

# AEGON N.V.

## SUPERVISORY BOARD

### CHARTER

ADOPTED BY THE SUPERVISORY BOARD ON: 7 NOVEMBER 2017

#### CONTENTS

1	Supervisory Board Profile, Size, Expertise and Independence; Diversity Policy .....	2
2	(Re)Appointment; Term of Office; Resignation .....	4
3	Chairman and Vice-Chairman .....	5
4	Company Secretary .....	6
5	Committees .....	7
6	General Duties and Powers; Relation with the Executive Board .....	7
7	Duties regarding the Activities of the Executive Board .....	8
8	Duties regarding the Members and the Performance of the Supervisory Board and Executive Board .....	10
9	Certain other Duties of the Supervisory Board.....	11
10	Supervision of Financial Reporting.....	11
11	Duties regarding Nomination and Assessment of the External Auditor .....	12
12	Remuneration of Executive Board Members .....	13
13	Relation with the Shareholders .....	14
14	Relation with the Central Works Council.....	16
15	Frequency, Notice, Agenda and Venue of Meetings.....	16
16	Attendance of and Admittance to Meetings .....	16
17	Chairman of the Meeting; Reports .....	17
18	Decision-making within the Supervisory Board.....	17
19	Conflicts of Interests of Supervisory Board Members .....	18
20	Remuneration of Supervisory Board Members .....	19
21	Introduction Programme, Ongoing Training and Education.....	19
22	Other Positions .....	19
23	Holding and Trading Securities .....	20
24	Confidentiality .....	20
25	Indemnification in case of liability .....	20
26	Miscellaneous.....	21

#### ANNEX

1	List of Definitions .....	22
2	Supervisory Board Profile.....	25
3	Retirement schedule Supervisory Board.....	28
4	List of Executive Board resolutions that require approval of the Supervisory Board .....	29
5	Information to be included in the Supervisory Board Report .....	32
6	External Auditor Independence Policy .....	33
7	Information to be included in the Remuneration Report .....	35

## **0. INTRODUCTION**

- 0.1 This Charter is established pursuant to best practice provision 2.3.1 of the Dutch Corporate Governance Code.
- 0.2 This Charter is complementary to the provisions regarding the Supervisory Board and the Supervisory Board members as contained in applicable legislation and regulations, the Articles of Association and the rules pertaining to the relationship between Executive Board and Supervisory Board as contained in the Charter of the Executive Board (which have been approved by the Supervisory Board).
- 0.3 This Charter is posted on the Company's website.<sup>1</sup>
- 0.4 The meaning of certain capitalised or uncapitalized terms used in this Charter is set forth in the List of Definitions attached as Annex 1.

## **CHAPTER I COMPOSITION OF THE SUPERVISORY BOARD; POSITIONS; COMMITTEES**

### **1. SUPERVISORY BOARD PROFILE, SIZE, EXPERTISE AND INDEPENDENCE; DIVERSITY POLICY**

- 1.1 The Supervisory Board shall prepare a profile of its size and composition, taking account of the nature and geographic spread of the Company and its affiliated enterprise (the **Supervisory Board Profile**). The Supervisory Board Profile shall address:<sup>2</sup>
  - (a) the desired expertise and background of the Supervisory Board members;
  - (b) the desired diverse composition of the Supervisory Board as expressed in the diversity policy;
  - (c) the size of the Supervisory Board; and
  - (d) the independence of the Supervisory Board members.

The current Supervisory Board Profile is attached as Annex 2.

- 1.2 The Supervisory Board shall draw up a diversity policy with regard to the composition of the Supervisory Board that addresses the concrete targets relating to diversity and the diversity aspects relevant to the Company, such as nationality, age, gender and background of education and professional experience.<sup>3</sup>
- 1.3 The number of Supervisory Board members is determined by the Supervisory Board after consultation with the CEO, and has a minimum of seven members.
- 1.4 The Supervisory Board shall endeavour to ensure, within the limits of its powers, that it is at all times composed so that:
  - (a) each Supervisory Board member has the specific expertise required to perform his duties within the framework of his role within the Supervisory Board Profile;<sup>4</sup>

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision 2.3.1.

<sup>2</sup> Dutch Corporate Governance Code, best practice provision 2.1.1.

<sup>3</sup> Dutch Corporate Governance Code, best practice provision 2.1.5.

<sup>4</sup> Dutch Corporate Governance Code, best practice provision 2.1.4.

- (b) each Supervisory Board member is capable of assessing the broad outline of the overall policy;<sup>5</sup>
  - (c) the Supervisory Board as a whole matches the Supervisory Board Profile and that the composition of the Supervisory Board is such that the requisite expertise, background, competencies and independence are present, enabling the Supervisory Board to carry out its duties properly;<sup>6</sup>
  - (d) at least one Supervisory Board member shall have competence in accounting and auditing;<sup>7</sup>
  - (e) its members are able to act critically and independently of one another, the Executive Board and any particular interests involved; in order to safeguard this the Supervisory Board is composed so that: <sup>8</sup>
    - (i) any one of the criteria referred to in Clause 1.5 to (e) inclusive are applicable to at most one Supervisory Board member;
    - (ii) for each shareholder, or group of affiliated shareholders who directly or indirectly hold more than ten percent of the shares in the Company, there is at most one Supervisory Board member who can be considered to be affiliated with or representing them as stipulated in clause 1.5(f) and (g); and
    - (iii) the total number of Supervisory Board members to whom the criteria referred to in Clause 1.5 are applicable shall account for less than half of the total number of Supervisory Board members;
  - (f) all Supervisory Board members observe the restrictions regarding the nature and number of their other positions as set forth in Clause 22.
- 1.5 A Supervisory Board member is not independent if one of the following criteria of dependence applies to him. These criteria are that the Supervisory Board member concerned, his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree: <sup>9</sup>
- (a) has been an employee or member of the Executive Board of the Company or an Affiliated Company in the five years prior to their appointment as Supervisory Board member;
  - (b) receives personal financial compensation from the Company, or an Affiliated Company, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not keeping with the ordinary business operations;
  - (c) has had an important business relationship with the Company or an Affiliated Company in the year prior to the appointment;
  - (d) is a member of the executive board of a company in which a member of the Executive Board is a supervisory board member;
  - (e) has temporarily managed the Company during the previous twelve months due to vacant seats on the Executive Board, or because Executive Board members were unable to perform their duties;

<sup>5</sup> Dutch Corporate Governance Code, best practice provision 2.1.4.

<sup>6</sup> Dutch Corporate Governance Code, Principle 2.1.

<sup>7</sup> Audit Committee Decree 2016 ("Besluit instelling auditcommissie"), section 2(3).

<sup>8</sup> Dutch Corporate Governance Code, best practice provision 2.1.7.

<sup>9</sup> Dutch Corporate Governance Code, best practice provision 2.1.8.

- (f) has a shareholding in the Company of at least ten percent, taking into account the shareholding of natural persons or legal entities cooperating with him on the basis of an express or tacit, verbal or written agreement; or
- (g) is a member of the executive board or supervisory board, or a representative in some other way, of a legal entity which holds at least ten per cent of the shares in the Company's capital, unless such entity is a member of the same group as the Company.

## **2. (RE)APPOINTMENT; TERM OF OFFICE; RESIGNATION**

- 2.1 The members of the Supervisory Board are appointed by the General Meeting of Shareholders.
- 2.2 The Supervisory Board nominates one or more candidates for appointment after careful consideration, taking into account the diversity policy adopted by the Supervisory Board with regard to its composition<sup>10</sup>. Any nomination or recommendation by the Supervisory Board for appointment or reappointment of a Supervisory Board member must be in accordance with Clause 1, including the Supervisory Board Profile. On reappointment, account must be taken of the candidate's past performance as a Supervisory Board member.<sup>11</sup> Prior to being nominated, candidates are subject to an integrity and a fitness and properness assessment by De Nederlandsche Bank ("DNB"). Only those candidates who receive a positive assessment by DNB will be nominated for appointment<sup>12</sup>.
- 2.3 A nomination or recommendation to the General Meeting of Shareholders to appoint a Supervisory Board member shall state the candidate's age, his profession, the amount and number of shares he holds in the Company's capital and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a Supervisory Board member. Furthermore, the legal entities of whose supervisory boards he is also a member of must be listed; if those include legal entities which belong to the same group, reference to that group is sufficient. The recommendation or nomination for appointment or reappointment shall state the reasons on which it is based.<sup>13</sup>
- 2.4 A Supervisory Board member shall be appointed for a period of four years and may then be reappointed once for a period of four years. A Supervisory Board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. For a reappointment after an eight-year period, reasons must be provided in the report of the Supervisory Board.<sup>14</sup>
- 2.5 A Supervisory Board member nominated for appointment shall attend the General Meeting of Shareholders at which votes will be cast on his appointment.<sup>15</sup>
- 2.6 Supervisory Board members shall retire periodically in accordance with a retirement schedule to be drawn up by the Supervisory Board in order to avoid, as far as possible, a situation in which many Supervisory Board members retire at the same time.<sup>16</sup> The current retirement schedule is attached as Annex 3. The Supervisory Board may at any time amend the retirement schedule. Amendments to the retirement schedule, however, do not permit a sitting member of the Supervisory Board to remain in office for a longer period than appointed for, or allow that he be asked to retire before his term has expired.<sup>17</sup>

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<sup>10</sup> Dutch Corporate Governance Code, best practice provision 2.1.5.

<sup>11</sup> Section 2:142 Dutch Civil Code.

<sup>12</sup> Sections 3:271 and 3:272 Financial Supervision Act ("Wet financieel toezicht").

<sup>13</sup> Section 2:142 Dutch Civil Code.

