

# Remuneration Report

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from our Remuneration Committee  
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### Introduction

This report has been prepared by the Remuneration Committee of the Supervisory Board, which was led by the Committee's Chairman Mr. Ben J. Noteboom, and was approved by the Supervisory Board. In the first chapter, the Remuneration Committee presents an overview of the business and remuneration highlights in 2020 and a look ahead to 2021. This is followed by chapter two which contains a general introduction to Aegon's Global Remuneration Framework, Human Resources Strategy, Remuneration Principles, the concepts of total compensation and variable compensation, Risk Management in relation to remuneration, and remuneration of Material Risk Takers. The third chapter is the 2020 Supervisory Board Remuneration Report, which contains a summary of the Supervisory Board Remuneration Policy that was applicable in 2020 and the Supervisory Board remuneration over the recent years. In chapter four, the 2020 Executive Board Remuneration Report provides a summary of the Executive Board Remuneration Policy that was applicable in 2020, the Executive Board remuneration over the recent years and the 2021 Executive Board performance indicators.

### 1. Business and remuneration highlights

This chapter presents an overview of the business and remuneration highlights in 2020 and a look ahead to 2021.

#### 2020 Business highlights

In 2020, Aegon introduced its new strategy and put in place a set of measures and new financial targets aimed at increasing value for all our stakeholders. This approach seeks to change

Aegon's performance trajectory over the coming years, improving our business by reducing costs, expanding margins and growing profitability. The first concrete steps to deliver on our plans were taken, such as the announcements to divest Stonebridge and our operations in Central & Eastern Europe, and restructuring our businesses in India, Hong Kong, and Singapore. Aegon also took measures to strengthen the balance sheet resulting in the capital ratios of its three main business units ending the year above their respective operating levels. (For a more detailed update, please see the 'Letter from our CEO' and the 'Letter of Supervisory Board Chairman' in this 2020 Integrated Annual Report.)

In terms of business performance, 2020 was a challenging year. Aegon's Return on Equity decreased in 2020 due to lower results in the Americas. This was largely due to the direct and indirect effects of the COVID-19 pandemic, namely adverse mortality and lower interest rates. These drivers also caused the Normalized Capital Generation for 2020 to decrease compared to 2019. Fees and Premium based Revenues in 2020 were broadly stable compared to 2019, as the positive impact from higher equity markets on fees was partly offset by outflows in lines of business such as Variable Annuities and Retirement Plans in the Americas. Market Consistent Value of New Business in 2020 decreased primarily due to the impact of lower interest rates on Variable Annuities in the Americas. Lower sales driven by the pandemic were also a contributing factor. The Relational Net Promoter Score increased by one point to 18 due to our NPS improvement plans and administration partnerships with third parties which increased service levels.

#### Business performance highlights

	2020	2019
Return on Equity (in %)	8.5%	9.5%
Fees and Premium based Revenues (in EUR million)	4,811	4,787
Normalized Capital Generation (in EUR million)	1,340	1,569
Market Consistent Value of New Business (in EUR million)	262	465
Relational Net Promoter Score	18	17

In 2020, Aegon's Supervisory Board consisted of the following members: Mr. William L. Connelly (Chairman), Ms. Corien M. Wortmann-Kool (Vice Chairman), Ms. Dona D. Young, Mr. Mark A. Ellman, Mr. Ben J. Noteboom, Mr. Ben van der Veer (until May 15, 2020), Mr. Thomas Wellauer (per May 15, 2020) and Ms. Caroline Ramsay (per May 15, 2020). At the Annual General Meeting of Shareholders on May 15, 2020, shareholders approved the appointment of Mr. Wellauer and Ms. Ramsay, while at the closure of the meeting the term of Mr. Van der Veer ended. During the Annual General Meeting of Shareholders on June 3, 2021, the Supervisory Board will propose to appoint

Mr. Jack McGarry and Mr. Frans Blom as members to the Supervisory Board for a term of four years as of June 3, 2021.

Aegon's Executive Board consisted of the Chief Executive Officer, who served as Chairman, and the Chief Financial Officer in 2020: Mr. Alexander R. Wynaendts was the Chief Executive Officer from the beginning of 2020 until he was succeeded by Mr. Lard Friese after he was appointed to the Executive Board at the Annual General Meeting of Shareholders on May 15, 2020. Mr. Matthew J. Rider was the Chief Financial Officer and a member of the Executive Board during the full 2020 calendar year. He was appointed as member of the Executive Board for four years at the

Annual General Meeting of Shareholders on May 19, 2017. Mr. Rider's current term ends at the General Meeting of Shareholders 2021. During the Annual General Meeting of Shareholders on June 3, 2021, the Supervisory Board will propose to reappoint Mr. Rider as member to the Executive Board for a term of four years as of June 3, 2021.

Aegon's Executive Board is assisted in its work by the Aegon's Management Board, which has 12 members, including the members of the Executive Board. In 2020, Aegon's Management Board was composed of Mr. Alex R. Wynaendts (until May 15, 2020), Mr. Lard Friese (per May 15, 2020), Mr. Matthew J. Rider, Mr. Mark Bloom, Mr. Mark Mullin, Mr. Marco Keim, Mr. Maarten Edixhoven, Mr. Adrian Grace (until March 31, 2020), Mr. Mike Holliday-Williams (per April 1, 2020), Mr. Bas NieuweWeme, Ms. Allegra van Hövell-Patrizi, Mr. Onno van Klinken, Ms. Carla Mahieu and Mr. Duncan Russell (per September 1, 2020).

### 2020 Remuneration highlights

Aegon's shareholders adopted the Supervisory Board Remuneration Policy and the Executive Board Remuneration Policy at the Annual General Meeting of Shareholders on May 15, 2020 with 98.98% and 83.57% of the votes cast respectively. Both policies were amended to comply with the then new Dutch Act which implemented the European Shareholder Rights Directive, to increase the transparency, and to better substantiate the rationale for the design of the policies. Based on this new Act, both policies also required a qualified majority of 75% of the votes cast. After adoption, both policies came into force retroactively as of January 1, 2020.

The amendment to the Supervisory Board Remuneration Policy did not include any changes to the remuneration structure or fee levels for members of the Supervisory Board. It did add the option for the Supervisory Board to annually index the fees for economic developments in the Netherlands.

Compared to the previous Executive Board Remuneration Policy, the new policy increased the alignment of the Executive Board remuneration with the long-term interest of Aegon. The policy also took into account feedback received on Aegon's previous Remuneration Policy, and embedded new remuneration rules, such as:

- ◆ Increasing the portion of variable compensation which is paid in Aegon shares from 50% to 66.66%.
- ◆ Simplifying the pay-out of variable compensation to consist of one upfront cash portion of 33.33% and one share portion of 66.66% which is deferred for 3 years (i.e. cliff-vesting, instead of previous practice of vesting in tranches). After vesting, the shares will be subject to an additional 2-year holding period. This increases the average period during which the allocated shares are restricted from 4.2 years to 5 years.
- ◆ Basing variable compensation on a mix of performance indicators which are measured either on a 1-year or a 3-year performance horizon, instead of a 1-year performance horizon only.

- ◆ Including performance indicators, such as Relative Total Shareholder Return and ESG (Environmental, Social, and Governance), both of which are relevant for Aegon, its shareholders, and other stakeholders.

At the same Annual General Meeting, shareholders were asked to cast an advisory vote on the Remuneration Report for the first time. The 2019 Remuneration Report was approved with 83.79% of the votes cast. After the vote, Aegon collected feedback from several large shareholders to further improve the quality of the Remuneration Report. Based on this feedback, the Supervisory Board made a few changes to this remuneration highlight section, and disclosed more information on the calculation of variable compensation for the Executive Board in chapter four.

Aegon assessed its performance against the 2020 targets that were set prior to the COVID-19 crisis, and no changes to the rules for calculating variable compensation were made as a consequence of it. Aegon believes its mechanism for calculating variable compensation works properly, both in good and in challenging times, so no additional measures were needed. Due to the economic impact of COVID-19, most of the variable compensation that was allocated for 2020 has been lower compared to previous years, including that for the Executive Board members. Aegon also initiated a financial soundness risk assessment in relation to variable compensation which was awarded in previous years (for performance in 2016-2019), and was scheduled to be paid-out in 2020. After reviewing the assessment, the Supervisory Board concluded that payment of these awards would not materially impact the financial soundness of Aegon, and therefore approved the payment thereof.

In 2020 Aegon paid out EUR 167 million in variable compensation and 23 employees received EUR 1 million or more in total annual compensation (i.e. the sum of fixed compensation, variable compensation and pension contributions paid in 2020). These employees worked for Aegon's Corporate Center, Aegon Americas, Aegon UK and Aegon Asset Management.

The Executive Board members did not receive a salary increase during 2020. For the period during which the individual served as Executive Board member in 2020, Mr. Friese received EUR 931,071 in fixed compensation (ca. 7.5 months), Mr. Wynaendts received EUR 495,931 (ca. 4.5 months) and Mr. Rider received EUR 940,950 (full year). For that same period, Mr. Friese was allocated EUR 2.0 million in total compensation, Mr. Wynaendts EUR 1.2 million (2019: EUR 3.9 million for the full year) and Mr. Rider EUR 2.0 million (2019: 2.1 million). In addition, Mr. Friese received a sign-on arrangement of EUR 1.23 million when he joined Aegon in March 2020, of which 50% is in cash and 50% in shares. Of this amount 55% has been paid in 2020. The remainder will be paid in later years subject to continued employment (20% in 2021, 14% in 2022, 9% in 2023 and 3% in 2024). The sign-on arrangement

was offered for a combination of reasons, including the market value of Mr. Friese, making the transfer from a direct competitor to Aegon more attractive and compensation for loss of income during the transfer period. Mr. Wynaendts was not entitled to a severance payment after stepping down as Executive Board member and the subsequent termination of his employment.

The 2020 CEO pay ratio was 32.2 (2019: 32.8, 2018: 42.2). This ratio was based on the annualized IFRS-EU remuneration expenses for Mr. Friese and employee expenses in 2020, which have been audited. The annualized annual expenses for Mr. Friese's total compensation were EUR 3.5 million, including EUR 0.9 million for the sign-on arrangement (2019: EUR 3.8 million, 2018: EUR 4.4 million, both for Mr. Wynaendts). The average expenses for the employees' total compensation were EUR 109,855 (2019: EUR 115,371, 2018: EUR 104,459), which were calculated by:

- ◆ The total IFRS-EU remuneration expenses for all employees, which are the total employee expenses (see Note 14) minus the CEO remuneration expenses:  
EUR 1,995 million – EUR 3.5 million = EUR 1,991 million.
- ◆ Divided by the number of employees in scope, which are the total number of employees minus employees in joint ventures and associates (as their expenses are not included in Note 14) and minus the CEO:  $22,322 - 4,193 - 1 = 18,128$  employees.

