany)
- Prudential PLC (United Kingdom)
- Swiss Re (Switzerland)
- Zurich Financial (Switzerland)

ENSURING TRANSPARENT REMUNERATION

For each member of its Executive Board, AEGON sets a so-called 'Target Total Compensation'. This reflects the particular responsibilities and expertise of each Executive Board member and is entirely at the discretion of the Group's Supervisory Board.

When determining Target Total Compensation levels, the Supervisory Board uses a range between the 40th and 60th percentile of the relevant peer group as an objective. Each year, AEGON's Supervisory Board reviews Target Total Compensation levels to ensure they remain competitive and continue to provide proper incentives to members of the Group's Executive Board.

Target Total Compensation for Executive Board members comprises a fixed component, as well as both short-term and long-term incentive compensation. This structure ensures a balance between fixed and performance-related pay.

The table below gives a target breakdown for each of these three components. AEGON's long-term aim is to ensure that compensation for future members of the Group's Executive Board matches these targets as closely as possible. Current members of the Executive Board, however, have employment contracts that pre-date AEGON's existing Remuneration Policy. Terms and conditions of these contracts cannot be altered. As a result, the compensation breakdown for current members of the Executive Board may differ from the numbers below.

	Target % of fixed compensation	Target % of variable compensation	
		Short-term	Long-term
Executive Board position			
Chief Executive Officer	25%	25%	50%
Chief Financial Officer	40%	20%	40%
Member of the Executive Board	35%	25%	40%

FIXED COMPENSATION

It is the responsibility of AEGON's Supervisory Board to determine fixed salaries for each member of the Group's Executive Board, based on his or her qualifications, experience and expertise.

VARIABLE COMPENSATION

AEGON believes that variable compensation is an effective way of strengthening the commitment of individual Executive Board members to the Group's short-term and long-term objectives. Variable compensation under this Plan is granted once the Group's annual accounts have been formally approved by the AGM.

Short-Term Incentive compensation, or STI, is paid in cash. The Long-Term Incentive compensation, or LTI, on the other hand, is paid in the form of conditional shares. The value of these shares is calculated using the fair market value of a single share at the start of the financial year.

Fifty percent of shares granted under AEGON's LTI Plan vest four years after the grant date. The remaining 50% vest after a period of eight years.

Vesting shall occur automatically unless the Supervisory Board makes use of its discretionary right to annul the grant, in case of:

- Termination of employment before the vesting date;
- For reasons other than death or disability of the participant;
- For any acts by a participant which the Supervisory Board considers exceptionally detrimental to the company.

Variable compensation is only granted if the company's performance matches a series of pre-determined performance indicators. Together, these indicators provide an accurate and reliable reflection of AEGON's overall performance during the year in question.

These indicators are:

- Real net growth in operating earnings after tax¹;
- Growth in the value of new business¹;
- Total shareholder return.

At the beginning of every financial year, a target is set for each of the three indicators. A comparison is made at the end of the year between these targets and actual company performance. Entitlements for variable compensation are then calculated accordingly².

- Members of the Executive Board qualify for 100% of their entitlements if AEGON matches the pre-set performance targets;
- If AEGON's performance exceeds the targets, however, Executive Board members may receive up to 150% of their entitlement.

In addition, AEGON's Supervisory Board may make discretionary adjustments to Executive Board members'

¹ As publicly disclosed in AEGON's financial statements.

² For this calculation, the 'additive method' is used, i.e. targets are set and performance assessed for each separate indicator, independently of the targets and performances of other indicators.

variable compensation, but must adhere to the following procedure:

- If the Supervisory Board considers that AEGON's short-term or long-term business is being impacted by significant and exceptional circumstances that are not reflected in the pre-determined performance indicators, it may set up an ad hoc committee to consider possible adjustments;
- This committee will consist of the Chairman of the Supervisory Board, the Chairman of the Audit Committee and members of the Compensation Committee;
- This ad hoc committee will review all circumstances in detail and document its findings. The committee may then put forward a proposal to the Supervisory Board assuming, of course, that the committee's conclusions coincide in principle with those of the Supervisory Board;
- To reflect exceptional circumstances, variable compensation may be adjusted, but only to a level between 75% and 125% of the originally calculated entitlement¹.