<sup>14</sup> Dutch Corporate Governance Code, best practice provision 2.2.2.

<sup>15</sup> Dutch Corporate Governance Code, best practice provision 4.1.8.

<sup>16</sup> Dutch Corporate Governance Code, best practice provision 2.2.4.

<sup>17</sup> Dutch Corporate Governance Code, best practice provision.2.2.4.

- 2.7 The Supervisory Board shall ensure that the Company has a sound plan in place for the succession of Supervisory Board members that is aimed at retaining the balance in the requisite expertise, experience, diversity and independence. Due regard must be given to the Supervisory Board Profile in drawing up that plan.<sup>18</sup>
- 2.8 A Supervisory Board member shall retire early in the event of unacceptable performance, structural incompatibility of interests, and in any other instances where deemed necessary by the Supervisory Board.<sup>19</sup>
- 2.9 A Supervisory Board member who is temporarily charged with the management of the Company when seats on the Executive Board are vacant or Executive Board members are unable to fulfil their duties, shall resign from the Supervisory Board.<sup>20</sup>
- 2.10 The members of the Supervisory Board receive a remuneration that reflects the time spent and the responsibilities of their role.<sup>21</sup> The remuneration may not be in the form of shares and/or rights to shares. <sup>22</sup>A Supervisory board member that holds shares in the Company shall hold these as a long-term investment.<sup>23</sup>

### **3. CHAIRMAN AND VICE-CHAIRMAN**

- 3.1 The Supervisory Board shall elect a Chairman and a Vice-Chairman from among its members. The Chairman shall not be a former member of the Executive Board and shall be independent within the meaning of Clause 1.5.<sup>24</sup>
- 3.2 The Vice-Chairman replaces, and assumes the powers and duties of, the Chairman in the latter's absence. The Vice-Chairman acts as a contact for the individual members of the Supervisory Board and the Executive Board on the performance of the Chairman.<sup>25</sup>
- 3.3 The Chairman is primarily responsible for the functioning of the Supervisory Board and its Committees. He shall act as the spokesman of the Supervisory Board and is the main contact for the CEO, the Executive Board as a whole and for the shareholders.<sup>26</sup> The CEO and the Chairman shall meet on a regular basis.<sup>27</sup> As a general rule, the Chairman presides over General Meetings of Shareholders.
- 3.4 Without prejudice to the generality of Clause 3.3, the Chairman in any case sees to it that:<sup>28</sup>
- (a) Supervisory Board members, when appointed, follow the introduction programme and, as needed, additional education or training programmes;<sup>29</sup>
  - (b) the Supervisory Board members receive all information necessary for the proper performance of their duties in a timely manner;
  - (c) there is sufficient time for deliberation and decision-making by the Supervisory Board;
  - (d) the Supervisory Board and the Committees function properly;

<sup>18</sup> Dutch Corporate Governance Code, best practice provision 2.2.4 also in connection with best practice provision 2.1.1.

<sup>19</sup> Dutch Corporate Governance Code, best practice provision 2.2.3.

<sup>20</sup> Dutch Corporate Governance Code, best practice provision 2.3.9.

<sup>21</sup> Dutch Corporate Governance Code, best practice provision 3.3.1.

<sup>22</sup> Dutch Corporate Governance Code, best practice provision 3.3.2.

<sup>23</sup> Dutch Corporate Governance Code, best practice provision 3.3.3.

<sup>24</sup> Dutch Corporate Governance Code, best practice provision 2.1.9.

<sup>25</sup> Dutch Corporate Governance Code, best practice provision 2.3.7. and 2.4.3.

<sup>26</sup> Dutch Corporate Governance Code, best practice provision 2.4.3.

<sup>27</sup> Dutch Corporate Governance Code, best practice provision 2.3.6.

<sup>28</sup> Dutch Corporate Governance Code, best practice provision 2.3.6.

<sup>29</sup> Dutch Corporate Governance Code, best practice provision 2.4.5.

- (e) the functioning of Executive Board members and Supervisory Board members is assessed at least annually;
- (f) the Supervisory Board elects a Vice-Chairman;
- (g) the Supervisory Board has proper contact with the Executive Board;
- (h) the Management Board performs activities in respect of culture;<sup>30</sup>
- (i) the Supervisory Board recognises signs from the enterprise affiliated with the Company and ensures that any (suspicion of) material misconduct and irregularities are reported to the Supervisory Board without delay;
- (j) the General Meeting of Shareholders proceeds in an orderly and efficient manner;
- (k) effective communication with shareholders is assured; and
- (l) the Supervisory Board is involved closely, and at an early stage, in any merger or takeover processes.

3.5 In addition, the Chairman is primarily responsible for:

- (a) ensuring the proper discharge by the Supervisory Board of its duties;
- (b) determining the agenda of Supervisory Board meetings and chairing such meetings;
- (c) consulting with external advisors appointed by the Supervisory Board;
- (d) addressing problems related to the performance of individual Supervisory Board members; and
- (e) addressing internal disputes and conflicts of interest concerning individual members of the Supervisory Board and the Executive Board and the possible resignation of such members as a result.

#### **4. COMPANY SECRETARY<sup>31</sup>**

- 4.1 The Supervisory Board and its Committees are supported by the Company Secretary, who is appointed by the Executive Board, after approval by the Supervisory Board. The Company Secretary may be removed by the Executive Board after approval by the Supervisory Board.
- 4.2 All Supervisory Board members have access to the advice and services of the Company Secretary.
- 4.3 The Company Secretary sees to it that correct Supervisory Board procedures are followed and that the obligations of the Supervisory Board under the law, the Articles of Association and the Charter are complied with. The Company Secretary shall support the Chairman in the organisation of the affairs of the Supervisory Board (information, agenda, reporting of meetings, evaluation, introduction, education and training programme, etc.). The Company Secretary is as such also the secretary of the Supervisory Board.
- 4.4 The Company Secretary may delegate his duties under this Charter, or parts thereof, to one (or more) deputy (or deputies) appointed by him in consultation with the CEO and the Chairman.

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<sup>30</sup> Dutch Corporate Governance Code, best practice provision 2.5.1.

<sup>31</sup> See also clause 5 of the Executive Board Charter and Dutch Corporate Governance Code, best practice provision 2.3.10.

- 4.5 The Company Secretary also performs activities for the Executive Board, as provided for in the Charter of the Executive Board. If the Company Secretary notes that the interests of the Executive Board and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, he shall report this to the Chairman.

## 5. COMMITTEES

- 5.1 The Supervisory Board may appoint standing and/or ad hoc Committees from among its members, which are charged with tasks specified by the Supervisory Board. The composition of any Committee is determined by the Supervisory Board. The Supervisory Board shall, in any event, establish an Audit Committee, a Risk Committee, a Remuneration Committee and a Nomination and Governance Committee.<sup>32</sup>
- 5.2 The Supervisory Board remains collectively responsible for decisions prepared by Committees from among its members.<sup>33</sup> The Supervisory Board may attribute powers to a Committee. A Committee may only exercise such powers as are explicitly attributed to it and may never exercise powers beyond those exercisable by the Supervisory Board as a whole. The Supervisory Board may, partial or in full, revoke any power attributed to a Committee.
- 5.3 Each Committee must inform the Supervisory Board in a clear and timely way of the manner in which it has used delegated authority and of any major development in the area of its responsibilities. All Supervisory Board members have unrestricted access to all Committee meetings and records. The Supervisory Board shall, within the term specified in the Charter of the Committee concerned, receive a report from each Committee of its deliberations and findings.<sup>34</sup>
- 5.4 The Supervisory Board shall establish a Charter for each Committee and may amend these at any time. The Charters shall indicate the role and responsibility of the Committee concerned, its composition and the manner in which it performs its duties.<sup>35</sup> The Charter of a Committee may contain more detailed rules on the composition of the Committee concerned.
- 5.5 The Supervisory Board as a rule has no "delegated Supervisory Board member" (*gedelegeerd commissaris*). Under special circumstances, however, the Supervisory Board may resolve to appoint a "delegated Supervisory Board member", in which case best practice provision 2.3.8 of the Dutch Corporate Governance Code shall apply.

## CHAPTER II DUTIES AND POWERS

### 6. GENERAL DUTIES AND POWERS; RELATION WITH THE EXECUTIVE BOARD

- 6.1 The Supervisory Board supervises the manner in which the Executive Board implements the long-term value creation strategy. The Supervisory Board regularly discusses the strategy, the implementation of the strategy and the principal risks associated with it.<sup>36</sup>
- 6.2 The Supervisory Board is charged with the supervision of the Executive Board, the general course of affairs of the Company and the affiliated enterprise. The Supervisory Board assists the Executive Board with advice.<sup>37</sup> The responsibility for the proper performance of its duties is vested collectively in the Supervisory Board.

<sup>32</sup> Dutch Corporate Governance Code, Principle 2.3 and best practice provision 2.3.2.

<sup>33</sup> Dutch Corporate Governance Code, best practice provision 2.3.2.

<sup>34</sup> Dutch Corporate Governance Code, best practice provision 2.3.5.

<sup>35</sup> Dutch Corporate Governance Code, best practice provision 2.3.3.

<sup>36</sup> Dutch Corporate Governance Code, best practice provision 1.1.3.

<sup>37</sup> Section 2:140 (2) Dutch Civil Code.