The Remuneration Committee took note that certain factors have influenced the CEO pay ratio, such as the compensation and sign-on package of the new CEO, lower pay-out of variable compensation to employees in 2020, the change to a defined contribution pension plan in the Netherlands per 2020 (was defined benefit) and significant differences in the geographical footprint of the Aegon's employee population, leading to a slight decrease compared to last year.

### Looking ahead to 2021

At the Annual General Meeting of Shareholders on June 3, 2021, Aegon will ask its shareholders to approve the reappointment of Mr. Rider to the Executive Board and cast an advisory vote on this Remuneration Report.

Mr. Rider's fixed compensation will be increased by 5% per June 2021 (from EUR 940,950 to EUR 987,998), if shareholders approve his reappointment. His last increase was two years ago (2.5% per June 2019). The increase will keep Mr. Rider aligned with internal and external compensation levels, economic developments (e.g. inflation) and changes to the compensation levels of other senior managers within Europe and in the Netherlands. There are no other changes foreseen to the compensation packages of Mr. Friese and Mr. Rider in 2021.

Aegon will monitor the development of rules, regulations and guidance that could affect our remuneration policies. This includes the intended changes to the Dutch Financial Supervision Act, and the finalization of the European Committee's guidelines on the standardized presentation of the remuneration report.

## 2. Remuneration at Aegon in general

This chapter contains a general introduction to Aegon's Global Remuneration Framework, Human Resources Strategy, Remuneration Principles, the concepts of total compensation and variable compensation, Risk Management in relation to remuneration and remuneration of Material Risk Takers.

### Global Remuneration Framework

Aegon's Global Remuneration Framework (GRF) outlines the Aegon Group Human Resources Strategy, the Aegon Group Remuneration Principles and the Aegon Group Remuneration Guidelines, which apply to all Aegon employees, including the Executive Board members. The GRF has been designed in accordance with relevant rules, guidelines, and interpretations, such as the Dutch Financial Supervision Act, the Dutch Civil Code, the Dutch Corporate Governance Code and the Solvency II Legal Framework.

Aegon's remuneration policies are derived from the GRF, which includes the Executive Board Remuneration Policy and local business Remuneration Policies. These policies define specific terms and conditions for the employment of our employees across the various countries and local businesses. All steps in the remuneration process are governed by the GRF and its underlying policies. Staff from Human Resources, Risk Management and Compliance are involved in all steps of the process.

### Human Resources Strategy

In order to support the Aegon Strategy and local business objectives, the Aegon Group Human Resources Strategy contains the following remuneration-related goals:

- ◆ Attract, retain, motivate, and reward a highly qualified and diverse workforce;
- ◆ Align the interests of executives, managers and all other employees with the business strategy and risk tolerance, the values and the long-term interests of Aegon;
- ◆ Provide a well-balanced and performance-related compensation package to all employees, taking into account shareholder and other stakeholder interests, relevant regulations, the corporate responsibilities and Future Fit values ('Acting as one, Customer centricity, Agility and Accountability').

### Remuneration Principles

Based on the Human Resources Strategy, Aegon has formulated the following Remuneration Principles, which are the foundation for all remuneration policies and practices within the Group:

- ◆ Aegon remuneration is employee-oriented by fostering a sense of value and appreciation in each individual employee; promoting the short- and long-term interests and well-being of all Aegon staff via fair compensation, pension and/or other benefits; supporting employees' career development; and supporting the (international) mobility of its staff;
- ◆ Aegon remuneration is performance-related by establishing a clear link between pay and performance by aligning objectives and target setting with performance evaluation and

- remuneration; reflecting individual as well as collective performance in line with Aegon's long-term interests; enhancing the transparency and simplicity of Aegon Group remuneration, consistent with the principle of pay for performance; and avoiding any pay for non-performance;
- ◆ Aegon remuneration is fairness-driven by: promoting fairness and consistency in Aegon's remuneration policies and practices, with remuneration packages that are well-balanced across the different echelons within Aegon and its business units; avoiding any discrimination in Aegon's remuneration structures, including, among others, discrimination based on nationality, race, gender, religion, sexual orientation, and/or cultural beliefs; creating global alignment in the total compensation of all Material Risk Takers; and aiming at controlled market competitive remuneration, by providing total compensation packages in line with an appropriately established peer group at a country and/or functional level;
  - ◆ Aegon remuneration is risk-prudent by: aligning business objectives with risk management requirements in the target setting practices throughout the Aegon Group; giving an incentive to appropriate risk-taking behavior while discouraging the taking of excessive risks; and protecting the risk alignment effects embedded in the remuneration arrangements of individual staff against any personal strategies or insurance to counter them.

### Total compensation

Following from the Remuneration Principles, Aegon aims to offer experienced and competent employees a total compensation level which is consistent with the market in which Aegon operates and competes for similar employees. Total compensation typically consists of fixed compensation, variable compensation (where in line with the local market practice), pension and other benefits. Market survey information from reputable sources is used to regularly assess the competitiveness of compensation levels and practices which Aegon offers its employees.

### Variable compensation

Variable compensation, if any, is capped at an appropriate level as a percentage of fixed compensation.

The Dutch Financial Supervision Act has a provision that makes it possible to offer employees up to a maximum variable compensation opportunity that is equal to the European Capital Requirements Directive compensation ratio (i.e. 100% of fixed compensation). This provision was specifically created for corporate office employees of companies based in the Netherlands, which employ at least 75% of their employees abroad. In 2020, Aegon met this criterion and offered selected senior corporate office employees a variable compensation opportunity up to this maximum.

In line with the Dutch Financial Supervision Act, Aegon has obtained shareholder approval at the Annual General Meeting of Shareholders of May 20, 2016 to offer a maximum variable compensation opportunity up to 200% of fixed compensation to

selected senior employees outside Europe in positions that, based on local market practice, could receive variable compensation that exceeds 100% of fixed compensation. Within this mandate, Aegon offered selected senior employees outside Europe such an opportunity in 2020. Aegon's capital was not adversely impacted by the maximum variable compensation that could be paid out.

Variable compensation for senior management is usually paid out in cash and shares over multiple years, and is subject to further conditions being fulfilled. Variable compensation already paid out may also be retrieved under certain circumstances ('claw-back').

### Risk Management in relation to Remuneration

Variable compensation may have an impact on risk-taking behaviors and, as such, may undermine effective risk management. The opportunity to receive high variable compensation can lead to excessive risk taking, which can have a material impact on Aegon's financial soundness. To avoid such undesired effects, both the Risk Management and Compliance functions are involved in the design and execution of remuneration policies and practices.

The GRF includes additional remuneration requirements for three specific employee categories, as their roles and responsibilities require tailored risk mitigating measures and governance processes. These remuneration requirements are for: (i) the Executive Board; (ii) Material Risk Takers; and (iii) Control Staff. Given the rationale for having a separate policy for Material Risk Takers and the risk mitigating measures that are applied to the remuneration of these individuals, Risk Management is involved in deciding which positions are deemed Material Risk Takers. Furthermore, where exceptions to the policies are requested to reflect local practices or regulations, Risk Management and Compliance are involved to ensure such exceptions do not undermine effective risk management and that sufficient mitigating measures are undertaken.

In addition, the Risk Management and Compliance functions, together with the Human Resources and Finance functions, are responsible for the execution of the various measures that ensure the GRF and associated practices are aligned with the defined risk tolerances and behaviors. The risk mitigating measures are aimed at various moments in the variable compensation process: when the targets are set, before a variable compensation award is allocated, before deferred parts of the award are paid and after pay-out of the award (when relevant).

Aegon endeavors to seek an appropriate balance of ex-ante and ex-post risk assessments to ensure effectiveness in both the short- and long-term risk-taking behavior of employees.

### Remuneration of Material Risk Takers

Aegon selects Material Risk Takers for the Aegon N.V. legal entity (i.e. the holding company) based on the Solvency II selection criteria. These positions are defined as 'the administrative, management or supervisory body, persons who effectively run

the undertaking or have other key functions and other categories of staff whose professional activities have a material impact on the undertaking's risk profile'.

Legal entities within the Aegon Group, which are directly subject to the Capital Requirements Directive, Solvency Directive, the Alternative Investment Fund Managers Directive and/or the Undertakings for the Collective Investment in Transferable Securities Directive, also select their own Material Risk Takers or 'Identified Staff'. Their selection is based on the selection criteria of the applicable European Directive, its guidelines, and local regulatory requirements (where available).

In order to differentiate between the Material Risk Takers who are selected at the holding level of the company and at the various legal entities within the Group, the former are called Group Material Risk Takers and the latter Local Material Risk Takers.

The Group and Local Material Risk Takers are subsequently subject to risk assessments and remuneration rules outlined in the applicable European Directive, its guidelines and local regulatory requirements (where available). This means that their personal objectives are subject to an ex-ante risk assessment at the start of the performance year. A minimum portion of their variable compensation will be deferred and paid in non-cash instruments (such as Aegon shares or investment in own funds). Before the allocation of variable compensation they are subject to an ex-ante risk assessment, while before pay-out of any deferred variable compensation they are subject to ex-post risk assessments. Based on these risk assessments, Aegon can adjust the intended or allocated variable compensation awards downward where deemed appropriate (however never upward).

### 3. 2020 Supervisory Board Remuneration Report

The 2020 Supervisory Board Remuneration Report has been prepared by the Remuneration Committee of the Supervisory Board in accordance with the Dutch Civil Code (article art 2:135b) and the Dutch Corporate Governance Code. The Remuneration Committee was led by the Committee's Chairman Ben J. Noteboom. This report was approved by the Supervisory Board.

This report contains a summary of the Supervisory Board Remuneration Policy which applied to 2020 and the Supervisory Board remuneration over the recent years.

Aegon's Supervisory Board remuneration is subject to various rules and regulations, including the Dutch Financial Supervision Act, the Dutch Civil Code, the Dutch Corporate Governance Code and the Solvency II Legal Framework.