PENSION AND OTHER BENEFITS

Members of AEGON's Executive Board are offered pensions and other benefits in line with local practices in their countries of residence. Executive Board members may also receive other benefits based on their contracts of employment, local practices and comparable arrangements for executives at other similar, multinational companies. AEGON does not grant Executive Board members personal loans, financial guarantees or the like, unless in the normal course of business and on terms applicable to all personnel. All such arrangements must have the prior approval of the Supervisory Board.

TERMINATION

Employment contracts for new members of AEGON's Executive Board contain a notice period of three months for the Executive Board member and six months for the Group. Termination arrangements conform to the Dutch Corporate Governance Code and to Dutch law. Existing rights of current Executive Board members will be respected. For further information, please refer to the agreements published on AEGON's website.

¹ The absolute maximum for the adjusted variable compensation as a percentage of the target is therefore 187.5% (in other words, 150% multiplied by 125%). While it is also theoretically possible under this system to arrive at a variable compensation of zero, AEGON's Supervisory Board has the authority, if justified by the circumstances, to grant a discretionary payment. It should also be noted that these discretionary adjustments concern variable compensation only, not fixed compensation.

REMUNERATION REPORT

COMPOSITION OF THE EXECUTIVE BOARD

In 2007, AEGON's Executive Board had three members:

- Donald J. Shepard, Chief Executive Officer, Chairman Executive Board;
- Joseph B.M. Streppel, Chief Financial Officer, member Executive Board;
- Alexander R. Wynaendts, Chief Operating Officer, member Executive Board.

Mr. Shepard will retire as Chief Executive Officer and Chairman of the Executive Board, with effect from the AGM scheduled for April 23, 2008. He will be succeeded by Mr. Wynaendts.

In April 2007, Mr. Wynaendts was reappointed to the Executive Board for another four-year term. Mr. Streppel's term as Executive Board member expires in 2010.

Johan G. van der Werf resigned from AEGON's Executive Board at the beginning of 2007 after being appointed to the Group's Management Board. He stepped down as Chief Executive Officer of AEGON The Netherlands in January 2008.

TOTAL COMPENSATION

AEGON sets a so-called 'Target Total Compensation' for each member of its Executive Board. This comprises both fixed and variable compensation. Please refer to pages 91-94 for full details of AEGON's Remuneration Policy.

Fixed compensation provides Executive Board members with a base salary. The amount is paid each year. Variable compensation, on the other hand, is based on the company's financial performance and amounts paid each year may vary as a result.

FIXED COMPENSATION

Base salaries for the three members of AEGON's Executive Board in 2007 can be found in the following table.

Base salaries	2006 ¹	2007
Executive Board member		
Donald J. Shepard (in USD)	1,000,000	1,000,000
Joseph B.M. Streppel (in EUR)	679,409	721,313
Alexander R. Wynaendts (in EUR)	575,086	676,313

¹ For Dutch members of the Board, amounts include base salary, the customary employee profit sharing bonus as well as a tax-deferred employee savings plan.

Messrs. Wynaendts and Streppel were both granted base salary increases at the beginning of 2007. These increases amounted to 17.6% and 6.2% respectively. Mr. Shepard's base salary remained unchanged despite a significantly weaker US dollar-euro exchange rate. AEGON expects Mr. Wynaendts' base salary to be reviewed again during 2008 following his appointment as Chairman of the Executive Board.

VARIABLE COMPENSATION

In April 2007, shareholders approved a new Remuneration Policy for Executive Board members. This changed AEGON's previous policy in three important respects:

- First, all LTI payments now take the form of AEGON shares, rather than shares and stock options which had been the case previously;
- Second, for variable compensation, the performance period is now one year, rather than three.
- Third, fifty percent of the shares granted under the LTI Plan shall vest four years after grant date. The remaining fifty percent shall vest after a period of eight years.

SHORT-TERM INCENTIVES

STI bonuses for members of the Executive Board determined in accordance with the 2006 and 2007 STI Plans may be found in the table below.