- 6.3 In performing its duties the Supervisory Board shall act in accordance with the interests of the Company and the affiliated enterprise, taking into consideration the interests of the Company's stakeholders.<sup>38</sup>The Supervisory Board shall also have due regard for corporate social responsibility issues that are relevant to the Company<sup>39</sup>. Supervisory Board members shall perform their duties without mandate and independent of any interest in the business of the Company. They should not support one interest without regard to the other interests involved.
- 6.4 The Supervisory Board members shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, without jeopardizing the responsibilities of individual Supervisory Board members.
- 6.5 The Supervisory Board ensures that the Executive Board's expertise and responsibilities are safeguarded and that the Supervisory Board is informed adequately. In this respect the Supervisory Board pays specific attention to the dynamics and the relationship between the Executive Board and the Management Board.<sup>40</sup>
- 6.6 The Executive Board shall of its own accord and in a timely manner provide the Supervisory Board and its members and Committees with the information needed to function and to discharge their duties properly.<sup>41</sup>
- 6.7 Notwithstanding the provisions of Clauses 6.6. and 7.3 of this Charter and clause 11.4 of the Charter of the Executive Board, the Supervisory Board and its individual members each have responsibility for obtaining all information from the Executive Board, the internal audit function and the External Auditor needed to enable them to carry out their duties properly as a supervisory body. If deemed necessary by the Supervisory Board, it may obtain information from officers and external advisers of the Company. The Company shall provide the necessary means for this purpose. The Supervisory Board may require that certain officers and external advisers attend its meetings.<sup>42</sup>
- 6.8 Each member of the Supervisory Board has access to the books, records and offices of the Company in so far as required or as is useful for the proper performance of his duties. The Supervisory Board member shall exercise this right in consultation with the Chairman and the Company Secretary, save where the applicable Charter of a Committee dictate otherwise.
- 6.9 The Supervisory Board may in exercising its duties and after informing the CEO seek the assistance or advice of one of more external experts.

## **7. DUTIES REGARDING THE ACTIVITIES OF THE EXECUTIVE BOARD**

- 7.1 The supervision of the Executive Board by the Supervisory Board shall include *inter alia*:
- (a) the long-term value creation of the Company and its affiliated enterprise and weighing of the interests of stakeholders involved, including the achievement of the Company's objectives;<sup>43</sup>
  - (b) activities of the Executive Board regarding the creation of a culture aimed at long-term value creation of the Company and its affiliated enterprise;<sup>44</sup>
  - (c) the internal audit function;<sup>45</sup>

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<sup>38</sup> Section 2:140 (2) Dutch Civil Code and Dutch Corporate Governance Code, Principle 1.1.

<sup>39</sup> Section 2:140 Dutch Civil Code.

<sup>40</sup> Dutch Corporate Governance Code, best practice provision 2.1.3.

<sup>41</sup> Dutch Corporate Governance Code, best practice provision 2.4.7.

<sup>42</sup> Dutch Corporate Governance Code, best practice provision 2.4.8 and 2.4.9.

<sup>43</sup> Dutch Corporate Governance Code, Principle 1.1 and best practice provision 1.1.2.

<sup>44</sup> Dutch Corporate Governance Code, Principle 2.5.

<sup>45</sup> Dutch Corporate Governance Code, Principle 1.3.



- (d) the risks inherent in the business activities and the structure and effectiveness of the internal risk management and control systems;<sup>46</sup>
  - (e) the integrity and quality of the financial reporting;<sup>47</sup>
  - (f) the information- and communication technology (ICT) systems of the Company and the managing of the risks associated with cybersecurity;<sup>48</sup>
  - (g) the corporate social responsibility issues that are relevant to the Company;
  - (h) the safeguarding of the Executive Board's expertise and responsibilities and process of providing information to the Supervisory Board;<sup>49</sup>
  - (i) the establishment and maintenance of internal procedures which ensure that all relevant information is known to the Executive Board and the Supervisory Board in a timely fashion;<sup>50</sup>
  - (j) the risks associated with the remuneration structure for employees of the Company and its affiliated enterprise,<sup>51</sup> including the members of the Management Board who are not Executive Board members<sup>52</sup>;
  - (k) the maintenance of an effective relationship with the Company's lead supervisor/regulator;
  - (l) the relation with the shareholders of the Company;<sup>53</sup> and
  - (m) the compliance with laws and regulations.
- 7.2 The resolutions of the Executive Board listed in Annex 4 are subject to the approval of the Supervisory Board<sup>54</sup>.
- 7.3 The Executive Board shall provide the Supervisory Board with the following information in a timely manner:
- (a) a report with detailed information on, among other things, business developments, mergers and acquisitions, material investments, major organisational issues, regulatory developments and other relevant issues;
  - (b) each quarter, a report with detailed information on the financial situation and development of the Company and its Subsidiaries; and
  - (c) such information as the Supervisory Board deems necessary from time to time,
- which will be drafted in the format agreed upon from time to time between the Executive Board and the Supervisory Board.

<sup>46</sup> Dutch Corporate Governance Code, Principle 1.5.

<sup>47</sup> Dutch Corporate Governance Code, Principle 1.5.

<sup>48</sup> See clause 7.1(g) of the Executive Board Charter.

<sup>49</sup> Dutch Corporate Governance Code, best practice provision 2.1.3 and 2.4.7.

<sup>50</sup> Dutch Corporate Governance Code, best practice provision 2.4.6.

<sup>51</sup> Dutch Corporate Governance Code, explanatory notes re Principle 1.2.

<sup>52</sup> Dutch Corporate Governance Code, best practice provision 3.1.3.

<sup>53</sup> Dutch Corporate Governance Code, best practice provision 4.1.1.

<sup>54</sup> Dutch Corporate Governance Code, best practice provision 2.7.2.

**8. DUTIES REGARDING THE MEMBERS AND THE PERFORMANCE OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD**

8.1 The duties of the Supervisory Board regarding the members of the Executive Board specifically include:

- (a) the selection and nomination of members of the Executive Board,<sup>55</sup> the submission of proposals for the Remuneration Policy for members of the Executive Board to the General Meeting of Shareholders, the determination of the remuneration (in accordance with the adopted Remuneration Policy) and the contractual employment conditions of Executive Board members;<sup>56</sup>
- (b) the determination of the number of Executive Board members, the designation of the CEO<sup>57</sup>, the approval (or proposal, where appropriate) of changes to the division of tasks within the Executive Board or of the Charter of the Executive Board;<sup>58</sup>
- (c) the assessment of the functioning of the Executive Board and its individual members; the approval of additional positions of the Executive Board to the extent required under the Charter of the Executive Board;<sup>59</sup> and
- (d) addressing the conflict of interest issues between the Company and members of the Executive Board.<sup>60</sup>

8.2 The duties of the Supervisory Board in relation to the members of the Supervisory Board specifically include:

- (a) the selection and nomination of members of the Supervisory Board and proposals to the General Meeting of Shareholders for the remuneration of members of the Supervisory Board;
- (b) the determination of the number of Supervisory Board members, the appointment of a Chairman and Vice-Chairman, the establishment of Committees and defining their role, the evaluation of the functioning of the Supervisory Board, its Committees and the individual members of the Supervisory Board (including an evaluation of the Supervisory Board Profile and the introduction, education and training programme); the approval of other positions of Supervisory Board members to the extent required under Clause 22; and
- (c) to address conflict of interest issues between the Company and members of the Supervisory Board (see also Clause 3.5(e)).<sup>61</sup>

8.3 The Supervisory Board promotes a culture of openness and accountability within the Supervisory Board.<sup>62</sup>

8.4 At least once a year the Supervisory Board shall, without the Executive Board being present, evaluate its own functioning, the functioning of its Committees and that of the individual Supervisory Board members, and discuss the conclusions that must be drawn on the basis thereof. Attention shall be paid to:

<sup>55</sup> See also clause 1.1 of the Executive Board Charter and the Nomination and Governance Committee Charter.

<sup>56</sup> See also Clause 12 of this Charter, the Remuneration Committee Charter and clause 19 of the Executive Board Charter.

<sup>57</sup> See the options in clause 2.1 of the Executive Board Charter.

<sup>58</sup> See also clause 1 of the Executive Board Charter.

<sup>59</sup> See also clause 19 of the Executive Board Charter.

<sup>60</sup> See also clause 16 of the Executive Board Charter; Dutch Corporate Governance Code, best practice provision 2.6.1.

<sup>61</sup> See also Clause 19 of this Charter.

<sup>62</sup> Dutch Corporate Governance Code, best practice provision 2.4.1.

- (a) substantive aspects, the process, the mutual interaction and the interaction with the Executive Board;
- (b) events that occurred in practice from which lessons may be learned; and
- (c) the desired profile, the composition, competencies and expertise of the Supervisory Board.<sup>63</sup>

8.5 At least once a year the Supervisory Board shall, without the Executive Board being present, evaluate the functioning of the Executive Board as a whole and the functioning of its individual members, and discuss the conclusions that must be drawn on the basis thereof, such also in light of the succession of Executive Board members.<sup>64</sup>

## **9. CERTAIN OTHER DUTIES OF THE SUPERVISORY BOARD**

9.1 The other duties of the Supervisory Board include:

- (a) duties regarding the External Auditor as described in Clause 11 and the Charter of the Audit Committee;
- (b) the handling of complaints about actual (or suspected) misconduct regarding the functioning of members of the Executive Board;<sup>65</sup>
- (c) monitoring the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions; in cases where the Executive Board itself is involved, the Supervisory Board may initiate its own investigation into any signs of misconduct and irregularities, and coordinate this investigation.<sup>66</sup>
- (d) the taking of measures for the temporary management of the Company if a member of the Executive Board is absent or prevented from performing his duties;
- (e) other duties the Supervisory Board is charged with under legislation, the Articles of Association, this Charter, the Charter of a Committee, the Charter of the Executive Board or the Charter of the Management Board.