### Supervisory Board Remuneration Policy in 2020

Aegon's Supervisory Board Remuneration Policy is aimed at ensuring fair compensation and protecting the independence of the Supervisory Board members. The Supervisory Board Remuneration Policy that has been applied in 2020 was adopted at the Annual General Meeting of Shareholders on May 15, 2020. This policy will be subject to annual reviews by the Supervisory Board. The policy remains in place until a new or revised policy has been adopted by the shareholders in accordance with the applicable requirements from the Dutch Civil Code. The Supervisory Board will submit a proposal to the shareholders to adopt a policy at an Annual Meeting of Shareholders at least every four years.

The policy contributes to Aegon's strategy, long-term interests, and sustainability through the remuneration of the Supervisory Board members in various ways:

- ◆ The policy provides the Supervisory Board with the means to attract, motivate, and retain competent, diverse, and experienced Supervisory Board members for the long-term. This is essential for executing Aegon's strategy and safeguarding and promoting its long-term interests and sustainability.
- ◆ Supervisory Board members receive fixed remuneration for their responsibilities which does not depend on the Aegon results in order to protect their independence when supervising the manner in which the Executive Board members implement the long-term value creation strategy. These responsibilities are part of the membership of the Supervisory Board and its Committees and the position of (Vice) Chairman of the Supervisory Board and/or its Committees. The certainty of the fixed compensation also allows Supervisory Board members in their supervisory role to focus on the long-term interest and sustainability of Aegon.
- ◆ The Supervisory Board members receive fixed remuneration for their activities, such as attending Committee meetings and additional Supervisory Board meetings, in order to regularly discuss the Aegon strategy, the implementation of the strategy and the principal risks associated with it, while taking into account the broader long-term interests and sustainability of Aegon.
- ◆ Supervisory Board members are only allowed to privately own Aegon N.V. Shares if this is a long-term investment, aligning their interests with Aegon's long-term interests.

The Supervisory Board took Aegon's identity, purpose, and values into account when developing the policy and its changes:

- ◆ Aegon is an international financial services group based in the Netherlands, that provides life insurance, pensions, and asset management. The main operations are in the US, the Netherlands, and the UK, while there is also significant presence in Southern and Eastern Europe, Asia, and Latin America. The policy provides the Supervisory Board with the means to attract, motivate, and retain Supervisory Board members from various countries, predominantly based in the Netherlands and the US. As Aegon is based in the Netherlands, the policy considers the European Insurance peers as well as Dutch General Industry peers to be the relevant external reference for the Supervisory Board member's Remuneration. The policy is also influenced by the European and Dutch rules and regulations on (Executive) remuneration, which apply to Aegon as a result of its identity (i.e. being an Insurance firm in Europe and being a listed and financial company in the Netherlands).
- ◆ Aegon's purpose is to help people achieve a lifetime of financial security. In order to fulfill this purpose, Aegon has a strategy to which this policy actively contributes (see above).
- ◆ The four Future Fit values 'Acting as one, Customer centricity, Agility, and Accountability' aim to create a company that is fit for the future: one that meets customers' expectations, is right for our digitally-connected, data-driven world, and can adapt quickly to changing market conditions. These values are not explicitly reflected in the policy as a result of the fee-based remuneration structure. However, these values are strongly incorporated in the Supervisory Board Charter.

The Supervisory Board has not taken the internal compensation structures and levels into account as the fee-based compensation structure for Supervisory Board members differs significantly from these internal compensation structures and levels.

The Supervisory Board members are entitled to the following fees (see also the table below):

- ◆ A base fee for membership of the Supervisory Board. No separate attendance fees are paid to members for attendance at the regular Supervisory Board meetings;
- ◆ An attendance fee for each extra Board meeting attended, be it in person or by video and/or telephone conference;
- ◆ A committee fee for members on each of the Supervisory Board's Committees;
- ◆ An attendance fee for each Committee meeting attended, be it in person or through video and/or telephone conference; and
- ◆ An additional fee for attending meetings that require intercontinental, continental or US interstate travel between the Supervisory Board member's home location and the meeting location.

<b>Base fee for Supervisory Board membership</b>	<b>EUR / year</b>
Chairman	80,000
Vice-Chairman	50,000
Member	40,000

<b>Fee for Supervisory Board committee membership</b>	<b>EUR / year</b>
Chairman of the Audit or Risk Committee	13,000
Member of the Audit or Risk Committee	8,000
Chairman of other committees	10,000
Member of other committees	5,000

<b>Attendance fees</b>	<b>EUR</b>
Committee meeting	3,000
Extra Supervisory Board meeting	3,000

<b>Travel fees</b>	<b>EUR</b>
Intercontinental	4,000
Continental or US interstate	2,000

Each of these fees is a fixed amount. The Supervisory Board is allowed to annually index the fees for economic developments in the Netherlands, however the fees have not been indexed in 2020.

The Supervisory Board members do not receive any performance or equity-related compensation, and do not accrue pension rights with Aegon. These measures are designed to ensure the

independence of Supervisory Board members and to strengthen the overall effectiveness of Aegon's corporate governance.

The Supervisory Board regularly assesses the competitiveness of the Supervisory Board's remuneration structure and levels against peer companies with data provided by Willis Towers Watson. For this purpose, the Supervisory Board selected a primary set of peer group companies according to the following criteria:

- ◆ Industry: Insurance, with a preference for Life Insurance;
- ◆ Size: Average Market Capitalization, Employees, Revenue and Total Assets;
- ◆ Geographic scope: Preferably companies that operate globally; and
- ◆ Location: Headquarters based in Europe, excluding UK (because the non-executive directors typically have different responsibilities compared to their continental European counterparts).

Based on these criteria the current peer group consists of the following 12 European Insurance companies: Ageas, Allianz, AXA, CNP Assurances, Assicurazioni Generali, Mapfre, Münchener RE, NN Group, Swiss Life, Swiss Re, Talanx and Zurich Insurance Group. This peer group differs from the European peer group for the Executive Board as a result of excluding the UK companies. The peer group is reviewed each year and may be updated accordingly. The last update of this peer group was in 2018.

In addition, the Supervisory Board selects a secondary peer group according to the following criteria, in order to monitor alignment with the General Industry in the Netherlands:

- ◆ Industry: General Industry and listed on the AEX;
- ◆ Size: Average Market Capitalization, Employees, Revenue and Total Assets;
- ◆ Location: Headquarters based in the Netherlands.

Based on these criteria, the current secondary peer group consists of the following 12 AEX companies: Ahold Delhaize, ING Group, Randstad, Heineken, NN Group, Philips, ABN AMRO, Akzo Nobel, ASML, DSM, KPN, and Wolters Kluwer. This peer group is also reviewed each year and was last updated in 2019. ING, NN Group, ABN AMRO, DSM, and Wolters Kluwer were added and replaced ArcelorMittal, RELX Group, Royal Dutch Shell, Unibail-Rodamco-Westfield, and Unilever. This peer group is identical to the Dutch peer group for the Executive Board.

The Remuneration Committee may recommend changes to the fee levels of the Supervisory Board members, based on the results of a competitiveness review. Such recommendations would be discussed by the Supervisory Board, which can support, revise or reject them. Subsequently, shareholders will be asked to adopt the proposed fee changes at the Annual General Meeting of Shareholders.

The policy contains a temporary derogation clause, with rules which are in accordance with the Dutch Civil Code. This means derogation is only allowed in exceptional circumstances to serve the long-term interest and sustainability of Aegon or to assure its viability, for a limited period of time, when it stays in line with the general spirit of the policy and when the details are disclosed in the next remuneration report. This clause was not used in 2020.

Information on members of the Supervisory Board and the composition of its four committees can be found in the report of the Supervisory Board in this 2020 Integrated Annual Report.



**Supervisory Board remuneration in recent years**

The table shows the fees that have been allocated and paid to the Supervisory Board members in the calendar years 2018, 2019 and 2020 in accordance with the applicable Supervisory Board remuneration policy at this time. The IFRS-EU expenses for

these fees are equal to the amounts in the table below. The total fees decreased to EUR 739 thousand (2019: EUR 865 thousand), mainly due to lower travel fees as meetings were held by video conference in response to COVID-19.

In EUR thousand	Year	Base fees	Attendance fees	Travel fees	Total fees
William L. Connelly	2020	95	45	4	144
	2019	95	54	20	169
	2018	79	34	6	119
Mark A. Ellman	2020	55	39	4	98
	2019	56	39	20	115
	2018	53	29	21	103
Ben J. Noteboom	2020	58	39	-	97
	2019	58	39	6	103
	2018	55	25	6	86
Corien M. Wortmann - Kool	2020	63	48	-	111
	2019	63	54	6	123
	2018	63	37	3	103
Dona D. Young	2020	66	57	4	127
	2019	66	66	26	158
	2018	61	39	21	121
Caroline Ramsay (per May 15, 2020)	2020	38	21	-	59
Thomas Wellauer (per May 15, 2020)	2020	33	21	-	54
Ben van der Veer (up to May 15, 2020)	2020	22	27	-	49
	2019	58	54	6	118
	2018	58	37	6	101
Robert W. Dineen (up to Oct 11, 2019)	2019	40	27	12	79
	2018	52	28	21	101
Dirk P.M. Verbeek (up to May 18, 2018)	2018	19	10	-	29
Robert J. Routs (up to May 18, 2018)	2018	36	12	-	48
Total	2020	430	297	12	739
	2019	436	333	96	865
	2018	474	251	84	809
Total including 21% VAT	2020	520	359	15	894
	2019	527	403	116	1,046
	2018	574	304	102	979

The table below presents the total fees that have been paid in the last five calendar years on an annualized basis and the year-on-year annual change in total fees. Additionally, the table shows the Aegon net income, a proxy of the financial

and non-financial business performance, the inflation in the Netherlands and the average employee compensation over the same period.