STI bonuses	STI amount 2006 (paid in 2007)	STI amount 2007 (due in 2008) ²	Decrease
Amounts in EUR			
Executive Board member			
Donald J. Shepard	1,502,467	609,516	(59.4%)
Joseph B.M. Streppel	542,477	237,500	(56.2%)
Alexander R. Wynaendts	717,216	301,000	(58.1%)

² Bonuses for the 2007 financial year are based on earnings figures released on March 6, 2008. 2007 bonuses will be paid in 2008 after adoption of the annual accounts by shareholders. Full details will be published as part of AEGON's 2008 Annual Report.

Please note that the 2006 plan was part of AEGON's former Remuneration Policy. The 2007 Plan, on the other hand, was formulated under the Group's new Remuneration Policy.

In addition to his short-term incentive bonus, Mr. Shepard also received EUR 2,789,000 in 2007 as an additional bonus related to AEGON's net income for the 2006 financial year. This represents a rise of 2.1% from EUR 2,732,000 in 2006 in line with the increase in AEGON's net income for the year. This STI bonus for Mr. Shepard will amount to EUR 2,551,000 for the financial year 2007, to be paid in 2008, subject to the adoption of the 2007 annual accounts by the AGM on April 23, 2008. This is a decrease of 9% as compared to the bonus paid for the year 2006.

LONG-TERM INCENTIVES

There are two separate LTI compensation plans still running under the terms and conditions of AEGON's previous Remuneration Policy. They are:

- The 2005 Long-Term Incentive Plan, which matured at the start of 2008;
- The 2006 Long-Term Incentive Plan, which will mature at the start of 2009.

THE 2004 LONG-TERM INCENTIVE PLAN

AEGON's 2004 Long-Term Incentive Plan, agreed under the Group's former Remuneration Policy, matured at the beginning of 2007. Share rights under this Plan, however, did not vest as AEGON failed to reach its financial targets for the three-year period 2004-2006. Therefore, no LTI payments were made under this Plan.

THE 2005 LONG-TERM INCENTIVE PLAN

AEGON's 2005 Long-Term Incentive Plan, also formulated under AEGON's pre-2007 Remuneration Policy, matured at the beginning of 2008. All share rights under this Plan vested as targeted. Grants due in 2008 as part of the 2005 LTI Plan can be found in the following table.

	Number of shares vested	Number of options vested ¹
2005 LTI Plan		
Executive Board member		
Donald J. Shepard	38,542	77,084
Joseph B.M. Streppel	20,169	40,338
Alexander R. Wynaendts	17,066	34,132

¹ Exercise price EUR 9.91.

THE 2007 LONG-TERM INCENTIVE PLAN

AEGON's 2007 Long-Term Incentive Plan, agreed under the Group's current Remuneration Policy, also matured at the beginning of 2008. Based on AEGON's financial performance, the Group expects, as part of this 2007 plan, to:

- Pay in full the portion of variable compensation linked to the Group's target for value of new business;
- Pay nothing with respect either to the targets for real net growth in operating earnings after tax or total shareholder return.

While AEGON reported 19.6% growth in its value of new business in 2007, operating earnings after tax were 4.3% lower than in 2006. Total shareholder returns were also lower as concerns over international credit markets weighed on AEGON's stock price during the year.

For grants expected in 2008 as part of the 2007 LTI Plan please refer to the table below.

2007 LTI Plan	LTI amount (expected 2008)
Amounts in EUR	
Executive Board member	
Donald J. Shepard	730,834
Joseph B.M. Streppel	237,500
Alexander R. Wynaendts	270,000

Long-Term Incentive awards to Executive Board members under the 2005 and 2007 Long-Term Incentive Plans will mature and be determined in 2008. Full details will be published as part of AEGON's 2008 Annual Report.

PENSION ARRANGEMENTS

Mr. Shepard's pension benefits are based on 55% of his 'final average earnings' calculation, equivalent to his five highest complete and consecutive calendar years of pensionable earnings. For Messrs. Wynaendts and Streppel, their benefits are equal to 70% of their final base salary, provided they have completed 37 years of service.