9.2 The Supervisory Board shall draw up a report to be included in the Annual Report of the Company describing its activities in the financial year concerned and containing the specific statements and information listed in Annex 5.<sup>67</sup>

9.3 The Supervisory Board and the Executive Board are jointly responsible for the corporate governance structure of the Company, compliance with the Dutch Corporate Governance Code and any other applicable legislation and regulations.<sup>68</sup>

## **10. SUPERVISION OF FINANCIAL REPORTING**

10.1 The Supervisory Board supervises compliance with internal procedures established by the Executive Board for the preparation and publication of the Annual Report, the Annual Accounts, Form 20-F and 6-K, the interim figures and ad hoc financial information.<sup>69</sup> The Supervisory Board

<sup>63</sup> Dutch Corporate Governance Code, best practice provision 2.2.6.

<sup>64</sup> Dutch Corporate Governance Code, best practice provision 2.2.7.

<sup>65</sup> See also clause 6.6 Executive Board Charter; Dutch Corporate Governance Code, best practice provision 2.6.2.

<sup>66</sup> Dutch Corporate Governance Code, best practice provision 2.6.4.

<sup>67</sup> Dutch Corporate Governance Code, best practice provision 2.3.11.

<sup>68</sup> See Dutch Corporate Governance Code, part 'Compliance with the Code'.

<sup>69</sup> Dutch Corporate Governance Code 2009, best practice provision V.1.1.

also supervises the establishment and maintenance of internal control mechanism for external financial reporting as described in Clause 1.8 of the Charter of the Executive Board.

- 10.2 The Audit Committee shall regularly, and in any event as soon as possible, provide the Supervisory Board with reports on the Annual Accounts, and the interim figures, which will then be discussed at a meeting of the Supervisory Board. The Annual Accounts, the report of the Executive Board and the report of the Supervisory Board for the year just ended shall be discussed in a meeting with the Supervisory Board within four months of this year end. The interim figures of the Company for the respective period just ended shall be discussed in a meeting of the Executive Board with the Supervisory Board within two months of the end of this period. These meetings are prepared by the Audit Committee.
- 10.3 The Audit Committee shall report to the Supervisory Board on its deliberations and findings regarding the issues referred to in clause 6.10 of the Charter of the Audit Committee, after which they will be discussed in a Supervisory Board meeting.<sup>70</sup>
- 10.4 The External Auditor shall in any event attend the part of the meeting of the Supervisory Board at which the report of the External Auditor with respect to the audit of the Annual Accounts is discussed.<sup>71</sup> The External Auditor shall receive the financial information underlying the adoption of the interim figures, and other interim financial reports, and shall be given the opportunity to respond to all information. The External Auditor shall report his findings in relation to the audit of the Annual Accounts to the Executive Board and the Supervisory Board simultaneously. The Supervisory Board shall be permitted to examine the most important points of discussion arising between the External Auditor and the Executive Board based on the draft management letter or the draft audit report.<sup>72</sup>
- 10.5 The line of contact between the Supervisory Board and the External Auditor is in principle through the chairman of the Audit Committee. The External Auditor shall inform the chairman of the Audit Committee without delay if, during the performance of his duties, he discovers or suspect misconduct or irregularities within the Company and its affiliated enterprise. If the actual (or suspected) misconduct or irregularity pertains to the functioning of an Executive Board member, employees can report this directly to the Chairman.<sup>73</sup>
- 10.6 The Supervisory Board sees to it that the recommendations made by the External Auditor are considered carefully by the Executive Board and the Supervisory Board and, to the extent accepted, that they are actually carried out by the Executive Board. This supervision may be delegated to the Audit Committee.

## **11. DUTIES REGARDING NOMINATION AND ASSESSMENT OF THE EXTERNAL AUDITOR**

- 11.1 The External Auditor shall be appointed by the General Meeting of Shareholders.<sup>74</sup> The Supervisory Board nominates a candidate for this appointment to the General Meeting of Shareholders and may recommend replacement of the External Auditor.
- 11.2 The Supervisory Board gives the External Auditor a general idea of the content of the reports relating to his functioning.<sup>75</sup> The Audit Committee shall report annually to the Supervisory Board on the functioning of, and the developments in, the relationship with the External Auditor. The Audit Committee shall advise the Supervisory Board regarding the nomination with respect to the External Auditor's appointment or reappointment or dismissal and shall prepare the selection of the External Auditor. The Audit Committee gives due consideration to the Executive Board

<sup>70</sup> Dutch Corporate Governance Code, best practice provision 1.5.3 and 1.5.4.

<sup>71</sup> Dutch Corporate Governance Code, best practice provision 1.7.6.

<sup>72</sup> Dutch Corporate Governance Code, best practice provision 1.7.5.

<sup>73</sup> Dutch Corporate Governance Code, best practice provision 2.6.3.

<sup>74</sup> The External Auditor (the audit organisation) may be appointed for a term of maximum 10 years, see Section 17 EU-Regulation 537/2014 (change of responsible partner after 5 years, Section 24 Act on the Supervision of Audit Organisations)

<sup>75</sup> Dutch Corporate Governance Code, best practice provision 1.6.2.

observations. The Supervisory Board shall take this into account when deciding its nomination to the General Meeting of Shareholders for the appointment of an External Auditor.<sup>76</sup>

- 11.3 The main conclusions of the Supervisory Board regarding the External Auditor's nomination and the outcomes of the External Auditor selection process shall be communicated to the General Meeting of Shareholders.<sup>77</sup> If the Supervisory Board does not accept the Audit Committee's advice concerning the External Auditor's appointment, the reasons for this decision must be stated in the proposal to the General Meeting of Shareholders.<sup>78</sup>
- 11.4 The Supervisory Board resolves, on a proposal submitted by the Audit Committee, on the External Auditor's engagement to audit the financial statements.<sup>79</sup> By way of implementation of the decision of the General Meeting of Shareholders, or as the case may be of the Supervisory Board or Executive Board<sup>80</sup>, to appoint the External Auditor, the Supervisory Board will on behalf of the Company enter into an agreement to that effect with the External Auditor.
- 11.5 When appointed, the External Auditor is requested to state explicitly to the Company:
- (a) to comply and continue to comply with the requirements regarding independency as included in the Act on the Supervision of Audit Organisations and other applicable laws and regulations; and
  - (b) that he has been informed of all matters provided for in the Executive Board Charter, the Management Board Charter, this Charter and the Charter of the Audit Committee, that he agrees with and will co-operate fully with their implementation.
- 11.6 As provided for in the Charter of the Audit Committee, the Supervisory Board shall approve the remuneration of the External Auditor on the recommendation of the Audit Committee, and after consultation with the Executive Board. The Charter of the Audit Committee and the Preapproval Policy include provisions governing non-audit services provided by the External Auditor.

## 12. REMUNERATION OF EXECUTIVE BOARD MEMBERS

- 12.1 The Supervisory Board shall be responsible for formulating the Remuneration Policy of the Executive Board on a proposal by the Remuneration Committee<sup>81</sup>, and its implementation. The Remuneration Policy, including severance payment, shall be clear, transparent and understandable, shall focus on long-term value creation for the Company and its affiliated enterprise, shall take into account the internal pay ratios within the enterprise and shall be aligned with the various Dutch and EU legislation and regulation applicable to a holding company of a financial group. The Remuneration Policy shall not encourage Executive Board members to act in their own interest, nor to take risks that are not in line with the strategy formulated and the risk appetite that has been established.<sup>82</sup> The Remuneration Policy shall be submitted to the General Meeting of Shareholders for adoption. The Supervisory Board shall determine the remuneration of the individual Executive Board members on a proposal by the Remuneration Committee, within the scope of the Remuneration Policy adopted by the General Meeting of Shareholders.<sup>83</sup>

<sup>76</sup> Dutch Corporate Governance Code, best practice provision 1.6.1.

<sup>77</sup> Dutch Corporate Governance Code, best practice provision 1.6.4.

<sup>78</sup> Section 16(5) EU-Regulation 537/2014.

<sup>79</sup> Dutch Corporate Governance Code, best practice provision 1.6.3.

<sup>80</sup> See Section 2:393(2) Dutch Civil Code.

<sup>81</sup> Dutch Corporate Governance Code, best practice provision 3.1.1.

<sup>82</sup> Dutch Corporate Governance Code, Principle 3.1.

<sup>83</sup> Dutch Corporate Governance Code, Principle 3.2 and best practice provision 3.2.1; Section 2:135 Dutch Civil Code.

- 12.2 The Remuneration Committee shall annually on behalf of the Supervisory Board prepare a Remuneration Report, in which the Supervisory Board renders account of the implementation of the Remuneration Policy in a transparent manner.<sup>84</sup> This report shall also contain the information as mentioned in 2(k)7.<sup>85</sup> The Remuneration Report will be dealt with as separate item on the General Meeting of Shareholders and is posted on the Company's website.
- 12.3 The Supervisory Board shall have the power to adjust upwards or downwards the value of a variable remuneration component conditionally awarded in a particular financial year if payment thereof is unacceptable according to standards of reasonableness and fairness or if in its opinion such value produces an unfair result due to extraordinary circumstances in the period in which the performance criteria determined beforehand are or should be realized.<sup>86</sup>
- 12.4 The Supervisory Board shall have the power to claim back from the managing director the variable remuneration component in part or in whole, in so far as payments were made on the basis of inaccurate information about the realisation of targets, or circumstances that such remuneration was made conditional to, that underlie the variable remuneration (*claw back clause*).<sup>87</sup>
- 12.5 The main features of the contract of an Executive Board member with the Company shall, after its conclusion, be published on the Company's website at the latest at the date of the notice convening the General Meeting of Shareholders at which the appointment of the member of the Executive Board concerned shall be proposed.<sup>88</sup>

### **13. RELATION WITH THE SHAREHOLDERS**

- 13.1 The Executive Board and where appropriate, the Supervisory Board, shall ensure that all shareholders and other parties in the financial markets will be provided with equal and simultaneous information about matters that may influence the share price.<sup>89</sup> Members of the Supervisory Board shall only communicate with the press, analysts and investors in the Company after consultation with the Executive Board.
- 13.2 The Executive Board and the Supervisory Board shall ensure that the General Meeting of Shareholders is adequately provided with all information that it requires to exercise its powers.<sup>90</sup> The Executive Board and the Supervisory Board shall endeavour to procure that the General Meeting of Shareholders is provided with all requested information in time, unless this would be contrary to an overriding interest of the Company. If the Executive Board or the Supervisory Board invoke an overriding interest, they must give reasons.<sup>91</sup>
- 13.3 A proposal for approval or authorisation by the General Meeting of Shareholders shall be explained in writing. The Executive Board and the Supervisory Board shall in this explanation state all the facts and circumstances that are relevant for the approval or authorisation to be granted. The explanation to the agenda shall be posted on the Company's website.<sup>92</sup>

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<sup>84</sup> Dutch Corporate Governance Code, Principle 3.4.