In EUR thousand	Annualized	2016	2017	2018	2019	2020
William L. Connelly (as of May 19, 2017)	Fees	-	98	119	169	144
	Change	-	-	22%	42%	(15%)
Mark A. Ellman (as of May 19, 2017)	Fees	-	114	103	115	98
	Change	-	-	(9%)	12%	(15%)
Ben J. Noteboom	Fees	109	102	86	103	97
	Change	-	(7%)	(15%)	20%	(6%)
Caroline Ramsay (per May 15, 2020)	Fees	-	-	-	-	94
	Change	-	-	-	-	n/a
Thomas Wellauer (per May 15, 2020)	Fees	-	-	-	-	86
	Change	-	-	-	-	n/a
Corien M. Wortmann - Kool	Fees	90	101	103	123	111
	Change	-	12%	2%	19%	(10%)
Dona D. Young	Fees	113	116	121	158	127
	Change	-	2%	4%	31%	(20%)
Ben van der Veer (up to May 15, 2020)	Fees	109	106	101	118	131
	Change	-	(3%)	(5%)	17%	11%
Robert W. Dineen (up to Oct 11, 2019)	Fees	115	104	101	101	-
	Change	-	(10%)	(3%)	1%	-
Dirk P.M. Verbeek (up to May 18, 2018)	Fees	111	100	76	-	-
	Change	-	(10%)	(24%)	-	-
Robert J. Routs (up to May 18, 2018)	Fees	140	134	125	-	-
	Change	-	(4%)	(7%)	-	-
Shemaya Levy (up to May 19, 2017)	Fees	95	105	-	-	-
	Change	-	11%	-	-	-
Irving W. Bailey (up to May 20, 2016)	Fees	139	-	-	-	-
	Change	-	-	-	-	-
Aegon net income (based on IFRS-EU)	In EUR million	586	2,358	741	1,525	55
Aegon business performance <sup>1)</sup>	Target = 100%	91%	121%	106%	79%	57%
Inflation in the Netherlands	Consumer Price Index	0.3%	1.4%	1.7%	2.6%	1.3%
Average employee compensation <sup>2)</sup>	Total compensation	97	102	104	115	110
	Annual change	-	5%	2%	11%	(4%)

<sup>1)</sup> The weighted average Aegon financial and non-financial business performance, expressed as a percentage on a performance scale with 50% as threshold, 100% as target and 150% as maximum, as used for the allocation of variable compensation in the applicable year.

<sup>2)</sup> Consistent with the CEO pay ratio calculation, the average employee compensation is based on the audited total IFRS-EU remuneration expenses for all employees divided by the number of employees in scope for these expenses.

All fees that have been paid to the Supervisory Board members were in accordance with the applicable Supervisory Board remuneration policy at the time. They have been exclusively based on their functions in the Supervisory Board, their functions in the Supervisory Board's committees, their attendance and travel. There were no deviations from the policy in these years.

Each quarter Aegon paid the fees that the Supervisory Board members earned during that period. This means 25% of the annual base fee for Supervisory Board membership and any Supervisory Board committee membership, taking into account their function (i.e. Chairman, Vice-Chairman or regular members) and the fees for their actual attendance and travel during that quarter.

#### 4. 2020 Executive Board Remuneration Report

The 2020 Executive Board Remuneration Report has been prepared by the Remuneration Committee of the Supervisory Board in accordance with the Dutch Civil Code (article art 2:135b) and the Dutch Corporate Governance Code. The Remuneration Committee was led by the Committee's Chairman Ben J. Noteboom. This report was approved by the Supervisory Board.

This report contains a summary of the Executive Board Remuneration Policy that applied to 2020, the Executive Board remuneration over the recent years and the 2021 Executive Board performance indicators. The section on remuneration over the recent years is split into a) fixed compensation 2018-2020, b) conditional variable compensation 2020, c) provisional variable compensation 2020, d) variable compensation 2018-2020, e) pay-out of allocated variable compensation, f) pension contributions 2018-2020, g) benefits 2018-2020, h) total compensation in recent years.

#### Executive Board Remuneration Policy in 2020

The Supervisory Board has the overall responsibility for Aegon's Remuneration Policies, including the Executive Board Remuneration Policy. The Executive Board Remuneration Policy that has been applied in 2020 was adopted at the Annual General Meeting of Shareholders on May 15, 2020. This policy will be subject to annual reviews by the Supervisory Board. The policy remains in place until a new or revised policy has been adopted by the shareholders in accordance with the applicable requirements from the Dutch Civil Code. The Supervisory Board will submit a proposal to the shareholders to adopt a policy at an Annual Meeting of Shareholders at least every four years.

The current policy contributes to Aegon's strategy, long-term interests and sustainability through the remuneration of the Executive Board members in various ways:

- ◆ The policy provides the Supervisory Board with the means to attract, motivate and retain competent and experienced Executive Board members for the long-term. This is essential for executing Aegon's strategy and safeguarding and promoting its long-term interests and sustainability.
- ◆ The leading performance indicator categories for successful execution of our strategy are Capital, Growth and Strategy. To support the execution of Aegon's strategy, the policy makes these performance indicator categories mandatory for the Executive Board member.
- ◆ Aegon strives to create long-term value for its stakeholders and the communities in which it operates. Due to the nature of our business, value created is often financial, but it may also be social, economic, or environmental. The policy directly aligns Executive Board member's personal long-term interests with those of Aegon and its shareholders by paying a significant part of the Executive Board members' variable compensation (two-thirds) in shares, which must be held for 5 years after completion of the performance period. The pay-out in these restricted shares is combined with prohibiting Executive Board members using personal hedging strategies

or insurance, which could undermine this long-term alignment of interests. Additionally, Executive Board members are aligned with the long-term interest of Aegon, its shareholders and other stakeholders through the use of mandatory performance indicator categories of Earnings, Shareholders and Other Stakeholders.

- ◆ Aegon is committed to doing business responsibly and in a sustainable way. Variable compensation of Executive Board members can be adjusted downwards (i.e. malus) or clawed-back in cases where certain performance has not been achieved in a sustainable way. This includes but not limited to: significant risk and compliance incidents, insufficient response to such incidents and/or insufficient evidence of embedding of good standards of practice, such as sound and responsible business practices and integrity of products and services delivered. Additionally, the policy makes the performance indicator category Environmental, Social and Governance ("ESG"), mandatory for Executive Board members to support this approach of doing business.

Aegon's Executive Board remuneration is subject to various rules and regulations, including the Dutch Financial Supervision Act, the Dutch Civil Code, the Dutch Corporate Governance Code and the Solvency II Legal Framework. The most prominent requirements thereof are:

- ◆ The total variable compensation amount that is allocated to an Executive Board member for a performance year cannot exceed 100% of the fixed compensation level.
- ◆ Variable compensation should be based on a mix of Aegon and personal performance, with at least 50% weight on non-financial performance.
- ◆ A substantial portion of any variable compensation award should be paid in a non-cash instrument (e.g. Aegon shares) and should be deferred for at least 3 years. Additionally, award shares should be restricted for 5 years. With a 3-year vesting period, this requires an additional holding period of 2-years.
- ◆ Aegon can claw-back any variable compensation which has been paid (cash and shares) in specific circumstances such as a material financial restatement or individual gross misconduct.

These are also the main reasons why Aegon operates one Executive Board variable compensation plan per year, with a single variable compensation award which is subsequently split into cash and shares, rather than operating separate Short-Term Incentive (cash) and Long-Term Incentive (share) Plans.

The Remuneration Committee may recommend policy changes to the Supervisory Board. In that case, the Remuneration Committee will conduct scenario analyses to determine the long-term effects on the level and structure of compensation granted to each Executive Board member, and reports their findings to the Supervisory Board. The Supervisory Board can subsequently decide on referring the proposed policy changes to the Annual General Meeting of Shareholders for adoption.

The policy contains a temporary derogation clause, with rules which are in accordance with the Dutch Civil Code. This means derogation is only allowed in exceptional circumstances to serve the long-term interest and sustainability of Aegon or to assure its viability, for a limited period of time, when it stays in line with the general spirit of the policy and when the details are disclosed in the next remuneration report. This clause was not used in 2020.

### Total compensation

Total compensation for Executive Board members is defined in the Executive Board Remuneration Policy as a combination of fixed compensation, variable compensation, pension and other benefits. The Supervisory Board determines and regularly reviews the appropriate selection of remuneration elements and their (maximum) remuneration level for Executive Board members to ensure the structure remains competitive and provides proper and risk-based incentives in line with Aegon's risk appetite. The fixed and variable compensation elements and their levels are reviewed at least once a year. The pension arrangements and other benefits and their levels are reviewed at least every four years. In its review, the Supervisory Board takes the specific role, responsibilities, experience and expertise of Executive Board members into account as well as internal and external reference information:

- ◆ The internal references are the compensation structure and levels of the members of the Management Board of Aegon N.V. and the annual compensation changes of the general employee population and senior managers within Europe and the Netherlands specifically.
- ◆ The external references are compensation trends in the market, economic developments (e.g. inflation) as well as quantitative assessments of the competitiveness against a peer group of insurance companies in Europe and a peer group of companies based in the Netherlands.
- ◆ Additionally, the Remuneration Committee conducts a scenario analysis in case of a policy change to determine the long-term effect on the remuneration structure and level of each Executive Board member, and reports their findings to the Supervisory Board.

The European Insurance peer group was selected by the following criteria:

- ◆ Industry: Insurance, with a preference for Life Insurance;
- ◆ Size: Average market capitalization, employees, revenue and total assets;
- ◆ Geographic scope: Preferably companies which operate globally;
- ◆ Location: Headquarters based in Europe.

Based on these criteria, the current peer group consists of the following 16 European Insurance companies: Ageas, Allianz, Aviva, AXA, CNP Assurances, Assicurazioni Generali, Legal & General, Mapfre, Münchener Re, NN Group, Prudential, RSA Insurance Group, Swiss Life Holding, Swiss Re, Talanx and Zurich Insurance Group. The last update of this peer group was in 2020.

Ageas, RSA Insurance Group, Swiss Life Holding and Talanx were added, while Old Mutual and Standard Life Aberdeen were removed. The increased peer group size (from 14 to 16) created a more balanced selection in relation to Aegon's size data (average market capitalization, employees, revenue and total assets). This peer group differs from the European peer group for the Supervisory Board, as the latter excludes UK companies where non-executive directors typically have different responsibilities compared to their continental European counterparts.

The Dutch peer group was selected by the following criteria:

- ◆ Industry: General Industry and listed on the AEX;
- ◆ Size: Average Market Capitalization, Employees, Revenue and Total Assets;
- ◆ Location: Headquarters based in the Netherlands.

Based on these criteria, this peer group consists of the following 12 AEX companies: Ahold Delhaize, ING Group, Randstad, Heineken, NN Group, Philips, ABN AMRO, Akzo Nobel, ASML, DSM, KPN and Wolters Kluwer. The last update of this peer group was in 2019, when ING, NN Group, ABN AMRO, DSM and Wolters Kluwer were added, replacing ArcelorMittal, RELX Group, Royal Dutch Shell, Unibail-Rodamco and Unilever. This peer group is identical to the Dutch peer group for the Supervisory Board.