<sup>85</sup> Dutch Corporate Governance Code, best practice provision 3.4.1.

<sup>86</sup> Section 2:135(6) Dutch Civil Code.

<sup>87</sup> Section 2:135(8) Dutch Civil Code.

<sup>88</sup> Dutch Corporate Governance Code, best practice provision 3.4.2.

<sup>89</sup> See also Section 5:25i Wft and Section 5:53 paragraph 1 Wft.

<sup>90</sup> Dutch Corporate Governance Code, Principle 4.2.

<sup>91</sup> Dutch Corporate Governance Code, best practice provision 4.2.1.

<sup>92</sup> Dutch Corporate Governance Code, best practice provision 4.1.4.

- 13.4 The Executive Board and the Supervisory Board ensure that each substantial change in the corporate governance structure of the Company and in the compliance with the Dutch Corporate Governance Code will be dealt with as separate agenda items.<sup>93</sup>
- 13.5 The Executive Board and the Supervisory Board ensure compliance with all applicable legislation and regulations with respects to the rights of the General Meeting of Shareholders and the related rights of individual shareholders.
- 13.6 If one or more shareholders have the intention of requesting that an item be put on the agenda which may result in a change of strategy of the Company, for example as a result of the dismissal of one or more members of the Executive Board or Supervisory Board, the Executive Board shall respond to such request within a reasonable period of time (the **response time**). The opportunity to stipulate the response time also applies to an intention as referred above for judicial leave to call a General Meeting of Shareholders pursuant to Section 2:110 of the Dutch Civil Code. The response time shall not exceed 180 days, calculated as from the date on which the Executive Board was informed by one or more shareholders of the intention to put this item on the agenda until the date of the General Meeting of Shareholders at which the item is to be dealt with. The Executive Board shall use this response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s), and to explore alternatives. The Supervisory Board shall monitor this.<sup>94</sup>
- 13.7 When a takeover bid for (depository receipts for) shares in the Company is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the Executive Board shall ensure that the Supervisory Board is involved in the takeover process and/or the change in structure closely and in a timely fashion.<sup>95</sup>
- 13.8 If a takeover bid has been announced or made for (depository receipts for) shares in the Company and the Executive Board receives a request from a third competing bidder for information regarding the Company, the Executive Board shall discuss such request without delay with the Supervisory Board.<sup>96</sup>
- 13.9 The members of the Supervisory and Executive Board shall be present at the General Meetings of Shareholders, unless they are unable to attend for important reasons.
- 13.10 The Supervisory Board sees to it that the responsible partner (certifying auditor) of the firm of the External Auditor is present at the General Meeting of Shareholders and that he can address the meeting. The External Auditor may be questioned by the General Meeting of Shareholders in relation to his report on the fairness of the financial statements.<sup>97</sup>
- 13.11 The General Meetings of Shareholders are presided over by the Chairman or, in his absence, the Vice-Chairman. The Supervisory Board may designate someone else to preside over the meeting.
- 13.12 The Supervisory Board shall endeavour that minutes on the proceedings of the General Meeting of Shareholders are made available to the shareholders of the Company by publication on the Company's website no later than three months after the end of the meeting, following which the shareholders have another three months in which to respond to the minutes. The minutes are then adopted in the manner provided for in the Articles of Association,<sup>98</sup> by the chairman and the secretary of the meeting. The provisions of this Clause 13.12 may be disregarded if a notarial deed is drawn up of the minutes of the proceedings. After adoption the minutes (or the minutes

<sup>93</sup> Dutch Corporate Governance Code, best practice provision 4.1.3(vii).

<sup>94</sup> Dutch Corporate Governance Code, best practice provision 4.1.6 and 4.1.7.

<sup>95</sup> Dutch Corporate Governance Code, best practice provision 2.8.1.

<sup>96</sup> Dutch Corporate Governance Code, best practice provision 2.8.2.

<sup>97</sup> Dutch Corporate Governance Code, best practice provision 4.1.9.

<sup>98</sup> Dutch Corporate Governance Code, best practice provision 4.1.10.

as laid down in a notarial deed of proceedings) are posted as soon as possible on the Company's website, in any case before the first next held General Meeting of Shareholders. Also, results of the voting and resolutions adopted by the General Meeting of Shareholders are posted on the Company's website as soon as possible and within fifteen days after the meeting, where they are accessible for at least one year.<sup>99</sup>

- 13.13 A resolution of the General Meeting of Shareholders may be disclosed externally through a statement from the Chairman or the Company Secretary.

#### **14. RELATION WITH THE CENTRAL WORKS COUNCIL**

- 14.1 The Supervisory Board shall maintain the relationship with the Central Works Council as provided for in the covenant with Aegon Nederland N.V. and the Central Works Council.

### **CHAPTER III SUPERVISORY BOARD MEETINGS; DECISION-MAKING**

#### **15. FREQUENCY, NOTICE, AGENDA AND VENUE OF MEETINGS**

- 15.1 The Supervisory Board shall meet as often as deemed necessary for the proper functioning of the Supervisory Board. The Supervisory Board shall meet at least six times a year. Meetings shall be scheduled annually as much as possible in advance. The Supervisory Board shall also meet earlier than scheduled if this is deemed necessary by the Chairman, two other members of the Supervisory Board, or the Executive Board.
- 15.2 Meetings of the Supervisory Board are in principle called by the Company Secretary, in consultation with the Chairman. Save in urgent cases to be determined by the Chairman the agenda for a meeting shall be sent to all Supervisory Board members at least five calendar days before the meeting. For each item on the agenda an explanation in writing shall be provided, where possible, and/or other related documentation will be attached. The Chairman shall in principle consult on the content of the agenda with the CEO prior to convening the meeting.
- 15.3 Each Supervisory Board member, the CEO, and the Executive Board collectively, has the right to request that an item be placed on the agenda for a Supervisory Board meeting.
- 15.4 Supervisory Board meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings of the Supervisory Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

#### **16. ATTENDANCE OF AND ADMITTANCE TO MEETINGS**

- 16.1 The CEO shall be requested to attend as many of the Supervisory Board meetings as possible, to the extent the Supervisory Board does not indicate that it wishes to meet in the absence of the CEO. If requested, other Executive Board members also attend meetings of the Supervisory Board.
- 16.2 A Supervisory Board member may be represented at Supervisory Board meetings by another Supervisory Board member holding a proxy in writing. The existence of such authorisation must be proved satisfactorily to the chairman of the meeting.
- 16.3 A Supervisory Board member shall attend at least 80% of the Supervisory Board meetings as scheduled in advance pursuant to the provisions of Clause 15.1. If a Supervisory Board member does not attend the minimum required Supervisory Board meetings he shall be held to account

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<sup>99</sup> See Section 5:25m paragraph 3 and 4 Wft.



on this by the Chairman.<sup>100</sup>

- 16.4 The admittance to the meeting of persons other than Supervisory Board members, the Company Secretary and – if invited – members of the Executive Board shall be decided by majority vote of the Supervisory Board members present at the meeting.

## **17. CHAIRMAN OF THE MEETINGS; MINUTES**

- 17.1 Supervisory Board meetings are presided over by the Chairman or, in his absence, the Vice-Chairman. If both are absent, one of the other Supervisory Board members, designated by a majority of votes cast by the Supervisory Board members present at the meeting, shall preside.
- 17.2 The Company Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting. The minutes shall provide insight into the decision-making process at the meeting. The minutes shall be adopted by the Supervisory Board at the same meeting, or the next meeting.

## **18. DECISION-MAKING WITHIN THE SUPERVISORY BOARD**

- 18.1 The Supervisory Board members shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.
- 18.2 Each Supervisory Board member has the right to cast one vote.
- 18.3 Where unanimity cannot be reached and the law, the Articles of Association or this Charter do not prescribe a larger majority, all resolutions of the Supervisory Board are adopted by an absolute majority of the votes cast. In the event of a tie, the Chairman has the deciding vote if more than two Supervisory Board members are present or represented. At a meeting, the Supervisory Board may only pass resolutions if the majority of the Supervisory Board members then in office are present or represented.
- 18.4 In general, resolutions of the Supervisory Board are adopted at a Supervisory Board meeting.
- 18.5 Supervisory Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Supervisory Board members then in office and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing, which can also be issued through a proxy, from all the Supervisory Board members. A statement from a Supervisory Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.
- 18.6 The Supervisory Board may deviate from the provisions of Clauses 18.3 (last sentence), 18.4 and 18.5 if this is deemed necessary by the Chairman, considering the urgent nature and other circumstances of the case, provided that all Supervisory Board members are allowed the opportunity to participate in the decision-making process. The Chairman and the Company Secretary shall then prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Supervisory Board.
- 18.7 A resolution adopted by the Supervisory Board may be evidenced outside the Company through a statement from the Chairman and/or the Company Secretary.

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<sup>100</sup> Dutch Corporate Governance Code, best practice provision 2.4.4.

## CHAPTER IV OTHER PROVISIONS

### 19. CONFLICTS OF INTERESTS OF SUPERVISORY BOARD MEMBERS

- 19.1 A Supervisory Board member is alert to conflicts of interest and shall in any case not:
- (a) enter into competition with the Company;
  - (b) demand or accept (substantial) gifts from the Company for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - (c) provide unjustified advantages to third parties to the detriment of the Company; or
  - (d) take advantage of business opportunities to which the Company is entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.<sup>101</sup>
- 19.2 A conflict of interest may exist if the Company intends to enter into a transaction with a legal entity:
- (a) in which a member of the Supervisory Board personally has a material financial interest, or
  - (b) which has a member of the executive board or the supervisory board who has a relationship under family law<sup>102</sup> with a Supervisory Board member.<sup>103</sup>
- 19.3 A Supervisory Board member shall without delay report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the Company and/or to him as a member of the Supervisory Board to the Chairman and shall provide all relevant information, including information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Chairman shall without delay report any conflict of interest or potential conflict of interest that he has to the Vice-Chairman. The Supervisory Board member concerned shall not take part in the assessment by the Supervisory Board of whether a conflict of interest exists.<sup>104</sup>
- 19.4 A Supervisory Board member shall not take part in any deliberation and decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company.<sup>105</sup>
- 19.5 A Supervisory Board member who in connection with a (potential) conflict of interests does not exercise the duties and powers that he would otherwise have as a Supervisory Board member, will insofar be regarded as a Supervisory Board member who is unable to perform his duties (*belet*).
- 19.6 All transactions in which there are conflicts of interest with Supervisory Board members shall be agreed on terms that are customary in the market in which the Company and its Subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or to the relevant Supervisory Board members require the approval of the Supervisory Board.<sup>106</sup>

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<sup>101</sup> Dutch Corporate Governance Code, best practice provision 2.7.1.

<sup>102</sup> A relation under family-law consists between a child, his parents and their blood relatives (Section 1:197 Dutch Civil Code).

<sup>103</sup> Dutch Corporate Governance Code, best practice provision 2.7.3, first paragraph.

<sup>104</sup> Dutch Corporate Governance Code, best practice provision 2.7.3.

<sup>105</sup> Section 2:140(5) Dutch Civil Code.

<sup>106</sup> Dutch Corporate Governance Code, best practice provision 2.7.4.

19.7 The Supervisory Board is responsible for the decision-making on dealing with conflicts of interest regarding Executive Board members, Supervisory Board members and majority shareholders in relation to the Company.<sup>107</sup>

## **20. REMUNERATION OF SUPERVISORY BOARD MEMBERS**

20.1 The remuneration of the Supervisory Board members is determined by the General Meeting of Shareholders. The Supervisory Board shall from time to time submit clear and understandable proposals on its remuneration to the General Meeting of Shareholders.<sup>108</sup> If a Supervisory Board member is required to charge VAT on his fees, this will be paid by the Company.

20.2 The remuneration of a Supervisory Board member may not depend on the results of the Company.<sup>109</sup> A Supervisory Board member may not be awarded remuneration in the form of shares and/or rights to shares in the Company's capital.<sup>110</sup>

20.3 Apart from their remuneration, Supervisory Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings, the reasonableness of such costs being assessed by the Chairman (costs incurred by the Chairman are assessed by the Vice-Chairman). Any other expenses are only reimbursed, in whole or in part, if incurred with the consent of the Chairman or the Company Secretary on his behalf (or if it concerns the Chairman, the Vice-Chairman or the Company Secretary on his behalf).

20.4 The Company and its Subsidiaries do not grant personal loans, guarantees or the like to Supervisory Board members, save as part of its usual business operations and after approval of the Supervisory Board. Pursuant to Clause 19.4, the relevant Supervisory Board member will not take part in the deliberations and decision-making within the Supervisory Board regarding this approval. Loans are not remitted.<sup>111</sup>

## **21. INTRODUCTION PROGRAMME, ONGOING TRAINING AND EDUCATION**

21.1 All Supervisory Board members shall follow a formal introduction programme geared to their role that covers general financial, social and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, the culture and the responsibilities of a Supervisory Board member.<sup>112</sup>

21.2 The Supervisory Board shall conduct an annual review to identify any aspects with regard to which the Supervisory Board members require further training or education during their term of office.<sup>113</sup>

21.3 The introduction course, training and education shall be facilitated and paid for by the Company.

## **22. OTHER POSITIONS**

22.1 A Supervisory Board member shall report any other position he may have to the Supervisory Board in advance. The additional positions will be discussed at least annually at a meeting of the Supervisory Board.<sup>114</sup>

22.2 Members of the Supervisory Board shall limit the number and nature of their other positions so as to ensure due performance of their duties as members of the Supervisory Board. A member

<sup>107</sup> Dutch Corporate Governance Code, Principle 2.7.

<sup>108</sup> Dutch Corporate Governance Code, Principle 3.3.

<sup>109</sup> Dutch Corporate Governance Code, Principle 3.3.

<sup>110</sup> Dutch Corporate Governance Code, best practice provision 3.3.2.

<sup>111</sup> Dutch Corporate Governance Code, best practice provision 2.7.6.

<sup>112</sup> Dutch Corporate Governance Code, best practice provision 2.4.5.

<sup>113</sup> Dutch Corporate Governance Code, best practice provision 2.4.6.

<sup>114</sup> Dutch Corporate Governance Code, best practice provision 2.4.2.

of the Supervisory Board will hold no more than five supervisory memberships of boards of Dutch large companies or large foundations, with a chairmanship counted twice.<sup>115</sup>

- 22.3 Supervisory Board members must inform the Chairman and the Company Secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairman determines that there is a risk of a conflict of interest, the matter shall be discussed by the Supervisory Board in accordance with Clause 19. If such conflict concerns the Chairman, he will inform the Vice-Chairman who then carries out the task of the Chairman as referred to in the previous sentence. The Company Secretary shall keep a list of the outside positions concerned of each Supervisory Board member.

## **23. HOLDING AND TRADING SECURITIES**

- 23.1 Any shareholding in the Company by Supervisory Board members is for the purpose of long-term investment.<sup>116</sup>
- 23.2 Supervisory Board members are bound to the Regulations on Insider Trading of the Company regarding securities of the Company and other securities referred to in those regulations. The Regulations on Insider Trading are posted on the Company's website.
- 23.3 The Company does not impose any limitation on the right of a Supervisory Board member to hold and trade in securities of companies other than the Company, except that the Supervisory Board member will be obliged towards the Company to comply with all Dutch and foreign statutory provisions and regulations concerning such holding or trading.

## **24. CONFIDENTIALITY**

- 24.1 No Supervisory Board member shall, during his membership of the Supervisory Board or afterwards disclose in any way whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and any companies in which it holds a stake and which he knows or should know to be of a confidential nature, unless required by law. A Supervisory Board member is allowed to disclose the above information to Executive Board members and Supervisory Board members as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information concerned. A Supervisory Board member shall not in any way whatsoever utilise the information referred to above for his personal benefit.

## **25. INDEMNIFICATION IN CASE OF LIABILITY<sup>117</sup>**

- 25.1 If a member of the Supervisory Board were to be held liable in connection with the execution of his/her duties, the Company shall apply the indemnification regulation as is stated in the following section and as set out further and subject to the Articles of Association.
- 25.2 If a member of the Supervisory Board, within the scope of his duties with the Company or (one of) its subsidiaries, is held liable by a third party or by third parties according to civil law, the Company shall indemnify him/her against the financial consequences thereof, except in the case of intentional misconduct of gross negligence and without prejudice to the right of recourse of the Company with regard to the Supervisory Board member concerned if there are reasons for his/her being liable.

<sup>115</sup> Section 2:142a Dutch Civil Code contains detailed provisions.

<sup>116</sup> Dutch Corporate Governance Code, best practice provision 3.3.3.

<sup>117</sup> See also article 28A of the Articles of Association

**26. MISCELLANEOUS**

- 26.1 **Acceptance by Supervisory Board members.** Anyone who is appointed as a Supervisory Board member must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of this Charter and pledge to the Company that he will comply with the provisions of this Charter. This Charter is also applicable to anyone who is designated as a substitute member for a Supervisory Board member in absence or prevented from acting.
- 26.2 **Occasional non-compliance.** Subject to applicable law and regulation, the Supervisory Board may occasionally decide at its sole discretion not to comply with this Charter.
- 26.3 **Amendment.** This updated Charter has been reviewed and approved by the Supervisory Board on November 7, 2017. This Charter may be amended by the Supervisory Board at its sole discretion without prior notification. Prior to amendment of this Charter the Executive Board shall be consulted.
- 26.4 **Interpretation.** In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Chairman shall be decisive.
- 26.5 **Governing law and jurisdiction.** This Charter is governed by the laws of the Netherlands. The courts of the Netherlands have exclusive jurisdiction to settle any dispute arising from or in connection with this Charter (including any dispute regarding the existence, validity or termination of these rules).
- 26.6 **Complementarity to Dutch law and Articles of Association.** This Charter is complementary to the provisions governing the Supervisory Board as contained in Dutch law, other applicable Dutch, or EU regulations and the Articles of Association. Where these Charter are inconsistent with Dutch law, other applicable Dutch or EU rules and regulations or the Articles of Association, the latter shall prevail. Where this Charter is consistent with the Articles of Association but inconsistent with Dutch law or other applicable Dutch or EU rules and regulations, the latter shall prevail.
- 26.7 **Partial invalidity.** If one or more provisions of this Charter is or become invalid, this shall not affect the validity of the remaining provisions. The Supervisory Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this Charter is, to the greatest extent possible, similar to that of the invalid provisions.