The Supervisory Board will review both peer groups annually and will amend them as necessary, within the above-mentioned selection criteria, to ensure they continue to provide a reliable basis for comparison. Any change to the peer group will be disclosed in the Remuneration Report.

The Remuneration Committee may recommend changes to the compensation levels of the Executive Board members in accordance with Remuneration Policy, based on the results of this annual total compensation review and on discussions with the Executive Board members regarding their remuneration level and structure. Such recommendations would subsequently be discussed by the Supervisory Board, which can approve, revise or reject them.

The Supervisory Board discussed and approved the 2020 total compensation for the Executive Board, after taking the Remuneration Committee's review into consideration.

### Fixed compensation

The fixed compensation for the Executive Board members is paid in monthly instalments. The policy allows the fixed compensation to be paid in cash and in shares. All Executive Board members received their 2020 fixed compensation in cash.

The Supervisory Board may offer permanent or temporary gross monthly fixed allowance when the Supervisory Board considers this an appropriate alternative for other remuneration elements. Mr. Wynaendts continued to receive a 2% fixed allowance to which he already was entitled until the end of his term. Mr. Friese and Mr. Rider are not entitled to an allowance.

### Variable compensation

Executive Board members are eligible for variable compensation with a target level of 80% of the fixed compensation level (excluding allowances), with a threshold level of 50% and a maximum opportunity of 100% of fixed compensation level.

The variable compensation award is based on performance against a set of performance indicators, weights and target levels that have been set by the Supervisory Board at the start of the performance year. The performance indicators contribute to Aegon's strategy, long-term interests and sustainability, within Aegon's risk tolerance and should comply with the following rules:

- ◆ It contains a mix of financial and non-financial performance indicators, with at least 50% weight allocated to the non-financial performance indicators in accordance with article 1:118.3 of the Dutch Financial Supervision Act;
- ◆ The maximum weight for unadjusted financial indicators is determined by the Global Remuneration Framework and is currently set at 50%.
- ◆ It contains a mix of Aegon and personal performance indicators, which can range in weight between 50-80% and 20-50% respectively, depending on the Aegon priorities of the performance year.
- ◆ At least 20% of the indicators has a retrospective 3-year performance horizon, while the remainder has a 1-year performance horizon;
- ◆ The indicators should cover the following mandatory performance indicator categories: Shareholders, Capital, Earnings, Growth, Stakeholders, ESG and Strategy.

The Remuneration Committee and the Executive Board members prepare a proposal for the performance indicators, weights and target levels. These are subsequently reviewed by Aegon's Risk Management team (i.e. the first ex-ante risk assessment) before the Supervisory Board approves these, to ensure that:

- ◆ The performance indicators and weights are in line with the policy;
- ◆ The financial performance indicators are consistent with the risk tolerance statements;
- ◆ The non-financial performance indicators are consistent with risk tolerance levels, regulatory requirements, reasonable stakeholder expectations and are supporting sound and responsible business practices and integrity of the products and services delivered.

The Remuneration Committee sends the proposal and the ex-ante risk assessment to the Supervisory Board, which can approve, revise or reject the proposal. After approval, the Executive Board members are granted their conditional variable compensation awards for the plan year. This conditional award equals their at target variable compensation level, split between 33.33% upfront cash and 66.66% deferred Aegon shares. The grant price for the shares is equal to the volume

weighted average price on the Euronext Amsterdam stock exchange for the period December 15 to January 15 at the start of the plan year.

After the completion of the performance period, the Remuneration Committee prepares a recommendation for the allocation of a variable compensation award to each Executive Board member. This recommendation is based on the actual performance results compared to target levels and takes a second ex-ante risk assessment by the Risk Management team into account. This risk assessment looks into whether there are reasons for a downward adjustment of the intended variable compensation award (malus) which were not taken into account yet, such as:

- ◆ Significant risk or compliance incident(s);
- ◆ Insufficient response to risk incident(s), compliance incident(s), regulatory fine(s) and/or insufficient execution of risk mitigating measures in response to these incidents;
- ◆ Breaches of laws and regulations;
- ◆ Insufficient evidence of embedding good standards of practice;
- ◆ Significant deficiencies or material weaknesses relating to the Sarbanes-Oxley Act; and
- ◆ Reputation damage due to risk events.

In this assessment possible risk mitigating behaviors are also taken into account, such as remaining within risk limits, risk reduction, risk avoidance, risk transfer and risk response by the Executive Board member.

The Remuneration Committee sends its recommendation and the second ex-ante risk assessment to the Supervisory Board, which can approve, revise or reject the recommendation. This Supervisory Board decision includes validating that, when taken together, the results of the performance indicators represent a fair reflection of the overall performance of the Executive Board member over the performance year.

The allocated variable compensation award is subsequently split between 33.33% upfront cash (i.e. paid in the year following the performance year) and 66.66% deferred shares. These shares are deferred for a 3-year period after allocation after which they cliff-vest. Before vesting, the Risk Management team executes an ex-post risk assessment which looks into whether there are reasons for a downward adjustment of the original variable compensation award (malus) which were not taken into account yet. This risk assessment takes the same criteria into consideration as the second ex-ante risk assessment. Based on this assessment, the Remuneration Committee subsequently prepares a recommendation how to pay-out the deferred portion (i.e. unchanged or adjusted downward). The Remuneration Committee sends its recommendation and the ex-post risk assessment to the Supervisory Board. The Supervisory Board can approve, revise or reject the recommendation.

### Claw-back provision

Aegon's Supervisory Board can claw-back variable compensation that has already been paid to the Executive Board member in case of a material financial restatement or individual gross misconduct, after considering a risk assessment by Aegon's Risk Management team which looks into whether in hindsight the paid amount should have been lower or nil. Examples of misconduct are, but not limited to, a significant breach of laws and/or regulations, use of violence, either verbally or physically, involvement with fraud, corruption or bribery, significant issues due to evident dereliction of duty and/or discrimination of any kind (for example age or gender). For practical reasons the claw-back amount can be set-off or settled against any current or future obligations as permitted by law.

### Pension arrangements

The Executive Board members are entitled to pension contributions that equal 40% of their fixed compensation level, which consists of the following three parts:

- ◆ Participation in Aegon's defined contribution pension plan for NL-based employees, for their fixed income up to EUR 110,111 (2020 threshold set by Dutch law).
- ◆ Participation in Aegon's defined contribution pension plan for NL-based employees, for their fixed income above EUR 110,111.
- ◆ An additional gross allowance for pension to make the sum of these three pension contributions equal to 40% of their fixed compensation level.

The Executive Board members receive pension contributions that are somewhat higher compared to NL-based employees of similar age (ca. 10-15% difference). This is done to achieve a competitive total compensation level. Please note the Supervisory Board will consider discontinuing the additional gross allowance for new Executive Board members, while ensuring their total compensation level stays competitive, and including this as a policy change in the next update of the Executive Board Remuneration Policy.

Additionally, Mr. Wynaendts was entitled to an additional gross allowance for pension of 28% of his fixed compensation level as part of a grandfathered pension arrangement.

### Other benefits

Other benefits include non-monetary benefits (e.g. company car), social security contributions by the employer, and tax expenses borne by Aegon.

Aegon does not grant Executive Board members personal loans, guarantees or other such arrangements, unless in the normal course of business and on terms applicable to all employees, and only with the approval of the Supervisory Board.

### Terms of Engagement

Members of the Executive Board are appointed for four years and may then be re-appointed for successive mandates also for a period of four years. Executive Board members have a board agreement with Aegon N.V., rather than an employment contract. Members of the Executive Board may terminate their board agreement with a notice period of three months. The Supervisory Board may terminate the board agreement by giving six months' notice if it wishes to terminate the agreement.

The Supervisory Board may entitle Executive Board members to a termination payment up to or equal to the total annual fixed compensation level. This payment is not allowed in case of early termination at the initiative of the Executive Board member (unless due to imputable acts or omissions of Aegon), imputable acts or omissions by the Executive or failure of Aegon during the appointment term of the Executive Board members. Mr. Friese and Mr. Rider have a termination clause included in their board agreement. Mr. Wynaendts was not entitled to a termination payment when his board agreement was terminated in 2020.

### Executive Board remuneration in recent years

In this section you will find the fixed compensation, variable compensation, pension, other benefits, and total compensation amounts of the Executive Board members. Please note that the 2020 compensation amounts for Mr. Friese and Mr. Wynaendts are pro-rated because of joining and leaving the Executive Board respectively on May 15, 2020, unless stated otherwise (e.g. when amounts are annualized).

### A. Fixed compensation 2018-2020

In 2020, Mr. Friese received EUR 931 thousand in fixed compensation (annualized EUR 1,485 thousand), Mr. Wynaendts received EUR 496 thousand (annualized EUR 1,327 thousand) and Mr. Rider received EUR 941 thousand. None of the Executive Board members received an increase in their fixed compensation level in 2020. In addition to this and the table below, Mr. Friese received a sign-on arrangement of EUR 1,228 thousand when joining Aegon in March 2020, that was split between 50% in cash (EUR 617 thousand) and 50% in Aegon shares (161,333 shares).

Of this amount 55% has been paid in 2020. The remainder will be paid in later years subject to continued employment (20% in 2021, 14% in 2022, 9% in 2023 and 3% in 2024). The IFRS-EU expenses for these fixed compensation amounts were equal to the amounts in the table below, except for Mr. Friese in 2020 due to the nature of his sign-on arrangement. The combined IFRS-EU expenses for his regular fixed compensation and sign-on arrangement were EUR 1,869 thousand (EUR 570 thousand for the cash-part of the sign-on arrangement and EUR 368 thousand for the share-part).

In EUR thousand	2020	2019	2018
Lard Friese <sup>1)</sup>	931	-	-
Alex Wynaendts <sup>2)</sup>	496	1,314	1,295
Matt Rider	941	931	918
<b>Total fixed compensation</b>	<b>2,368</b>	<b>2,245</b>	<b>2,213</b>

<sup>1)</sup> The disclosed amount for 2020 covers the period that Mr. Friese has been a member of the Executive Board (per May 15, 2020). The annualized amount is EUR 1,485 thousand (excluding sign-on amounts).