\* \* \* \* \*

## ANNEX 1

### LIST OF DEFINITIONS

1. In the Charter of the Executive Board and the Supervisory Board, the following terms have the following meanings:

**Affiliated Company** has the meaning attributed to it in Section 5:48 of the Financial Supervision Act (*Wet op het financieel toezicht*).

**AFM** means the Authority for the Financial Markets (*Autoriteit Financiële Markten*).

**Annual Accounts** means the annual accounts of the Company drawn up by the Executive Board as referred to in Sections 2:101 and 2:361(1) of the Dutch Civil Code.

**Annual Report** means the annual report of the Company drawn up by the Executive Board, as referred to in Section 2:101 and 2:391 of the Dutch Civil Code.

**Articles of Association** means the articles of association of the Company.

**Audit Committee** means the audit committee of the Supervisory Board.

**Capital Investment** means the current and aggregate value of a capital expenditure and/or the total multi-year internal and external spend on a project that is not in the ordinary course of business activities.

**Central Works Council** means the central works council of the Group in the Netherlands.

**CEO** means the chief executive officer of the Company, who is also the chairman of the Executive Board of the Company.

**CFO** means the chief financial officer of the Company.

**Chairman** means the chairman of the Supervisory Board.

**Charter** means the Charter of the Executive Board, the Charter of the Supervisory Board or the Charter of any of the Committees of the Supervisory Board or the Charter of the Management Board, depending on the context, including the annexes belonging thereto.

**Committee** means each committee of the Supervisory Board as referred to in Clause 5.

**Common Shares B** means a share of the class referred to as such in Article 4.2. of the Articles of Association.

**Company** means Aegon N.V., and, where appropriate, the Subsidiaries and possible other Group Companies of the Company, whose financial information is incorporated in the consolidated Annual Accounts.

**Company Secretary** means the company secretary of the Company appointed in accordance with clause 5 of the Charter of the Executive Board.

**Dutch Corporate Governance Code** means the Dutch Corporate Governance Code dated December 2016.

**Executive Board** means the executive board of the Company.

**External Auditor** means the accounting and auditing firm that, in accordance with Section 2:393 of the Dutch Civil Code, is charged with the audit of the Annual Accounts.

**Form 6-K** means the report filed by the Company with the US Securities and Exchange Committee on the occasion of the disclosure by the Company of its half-yearly figures.

**Form 20-F** means the annual report filed by the Company with the US Securities and Exchange Committee within six months of the end of the Company's fiscal year.

**General Meeting of Shareholders** means the general meeting of shareholders of the Company.

**Global Remuneration Framework** means the remuneration framework which covers all staff of the Group and which contains the guiding principles to support sound and effective remuneration by ensuring consistency in remuneration policies and practices throughout the Group.

**Group** means Aegon N.V., and the Subsidiaries and other Group Companies of the Company, whose financial information is incorporated in the consolidated Annual Accounts.

**Group Company** has the meaning attributed to it in Section 2:24b of the Dutch Civil Code.

**In writing** means by letter, by telecopier, by e-mail, or by message which is transmitted via any other current means of communication, including through a board portal used for distribution of meeting documents to and communication with members of the Supervisory Board and Executive Board, and which can be received in written form.

**Management Board** means the Management Board of the Group consisting of (I) the members of the Executive Board and (II) such other members as appointed to the Management Board by the Executive Board after consultation with the Supervisory Board.

**Nomination and Governance Committee** means the nomination and governance committee of the Supervisory Board.

**Region** is any of the following: Region Americas, Region Continental Europe, Region United Kingdom, Region Asia, Region Asset Management, Corporate Center and any country unit, regional unit or business line, within Aegon group, as may be established or determined by the Executive Board from time.

**Remuneration Committee** means the remuneration committee of the Supervisory Board.

**Remuneration Policy** means the Remuneration Policy for the Executive Board as adopted by the General Meeting of Shareholders.

**Remuneration Report** means the remuneration report of the Supervisory Board regarding the remuneration policy of the Company as drawn up by the Remuneration Committee.

**Report of the Executive Board** means the report of the Executive board of the Company drawn up by the Executive Board, as referred to in Sections 2:101 and 2:391 of the Dutch Civil Code.

**Risk Committee** means the risk committee of the Supervisory Board.

**Senior Internal Auditor** means the Group Chief Audit Executive of the Company.

**Subsidiary** has the meaning attributed to it in Section 2:24a of the Dutch Civil Code.

**Supervisory Board** means the supervisory board of the Company.

**Supervisory Board Profile** means the profile for the size and composition of the Supervisory Board, as designated in Clause 1.1 of the Charter of the Supervisory Board.

**Vice-Chairman** means the vice-chairman of the Supervisory Board.

2. Save where the context dictates otherwise, in the Charter of the Executive Board and the Supervisory Board:
  - (a) unless a different intention clearly appears, a reference to a Clause or Annex is a reference to a clause or annex of this Charter;
  - (b) words and expressions expressed in the singular form also include the plural form, and vice versa;
  - (c) words and expressions expressed in the masculine form also include the feminine form; and
  - (d) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.
3. Headings of clauses and other headings in the Charter of the Executive Board and the Supervisory Board are inserted for ease of reference and do not form part of the Charter concerned for the purpose of interpretation.



## ANNEX 2

### SUPERVISORY BOARD PROFILE

#### 1. Duties and responsibilities

In accordance with Dutch corporate law the Supervisory Board's duties and responsibilities are as follows:

- to oversee both the Executive Board's policies and the general course of affairs of the company and those of its affiliated enterprises;
- to provide advice to the Executive Board.

The members of the Supervisory Board, when carrying out their duties, are guided by the interests of Aegon N.V. (Aegon, the Company) and its businesses and take into account the interests of the company's stakeholders. Apart from this general description, special tasks and powers have been laid down in law and in the Articles of Incorporation.

The Supervisory Board is an independent corporate body, that exercises its powers and duties under a collective responsibility.

#### 2. Aegon Profile

The profile and composition of the Supervisory Board need to be aligned with and supportive of the profile and ambition of Aegon.

Aegon is a provider of life insurance, pensions and investment products, and general insurance in selected markets, with activities in more than twenty countries in the Americas, Europe and Asia. Our ambition is to be a global leader in helping our customers secure their financial futures and, in doing so, to grow our businesses profitably and sustainably.

#### 3. Profile of the Supervisory Board

##### 3.1 Qualifications of the Supervisory Board as a whole

The Supervisory Board, as a body, should have at its disposal:

- an international composition which does justice to the geographical spread of Aegon's activities;
- experience with, and understanding of the administrative procedures and internal control systems in a large, international organization;
- an affinity with and knowledge of the insurance industry, its clients, its products and services, the financial services' market and Aegon's businesses and strategy;
- knowledge and experience in (digital) marketing and distribution and the application of information technology;
- expertise and experience in digital transformation;
- experience in the business world both nationally and internationally;
- an understanding of the main characteristics of the form of government and the social aspects of, as well as developments in, the countries in which Aegon is active;
- financial, accounting and business economics' expertise and the ability to judge issues in the areas of risk management, solvency, actuary, currencies and investment and acquisition projects;
- an understanding of employment relationships, human resources and social developments;
- an understanding of public policy, regulatory, compliance and legal matters, and corporate governance;
- experience and knowledge in the area of executive remuneration;
- experience in the area of corporate social responsibility.

### **3.2. Personal qualifications of members of the Supervisory Board**

Individual members of the Supervisory Board will be assessed on the basis of the following qualities:

- managerial experience and skills at highest levels;
- experience with large listed companies;
- understanding of a global business entrepreneurial attitude;
- sound business judgement, common sense and decisiveness;
- independence and a sufficiently critical attitude with regard to the other Supervisory Board members and the Executive Board;
- contribution to development of the Supervisory Board;
- international orientation and outside experience;
- social involvement;
- team player with a well-developed sense for cooperation and communication;
- appropriate time for preparation and attendance of meetings and willing to travel;
- no conflicts of interest.

### **3.3 Guiding principles for the composition of the Supervisory Board**

Its composition should be such that the Supervisory Board has the trust of the shareholders. The Supervisory Board aims for a composition that is balanced and diverse in terms of nationality, age, gender and educational, professional and geographical background and experience, active or retired, of the individual members.

In the case of each nomination the provisions of applicable non-Dutch Laws, such as the USA Sarbanes-Oxley Act, and Dutch laws and regulations, such as Dutch corporate law and the Dutch Corporate Governance Code and rules of the respective regulators shall be taken into account.

Prospective appointments of members of the Supervisory Board will be subject to a pre-appointment assessment by Aegon's regulator, the Dutch Central Bank ("De Nederlandsche Bank"), prior to appointment by the shareholders.

## **4. Size of the Supervisory Board**

According to the Articles of Association of the company the Supervisory Board shall consist of 8 to 10 members. The actual size should be such that the Board will be able to function decisively and effectively as a supervisory board of and an advisory and sounding board for the Executive Board and that each member of the Supervisory Board has the opportunity to contribute his/her specific expertise.

## **5. The Supervisory Board Chairman, Vice-chairman and Committees**

The Supervisory Board has appointed a Chairman, and Vice Chairman from among its members. A former Executive Board member of Aegon N.V. cannot be appointed Chairman.