<sup>2)</sup> The disclosed amount for 2020 covers the period that Mr. Wynaendts was a member of the Executive Board (until May 15, 2020). The annualized amount is EUR 1,327 thousand.

### B. Conditional variable compensation 2020

In 2020, Mr. Friese, Mr. Wynaendts and Mr. Rider each had an at target variable compensation opportunity of 80% of their fixed compensation level at year-end (or end of term). The variable compensation award was based on the results on the Aegon and their personal performance indicators and related target levels,

which had been approved by the Supervisory Board at the start of 2020 (or after their appointment). As a result, they would receive the following if the performance indicator results reached the threshold (50%), target (80%) and maximum level (100%), taking into account the grant price of EUR 4.083 for the shares:

Variable compensation opportunity 2020		Threshold (50%)	Target (80%)	Maximum (100%)
Lard Friese	Total (EUR thousand)	466	745	931
	in cash (EUR thousand)	155	248	310
	in shares	76,012	121,619	152,024
Alex Wynaendts	Total (EUR thousand)	248	397	496
	in cash (EUR thousand)	83	132	165
	in shares	40,487	64,779	80,974
Matt Rider	Total (EUR thousand)	470	753	941
	in cash (EUR thousand)	157	251	314
	in shares	76,818	122,909	153,637

### C. Provisional variable compensation 2020

Subject to the adoption of the annual accounts at the General Meeting of Shareholders on May 15, 2021, Mr. Friese has been awarded EUR 634 thousand in conditional variable compensation for the 2020 performance year (68% of fixed compensation), Mr. Wynaendts EUR 302 thousand (61% of fixed compensation) and

Mr. Rider EUR 640 thousand (68% of fixed compensation). Each variable compensation award will be paid for 33.33% in upfront cash and for 66.66% in shares which are deferred for three years and are subsequently subject to an additional holding period of two years.

Conditional variable compensation 2020		Pay-out in 2021	Pay-out in 2024
Lard Friese	Cash (EUR thousand)	211	
	Shares		103,580
Alex Wynaendts	Cash (EUR thousand)	101	
	Shares		49,346
Matt Rider	Cash (EUR thousand)	213	
	Shares		104,547

The tables below show the results on each of the Aegon and personal indicators which determined the conditional variable compensation awards of Mr. Friese, Mr. Wynaendts and Mr. Rider and the related indicator definitions. The Aegon performance results were scored on a performance scale which was used to fund the 2020 bonus pools within Aegon: 50% for

the threshold (minimum), 100% for target level and 150% for the maximum level. The 2020 Aegon performance result on this performance scale was 57%. Converted to the performance scale that applied to the Executive Board members (i.e. with the target level at 80%) the 2020 Aegon performance result was 54%.

2020 Aegon performance indicators	Weight	Target	Result	In %
Relative Total Shareholder Return	14%	#5 of 15	#12	0%
Return on Equity	14%	10.0%	8.5%	0%
Fees and Premium based Revenues	14%	4,857	4,811	95%
Normalized Capital Generation (2yr: 2020 and 2019)	14%	2,632	2,883	124%
Market Consistent Value of New Business	14%	445	262	0%
Relational Net Promoter Score	14%	17	18	125%
Strategy Execution	14%	100%	57%	57%
Aegon result for employee bonus pools				57%
<b>Aegon result for Executive Board members</b>				<b>54%</b>

2020 Aegon performance indicators	Definition
Relative Total Shareholder Return	Aegon's position relative to 7 US and 7 non-US peers when looking at Total Shareholder Return for a 1-year's performance period. These peers are selected for being the most similar to Aegon based on their index listing, industry classification, 5-year monthly Beta, Market Capitalization and Total Revenue <sup>1</sup> . The target was position 5, while the threshold was set at the median position.
Return on Equity	Return on equity indicates how good the company is in generating returns on the investment it received from its shareholders. Aegon's Return on Equity is calculated by dividing underlying earnings after tax and after cost of leverage by average shareholders' equity excluding revaluation reserve.
Fees and Premium based Revenues	Fee and Premium Based Revenues represent the income from Aegon's fee businesses as well as the fees charged and the actual premium collected less the benefit premium, expense loadings and profit margins included in premiums for its life insurance and pensions business.
Normalized Capital Generation (2 years: 2019-2020)	The movement in our capital position (on a Solvency II basis) during a retrospective 2-year period in the normal course of business net of market impacts (e.g. changes to interest rates, credit spreads, equity returns) and one-time effects. Impacts from dividends and capital injections that do not generate capital but do affect Own Funds are excluded from capital generation.
Market Consistent Value of New Business	Represents how much value the sale of new insurance policies is generating for the company. This value represents the present value of our best estimate of incoming premiums and outgoing claims, benefits and expenses related to these new sales.
Relational Net Promoter Score	The Net Promoter Score (NPS) is a customer loyalty metric based on the percentage of customers that would likely recommend our products and services to friends and family (scores 9 and 10) minus the percentage that would not be likely to do so (scores 0 to 6). The Relational NPS measures the whole scope of the client relationship: 1) the contact experience, 2) the products/prices and 3) our brands.
Strategy Execution	Measures the execution of the three projects that were deemed key for a successful execution of Aegon's previous strategy (2019-2021).

<sup>1</sup> The US peers are Axa Equitable Holdings, Principal Financial Group, Unum Group, Lincoln National Corp, Prudential Financial, Brighthouse Financial and MetLife. The non-US peers are Athene Holding, NN Group, Swiss Life Holding, Assicurazioni Generali, Baloise Holding, Prudential and ASR Nederland.



Below you find the overview how the 2020 Aegon performance result of 54%, combined with the personal performance results, led to the overall 2020 variable compensation results for Mr. Friese, Mr. Wynaendts and Mr. Rider.

<b>Lard Friese</b>	<b>Target</b>	<b>Result</b>
70% Aegon performance	Mix of financial and non-financial targets	54%
10% Strategy development	Deliver new Group Strategy	100%. Delivered well-received and broadly supported Group Strategy at the Capital Markets Day, despite high operational pressure during the preparation caused by COVID-19. Appointed a Chief Transformation Officer and successfully found buyers for the CEE business and Stonebridge. Implemented several measures to improve balance sheet strength.
10% COVID-19 crisis management	Safeguard continuity of the company financially, operationally and take measures to limit impact on employees	100%. Quickly expanded the continuous monitoring of financial and operational impacts through the Global Crisis Management structure, which ensured operational resilience and continuity of client servicing. Employee Engagement increased from 67% to 72% (year-end), delivered a plan on the future ways of working in the office and at home and the high level of compliance was maintained during and after the switch to working from home. Regulatory solvency levels of the three main business units ended the year above their operating levels and well above their regulatory requirements.
10% Sustainable organization	Develop granular Operating Plan which addresses reducing costs, expanding margins, growing profitability and organizational health	100%. Delivered granular Operating Plan with over 1,100 initiatives and over 15,000 milestones focused on the transformation of Aegon and improving its organizational health, which was fully integrated in the Mid Term Financial Planning. Shifted the company to intense rhythm of execution.
Overall result		68%

<b>Alex Wynaendts</b>	<b>Target</b>	<b>Result</b>
70% Aegon performance	Mix of financial and non-financial targets	54%
10% Strategy execution	Execution of the three projects that were deemed key for a successful execution of Aegon's previous strategy (2019-2021)	54%. One project was delivered on target, one was successful but behind schedule and the last did not meet its minimum target due to changes in priority.
10% Sustainable Organization	Measures a combination of ESG related goals through personal goals on Employee Engagement and Inclusion & Diversity	80%. Employee Engagement increased from 67% to 74% (mid-year) and action plans related to Inclusion & Diversity were completed. Percentage of women in senior management positions increased from 29% to 32%.
10% Handover to successor	Contains two personal milestones for a successful handover to the new CEO	95%. Delivered strong and complete hand-over to new CEO, in difficult circumstances due to the COVID-19.
Overall result		61%

<b>Matt Rider</b>	<b>Target</b>	<b>Result</b>
70% Aegon performance	Mix of financial and non-financial targets	54%
10% Finance strategy execution	Improve quality of financial management information and business control oversight	100%. Completed all milestones and provided important financial management information to support the new Group Strategy and granular Operating Plan.
10% Finance Transformation	Deliver Finance Transformation plan, including IFRS 9 / 17 implementation	100%. Delivered all milestones within budget and created additional efficiencies.
10% Sustainable Organization	Employee Engagement, governance during CEO transition and Control Environment	100%. Employee Engagement increased in both the Finance Function and Corporate Center, high levels of governance were safeguarded during the transition and the Control Environment result exceeded its target level.
Overall result		68%

#### D. Variable compensation 2018-2020

The amounts in the first table represent the total conditional variable compensation awards allocated in relation to the performance year concerned. No circumstances have been identified to lower payout of the deferred payment from prior performance years in 2020 (the so called 'ex-post

assessment') or to lower the payout of the upfront payment of the 2019 performance year variable compensation in 2020 (the so called 'ex-ante assessment'). The second table contains the expenses for the conditional variable compensation awards, as recognized under the IFRS-EU accounting treatment in the income statement.

In EUR thousand	2020	2019	2018
Lard Friese <sup>1)</sup>	634	-	-
Alex Wynaendts <sup>2)</sup>	302	1,048	1,062
Matt Rider	640	743	760
<b>Total conditional variable compensation</b>	<b>1,577</b>	<b>1,791</b>	<b>1,822</b>

<sup>1)</sup> The disclosed amount for 2020 covers the period that Mr. Friese has been a member of the Executive Board (per May 15, 2020). The annualized amount is EUR 1,010 thousand.

<sup>2)</sup> The disclosed amount for 2020 covers the period that Mr. Wynaendts was a member of the Executive Board (until May 15, 2020). The annualized amount is EUR 812 thousand.

In EUR thousand	2020	2019	2018
Lard Friese <sup>1)</sup>	282	-	-
Alex Wynaendts <sup>2)</sup>	497	976	962
Matt Rider	528	627	545
<b>Total conditional variable compensation IFRS-EU expenses</b>	<b>1,307</b>	<b>1,604</b>	<b>1,507</b>

<sup>1)</sup> The disclosed amount for 2020 covers the period that Mr. Friese has been a member of the Executive Board (per May 15, 2020). The annualized amount is EUR 449 thousand.

<sup>2)</sup> The disclosed amount for 2020 covers the period that Mr. Wynaendts was a member of the Executive Board (until May 15, 2020). The annualized amount is EUR 1,334 thousand.

#### E. Pay-out of allocated variable compensation

The following tables show for each current and former Executive Board member how much variable compensation has been paid in shares and cash respectively in 2018, 2019 and 2020 and how much conditional variable compensation is scheduled to be paid-out in the coming years. The vesting price of the share were:

EUR 5.848 on May 18, 2018, EUR 4.287 on May 17, 2019, and EUR 2.079 on May 15, 2020. Shares allocated for plan years up to and including 2019 are subject to an additional three-year holding period after pay-out. Shares for plan years from 2020 onwards are subject to an additional two-year holding period after pay-out.

Shares by plan year	Grant Price <sup>1)</sup>	Allocated	Years of vesting							
			2018	2019	2020	2021	2022	2023	2024	
Lard Friese										
2020	EUR 4.083	103,580	-	-	-	-	-	-	-	103,580
<b>Total number of shares</b>		<b>103,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,580</b>
Alex Wynaendts										
2014	EUR 6.739	10,164	10,164 <sup>2)</sup>	-	-	-	-	-	-	-
2015	EUR 6.106	30,220	15,110	15,110	-	-	-	-	-	-
2016	EUR 5.128	61,083	20,361	20,361	20,361	-	-	-	-	-
2017	EUR 5.246	109,330	43,732	21,866	21,866	21,866	-	-	-	-
2018	EUR 5.405	98,282	-	39,314	19,656	19,656	19,656	-	-	-
2019	EUR 4.162	125,867	-	-	50,345	25,174	25,174	25,174	-	-
2020	EUR 4.083	49,346	-	-	-	-	-	-	-	49,346
<b>Total number of shares</b>		<b>484,292</b>	<b>89,367</b>	<b>96,651</b>	<b>112,228</b>	<b>66,696</b>	<b>44,830</b>	<b>25,174</b>	<b>25,174</b>	<b>49,346</b>
Matt Rider										
2017	EUR 5.246	47,539	19,015	9,508	9,508	9,508	-	-	-	-
2018	EUR 5.405	70,272	-	28,110	14,054	14,054	14,054	-	-	-
2019	EUR 4.162	89,234	-	-	35,693	17,847	17,847	17,847	-	-
2020	EUR 4.083	104,547	-	-	-	-	-	-	-	104,547
<b>Total number of shares</b>		<b>311,592</b>	<b>19,015</b>	<b>37,618</b>	<b>59,255</b>	<b>41,409</b>	<b>31,901</b>	<b>17,847</b>	<b>17,847</b>	<b>104,547</b>
Darryl Button										
2014	EUR 6.739	8,652	8,652	-	-	-	-	-	-	-
2015	EUR 6.106	23,622	11,811	11,811	-	-	-	-	-	-
2016	EUR 5.128	44,424	14,808	14,808	14,808	-	-	-	-	-
<b>Total number of shares</b>		<b>76,698</b>	<b>35,271</b>	<b>26,619</b>	<b>14,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1)</sup> This is the volume weighted average price (VWAP) of Aegon on the Euronext Amsterdam stock exchange for the period December 15 to January 15. For instance for the 2020 plan year, this is the VWAP for the period December 15, 2019 to January 15, 2020.

<sup>2)</sup> In line with the Aegon Group Global Remuneration Framework, it was agreed to adjust Mr. Wynaendts' 2014 variable compensation award downwards by 3,388 shares to reflect the outcome of a regulatory matter relating to the company.

Cash by plan year (in EUR)	Years of vesting							
	Allocated	2018	2019	2020	2021	2022	2023	2024
Lard Friese								
2020	211,431	-	-	-	211,431	-	-	-
<b>Total cash</b>	<b>211,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211,431</b>	<b>-</b>	<b>-</b>	<b>-</b>
Alex Wynaendts								
2014	68,497	68,497 <sup>1)</sup>	-	-	-	-	-	-
2015	184,522	92,261	92,261	-	-	-	-	-
2016	313,236	104,412	104,412	104,412	-	-	-	-
2017	573,550	229,420	114,710	114,710	114,710	-	-	-
2018	531,219	-	212,490	106,243	106,243	106,243	-	-
2019	523,864	-	-	209,548	104,772	104,772	104,772	-
2020	100,725	-	-	-	100,725	-	-	-
<b>Total cash</b>	<b>2,295,613</b>	<b>494,590</b>	<b>523,873</b>	<b>534,913</b>	<b>426,450</b>	<b>211,015</b>	<b>104,772</b>	<b>-</b>
Matt Rider								
2017	249,390	99,756	49,878	49,878	49,878	-	-	-
2018	379,823	-	151,931	75,964	75,964	75,964	-	-
2019	371,394	-	-	148,560	74,278	74,278	74,278	-
2020	213,404	-	-	-	-	-	-	213,404
<b>Total cash</b>	<b>1,214,011</b>	<b>99,756</b>	<b>201,809</b>	<b>274,402</b>	<b>200,120</b>	<b>150,242</b>	<b>74,278</b>	<b>213,404</b>
Darryl Button								
2014	60,024	60,024	-	-	-	-	-	-
2015	156,862	78,431	78,431	-	-	-	-	-
2016	224,022	74,674	74,674	74,674	-	-	-	-
<b>Total cash</b>	<b>440,908</b>	<b>213,129</b>	<b>153,105</b>	<b>74,674</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1)</sup> In line with the Aegon Group Global Remuneration Framework, it was agreed to adjust Mr. Wynaendts's 2014 variable compensation award downwards by EUR 22,832 to reflect the outcome of a regulatory matter relating to the company.

The Executive Board members have a time-based shareholding requirement of 5 years after the initial allocation of their variable compensation in shares (i.e. a 3-year deferral period before vesting and an additional 2-year holding period after vesting). Mr. Friese and Mr. Rider voluntarily agreed to at least hold on to the shares received as compensation to an equivalent of 100% of their fixed compensation level, once they have reached that level. This concerns the total net number of shares which have been allocated to them, but that have not been sold (i.e. includes the net number of shares in the deferral period and holding period). After the allocation of the 2020 variable compensation award, Mr. Friese will hold 42% of his fixed compensation in net shares and Mr. Rider 78%. Please note Mr. Rider received 50% of his variable compensation in shares for the 2017-2019 period, while per the new 2020 Executive Board Remuneration Policy all Executive Board members receive 67% of their variable compensation in deferred shares.

#### F. Pension contributions 2018-2020

The allocated amounts in the first table represent the total pension contributions made in relation to the performance year concerned. The second table contains the expenses for pension, as recognized under the IFRS-EU accounting treatment in the income statement.

Mr. Friese (from May 2020), Mr. Wynaendts (from June 2019) and Mr. Rider received pension contributions which equaled to 40% of their fixed compensation level. Up to and including May 2019, Mr. Wynaendts participated in a defined benefit arrangement. This arrangement included a back service liability which reflected the increase of his fixed compensation in 2016 and 2018, as well as low interest rates and the final settlement made in May 2019. Additionally, Mr. Wynaendts was entitled to a gross payment of 28% of his fixed compensation level as part of a grandfathered pension arrangement.

In EUR thousand	2020	2019	2018
Lard Friese <sup>1)</sup>	373	-	-
Alex Wynaendts <sup>2)</sup>	337	1,302	2,463
Matt Rider	376	373	367
<b>Total pension contributions</b>	<b>1,086</b>	<b>1,675</b>	<b>2,830</b>

<sup>1)</sup> The disclosed amount for 2020 covers the period that Mr. Friese has been a member of the Executive Board (per May 15, 2020). The annualized amount is EUR 594 thousand.

<sup>2)</sup> The disclosed amount for 2020 covers the period that Mr. Wynaendts was a member of the Executive Board (until May 15, 2020). The annualized amount is EUR 906 thousand.

In EUR thousand	2020	2019	2018
Lard Friese <sup>1</sup>	373	-	-
Alex Wynaendts <sup>2</sup>	337	1,243	1,952
Matt Rider	376	387	379
<b>Total pension IFRS-EU expenses</b>	<b>1,086</b>	<b>1,630</b>	<b>2,331</b>

<sup>1</sup> The disclosed amount for 2020 covers the period that Mr. Friese has been a member of the Executive Board (per May 15, 2020). The annualized amount is EUR 594 thousand.

<sup>2</sup> The disclosed amount for 2020 covers the period that Mr. Wynaendts was a member of the Executive Board (until May 15, 2020). The annualized amount is EUR 906 thousand.

## G. Benefits 2018-2020

Other benefits include non-monetary benefits (e.g. company car), social security contributions by the employer, and tax expenses

borne by the employer. The IFRS-EU expenses for these benefits are equal to the amounts in the table below.

In EUR thousand	2020	2019	2018
Lard Friese <sup>1</sup>	49	-	-
Alex Wynaendts <sup>2</sup>	97	252	195
Matt Rider	67	77	46
<b>Total benefits</b>	<b>213</b>	<b>329</b>	<b>240</b>

<sup>1</sup> The disclosed amount for 2020 covers the period that Mr. Friese has been a member of the Executive Board (per May 15, 2020). The annualized amount is EUR 77 thousand.

<sup>2</sup> The disclosed amount for 2020 covers the period that Mr. Wynaendts was a member of the Executive Board (until May 15, 2020). The annualized amount is EUR 261 thousand.

## H. Total compensation in recent years

The total compensation for Mr. Friese related to 2020 was EUR 3.2 million (including sign-on arrangement), for Mr. Wynaendts EUR 1.2 million (2019: EUR 3.9 million; 2018: EUR 5.0 million) and for Mr. Rider EUR 2.0 million (2019: EUR 2.1 million; 2018: EUR 2.1 million). The total remuneration for the members of the Executive Board over 2020 was EUR 6.5 million (2019: EUR 6.0 million; 2018: EUR 7.1 million).

The total expenses recognized under IFRS-EU accounting treatment in the income statement for Mr. Friese related to 2020 were EUR 2.6 million, for Mr. Wynaendts EUR 1.4 million (2019: 3.8 million; 2018: EUR 4.4 million) and for Mr. Rider EUR 1.9 million (2019: EUR 2.0 million; 2018: EUR 1.9 million). Total IFRS-EU expenses for the members of the Executive Board over 2020 were EUR 5.9 million (2019: 5.8 million; 2018: EUR 6.3 million).

All remuneration that has been paid and allocated to the Executive Board members was in accordance with the applicable Executive Board remuneration policy. There were no deviations from the policy.

In line with the European guidelines on the standardized presentation of the remuneration report, you find the remuneration which was awarded and due to the Executives in 2020 and 2019 in the table below. The variable compensation amounts differ from the amounts disclosed in the tables above, as they include the pay-out of variable compensation in cash and shares in the 2020 and 2019 calendar years. These have been awarded for previous performance years. Also the shares are included at the value when they were paid (i.e. vested), which might differ from the initial grant price. Please note that several amounts are pro-rated for the period during which the individual served as Executive Board member. The fixed compensation and Pension amounts are equal to the amounts that are included in the tables above.

	Fixed		Variable		One-off	Pension	Total	Ratio Fixed/Variable <sup>3)</sup>
	Salary	Benefits	Upfront <sup>1)</sup>	Deferred <sup>2)</sup>				
Lard Friese								
<b>2020<sup>4)</sup></b>	931	49	-	-	565	-	<b>1,545</b>	63% / 37%
Alex Wynaendts								
<b>2020<sup>5)</sup></b>	496	97	314	454	-	337	<b>1,699</b>	55% / 45%
2019	1,314	252	381	557	-	1,302	3,806	75% / 25%
Matt Rider								
<b>2020</b>	941	67	223	175	-	376	<b>1,782</b>	78% / 22%
2019	931	77	272	91	-	373	1,744	79% / 21%

<sup>1</sup> The upfront cash and share payments of the variable compensation of the previous year. The shares are valued at their price at vesting. For example, the upfront cash and shares of the 2019 variable compensation award that were paid in 2020.

<sup>2</sup> The deferred cash and share payments of the variable compensation of the years before the previous year. The shares are valued at their price at vesting. For example, the deferred cash and shares of the 2016-2018 variable compensation awards that were paid in 2020.

<sup>3</sup> Fixed (the numerator) is calculated as the sum of Salary, Benefits and Pension divided by the Total. Variable (the denominator) is the sum of Upfront, Deferred and One-off divided by the Total.

<sup>4</sup> The salary, benefits and pension amounts cover the pro-rated period as an Executive Board member during 2020 (from May 15 to December 31).

The one-off item concerns the upfront part of the sign-on arrangement (EUR 427 thousand in cash and 66,526 shares).

<sup>5</sup> The salary, benefits and pension amounts cover the pro-rated period as an Executive Board member during 2020 (from January 1 to May 15), while the variable amounts were paid in relation to full-year performance periods in 2016-2019.

The table below presents the total compensation that has been paid in the last five calendar years on an annualized basis and the year-on-year annual change in total compensation. Please note that therefore several amounts have been annualized, while in practice these were pro-rated for the period during which

the individual served as Executive Board member. Additionally, the table shows the Aegon net income, a proxy of the financial and non-financial business performance, the vesting price of the Aegon shares, the inflation in the Netherlands and the average employee compensation over the same period.

In EUR thousand	Annualized	2016	2017	2018	2019	2020
Lard Friese	Awarded and due	-	-	-	-	2,719
	Change					-
Alex Wynaendts (up to May 15, 2020)	Awarded and due	4,455	4,431	4,969	3,806	3,268
	Change		(1%)	12%	(23%)	(14%)
Matt Rider (as of May 19, 2017)	Awarded and due	-	1,357	1,670	1,799	1,824
	Change		-	23%	8%	1%
Darryl Button (up to Dec 1, 2016)	Awarded and due	2,370	-	-	-	-
	Change		-	-	-	-
Aegon net income (based on IFRS-EU)	In EUR million	586	2,358	741	1,525	55
Aegon business performance <sup>1)</sup>	Target = 100%	91%	121%	106%	79%	57%
Vesting price Aegon shares	In EUR	4.502	4.423	5.848	4.287	2.079
Inflation in the Netherlands	Consumer Price Index	0.3%	1.4%	1.7%	2.6%	1.3%
Average employee compensation <sup>2)</sup>	Total compensation	97	102	104	115	110
	Annual change		5%	2%	11%	(4%)

<sup>1)</sup> The weighted average Aegon financial and non-financial business performance, expressed as a percentage on a performance scale with 50% as threshold, 100% as target and 150% as maximum, as used for the allocation of variable compensation in the applicable year.

<sup>2)</sup> Consistent with the CEO pay ratio calculation, the average employee compensation is based on the audited total IFRS-EU remuneration expenses for all employees divided by the number of employees in scope for these expenses.

### 2021 Executive Board performance indicators

Looking ahead to the 2021 performance years, the 2021 performance indicators for Mr. Friese and Mr. Rider are presented in the tables below.

Lard Friese	Weight	Performance indicators	Performance period
Aegon financial	14%	Free Cash Flow	1 year <sup>1)</sup>
	7%	Relative Total Shareholder Return	2 year (2020-2021) <sup>2)</sup>
	7%	Addressable Expenses	1 year <sup>3)</sup>
	7%	Underlying Earnings Before Tax	1 year
	7%	Market Consistent Value of New Business	1 year
	7%	Operating Plan Earnings Contribution	1 year
Aegon Non-financial	21%	Operating Plan Execution	1 year
Personal	10%	Strategic Roadmap Development	1 year
	10%	Execution of capital initiatives in line with Strategic Roadmap	1 year
	5%	Women in Senior Management	1 year
	5%	ESG Strategy Development	1 year
<b>Total</b>	<b>100%</b>		

<sup>1)</sup> Will become a retrospective 3-year performance period from 2023 onwards. It is phased in with a 1-year performance period (2021) for the 2021 plan year and a 2-year performance period (2021-2022) for the 2022 plan year.

<sup>2)</sup> Will become a retrospective 3-year performance period from 2022 onwards. This year is the last transition year, which has a retrospective 2-year performance period (2020-2021).

<sup>3)</sup> Will become a retrospective 3-year performance period from 2023 onwards. It is phased in with a 1-year performance period (2021) for the 2021 plan year and a 2-year performance period (2021-2022) for the 2022 plan year.

<b>Matt Rider</b>	<b>Weight</b>	<b>Performance indicators</b>	<b>Performance period</b>
Aegon financial	14%	Free Cash Flow	1 year <sup>1)</sup>
	7%	Relative Total Shareholder Return	2 year (2020-2021) <sup>2)</sup>
	7%	Addressable Expenses	1 year <sup>3)</sup>
	7%	Underlying Earnings Before Tax	1 year
	7%	Market Consistent Value of New Business	1 year
	7%	Operating Plan Earnings Contribution	1 year
	Aegon Non-financial	21%	Operating Plan Execution
Personal	15%	Finance Strategy Execution	1 year
	5%	Strategic Roadmap Development	1 year
	5%	Execution of capital initiatives in line with Strategic Roadmap	1 year
	5%	Women in Senior Management	1 year
<b>Total</b>	100%		

<sup>1)</sup> Will become a retrospective 3-year performance period from 2023 onwards. It is phased in with a 1-year performance period (2021) for the 2021 plan year and a 2-year performance period (2021-2022) for the 2022 plan year.

<sup>2)</sup> Will become a retrospective 3-year performance period from 2022 onwards. This year is the last transition year, which has a retrospective 2-year performance period (2020-2021).

<sup>3)</sup> Will become a retrospective 3-year performance period from 2023 onwards. It is phased in with a 1-year performance period (2021) for the 2021 plan year and a 2-year performance period (2021-2022) for the 2022 plan year.

<b>Scope</b>	<b>Performance indicators</b>	<b>Definition</b>
Aegon financial	Free Cash Flow	Free cash flow represents cash flow from remittances from the units less the Holding funding and operating expenses. The 2021 target is based on the 2021-2023 target which was disclosed at the Capital Market Day in December 2020.
	Relative TSR	Aegon's position relative to 7 US and 7 non-US peers when looking at Total Shareholder Return for a retrospective 2-year performance period (2020-2021). These peers are selected for being the most similar to Aegon based on their index listing, industry classification, 5-year monthly Beta, Market Capitalization and Total Revenue <sup>1)</sup> . The target is position 5, while the threshold is set at the median position.
	Addressable Expenses	Represents those expenses reflected in underlying earnings, excluding deferrable acquisition expenses, expenses in joint ventures and associates and expenses related to operations in CEE countries. The 2021 target is based on the 2021-2023 target which was disclosed at the Capital Market Day in December 2020.
	Underlying Earnings Before Tax	Underlying earnings before tax reflect our profit from underlying business operations and exclude components that relate to accounting mismatches that are dependent on market volatility or relate to events that are considered outside the normal course of business. The target is based on the approved 2021 budget.
	Market Consistent Value of New Business	Represents how much value the sale of new insurance policies is generating for the company. This value represents the present value of our best estimate of incoming premiums and outgoing claims, benefits and expenses related to these new sales. The target is based on the approved 2021 budget.
	Operating Plan Earnings Contribution	Measures the expected run-rate earnings contribution for initiatives which move to the execution phase in 2021 compared to the overall internal contribution target which was set in the granular operating plan for 2021.
Aegon non-financial	Operating Plan Execution	Measures the timely completion of milestones and the total degree of milestone completed in 2021, including milestones related to organizational health, compared to targets which were agreed in the granular operating plan.
Lard Friese	Strategic Roadmap Development	Develop Strategic Roadmap for strategic assets and growth markets.
	Execution of capital initiatives in line with Strategic Roadmap	Complete management actions in relation to financial assets, and sub-scale businesses and other ventures.
	Women in Senior Management	Increase the number of women in Aegon's senior management layer worldwide to at least 34%.
	ESG Strategy Development	Further integrate ESG into Group Strategy.
Matt Rider	Finance Strategy Execution	Complete the 2021 milestones from the Finance Strategy.
	Strategic Roadmap Development	Support development of strategic roadmap for strategic assets and growth markets.
	Execution of capital initiatives in line with Strategic Roadmap	Support completion management actions in relation to financial assets, and sub-scale businesses and other ventures
	Women in Senior Management	Increase the number of women in Aegon's senior management layer worldwide to at least 34%.

<sup>1)</sup> The US peers are Axa Equitable Holdings, Principal Financial Group, Unum Group, Lincoln National Corp, Prudential Financial, Brighthouse Financial and MetLife. The non-US peers are Athene Holding, NN Group, Swiss Life Holding, Assicurazioni Generali, Baloise Holding, Prudential and ASR Nederland.