The Supervisory Board can, according to the Articles of Association, without prejudice to its responsibilities, designate from among its members one or more committees to deal with Supervisory Board matters. Committees have an advisory or research role and act solely on behalf of the Supervisory Board. Not more than one member of each Committee may be not-independent within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code.

The following committees have been instituted on a permanent basis:

- the Audit Committee, aimed particularly at discussing in more detail the accounting principles, the financial reports and the internal control structure, together with the (external) auditors; the Chairman of the Supervisory Board cannot be the Chairman of the Committee; at least one member of the Committee shall be a financial expert and all the members shall be independent, both as stipulated in the USA Sarbanes-Oxley Act.
- the Remuneration Committee, with the role of preparing proposals and giving advice in respect of the terms of employment for members of the Executive Board, which includes the drawing up of the Remuneration Policy, and the remuneration for members of the Supervisory Board; the

Committee shall not be chaired by the Chairman of the Supervisory Board nor by a former member of the Executive Board or by a member of the Supervisory Board who is a member of the Executive Board of another listed Company; no more than one member of the Committee shall be a member of the Executive Board of another Dutch listed company.

- the Nomination and Governance Committee, with the role of advising on nominations for the (re)appointment of candidates in order to fill vacancies in the Executive Board and the Supervisory Board, with regard to the latter Board taking into account this "Profile and Composition of the Supervisory Board" and in case of a possible reappointment also taking into account the actual functioning of the candidate.
- the Risk Committee, which assists the Supervisory Board and the Audit Committee in overseeing the activities of, and advising the Executive Board with respect to the company's enterprise risk management framework. The Risk Committee reviews the company's risk exposure as it relates to capital, earnings and market consistent value at risk and compliance with company risk policies covering all risks of the company.

#### **6. Annual assessment of the Profile**

This Profile will be annually assessed by the Supervisory Board and will be updated at least every four years.

#### **7. Availability for the public**

This Profile shall be made publicly available at the company's head office in The Hague, the Netherlands and by posting it on the company's website, [www.aegon.com](http://www.aegon.com).

Each change to the Supervisory Board Profile will be discussed at the General Meeting of Shareholders and the Works Council.<sup>118</sup>

Adopted and resolved by the Supervisory Board on December 19, 1997 and lastly amended on November 7, 2016.

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<sup>118</sup> Section 2:158 Dutch Civil Code.

**ANNEX 3**

**RETIREMENT SCHEDULE SUPERVISORY BOARD**

ADOPTED BY THE SUPERVISORY BOARD ON: JUNE 2, 2004  
LATEST UPDATE: NOVEMBER 2017

<b>Name</b>	<b>Position</b>	<b>First appointed</b>	<b>Start and end of current term</b>
Mr. Robert J. Routs (1946)	Chairman	2008	AGM 2016 – AGM 2020
Ms. Corien M. Wortmann-Kool (1959)	Vice-Chairman	2014	AGM 2014 – AGM 2018
Mr. Ben van der Veer (1951) <sup>119</sup>	Member	2008	AGM 2016 – AGM 2020
Mr. Dirk P.M. Verbeek (1950)	Member	2008	AGM 2016 – AGM 2020
Ms. Dona D. Young (1954)	Member	2013	AGM 2017 – AGM 2021
Mr. Robert W. Dineen (1949)	Member	2014	AGM 2014 – AGM 2018
Mr. Ben J. Noteboom (1958)	Member	2015	AGM 2015 - AGM 2019
Mr. William L. Connelly (1958)	Member	2017	AGM 2017 – AGM 2021
Mr. Mark A. Ellman (1957)	Member	2017	AGM 2017 – AGM 2021

<sup>119</sup> Financial expert according to the Sarbanes-Oxley Act and competence in accounting and auditing according to the Audit Committee Decree 2016 ("Besluit instelling auditcommissie"), section 2(3).

## ANNEX 4

### LIST OF APPROVAL SUPERVISORY BOARD

The approval of the Supervisory Board is required for:

- (a) the strategic and operational plan, including the (annual) capital budget and allocation, the (annual) business plan and the medium term plan of the Region to the extent that it relates to the Group Budget;
- (b) major organizational changes of the Region;
- (c) a fundamental change in the scope of business of the Region, including a proposal for the dissolution of the Region;
- (d) the issuance or buy-back of shares in the capital of the Company<sup>120</sup>;
- (e) the issuance and/or buy -back of debentures chargeable to the Company and of debentures chargeable to a limited partnership or general partnership in which the Company is a liable partner<sup>121</sup>;
- (f) proposals to the General Meeting of Shareholders to distribute a final dividend and resolutions to distribute an interim dividend<sup>122</sup>;
- (g) entering into, terminating or changing a long-term cooperation or partnership between an entity that belongs to the Region and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Region. Aforesaid includes any legally binding agreements as well as so-called non-binding agreements (e.g. term sheets, MOUs, Letters of Intent) in respect of such cooperation as well as restructurings thereof. Provided that such resolution involves:
  - (a) a total investment or divestment in the excess of EUR 50,000,000 (fifty million euro); or
  - (b) a total investment or divestment exceeding 10% (ten percent) of group equity as defined in the annual reports under IFRS standards, if this is lower than the amount mentioned under (l) above, or
  - (c) more than 2,000 (two thousand) employees employed by the legal entity or company or fully liable partner in a limited partnership or general partnership as referred to above<sup>123</sup>;
- (h) the acquisition of an interest in a company that is primarily engaged in the business of life insurance, pensions, insurance brokerage, life reinsurance, asset management, or business directly ancillary thereto, including participation by an entity that belongs to the Region in the capital of another company, as well as significantly increasing or reducing such participation on the Region's local ultimate parent company's (consolidated) balance sheet. Aforesaid includes any legally binding agreements as well as so-called non-binding agreements (e.g. term sheets, MOUs, Letters of Intent) in respect of such participations as well as restructurings thereof. Provided that such resolution involves:
  - (a) a total investment or divestment in the excess of EUR 50,000,000 (fifty million euro); or

<sup>120</sup> Articles of Association, clauses 9.4, 9.8, 10.3, 12.3, 12.8, 20.2(a)

<sup>121</sup> Articles of Association, clause 20.2(a)

<sup>122</sup> Articles of Association, clause 33.4, 33.5, 33.6, 34.3

<sup>123</sup> Articles of Association, clause 20.2(d)

- (b) a total investment or divestment exceeding 10% (ten percent) of group equity as defined in the annual reports under IFRS standards, if this is lower than the amount mentioned under (l) above; or
- (c) more than 2,000 (two thousand) employees employed by the legal entity or company or fully liable partner in a limited partnership or general partnership as referred to above<sup>124</sup>;
- (i) setting up of a branch office or a company, or the direct acquisition of an interest in a company in a country where the Group has no activities, whereby it is understood that the setting up of a representative office does not require the approval and that the existence of a representative office in that country is not considered to be 'an activity';
- (j) the acquisition of an interest in a company that is not primarily engaged in the business of life insurance, pensions, insurance brokerage, life reinsurance, asset management, or business directly ancillary thereto;
- (k) terminating or ceasing to do business in a particular country;
- (l) a Capital Investment that exceeds the amount of EUR 50 million;
- (m) the appointment and dismissal of any executive or non-executive board member of the board of the Region, but only to the extent that they relate to the appointment of the Chief Executive Officers of the Region Americas, Region Continental Europe, Region The United Kingdom, Region Asia, Region Asset Management as well as the Chief Executive Officer of The Netherlands;
- (n) the adoption of a Global Remuneration Framework or any fundamental exemption to the Global Remuneration Framework;
- (o) termination of services of a substantial number of employees of the Region at the same time or within a short period of time<sup>125</sup>;
- (p) a significant change in the employment terms of a substantial number of employees of the Region<sup>126</sup>;
- (q) any other transaction (including, without limitation, divestments, sale of assets, settlements, guarantees or business development), which is not effectuated in the ordinary course of (re)insurance activities or investment portfolio sale and purchase activities, of an amount in aggregate exceeding the amount of EUR 10 million by any company within the Group, provided that the amount involved equals at least one quarter of the issued capital plus the reserves of the Company<sup>127</sup>;
- (r) any establishment or amendment of rules and Charters regarding the decision making process and working methods of the Executive Board<sup>128</sup>;
- (s) transfer of Common Shares B and a proposal of the Executive Board to hold a meeting of holders of Common Shares B<sup>129</sup>;
- (t) the appointment of an Executive Board member as CFO<sup>130</sup>;
- (u) the appointment and dismissal of the Senior Internal Auditor<sup>131</sup>;

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<sup>124</sup> Articles of Association, clause 20.2(e)

<sup>125</sup> Articles of Association, clause 20.2(j)

<sup>126</sup> Articles of Association, clause 20.2(k)

<sup>127</sup> Articles of Association, clause 20.2(f)

<sup>128</sup> Articles of Association, clause 18.2

<sup>129</sup> Articles of Association, clause 14A.1

<sup>130</sup> Charter Executive Board, clause 3.1

<sup>131</sup> Charter Executive Board, clause 8.2

- (v) a resolution on the operational and financial aims of the company, the strategy designed to achieve the aims, and the parameters to be applied in relation to the strategy<sup>132</sup>;
- (w) the allocation of duties of the Executive Board to individual members of the Executive Board;<sup>133</sup>
- (x) all transactions between the Company and natural or legal persons who hold at least 10% of the shares in the Company that are of material significance to the Company and/or such persons;<sup>134</sup>
- (y) all transactions in which there are conflicts of interest with Executive Board members that are of material significance to the Company and/or the relevant Executive Board members;<sup>135</sup>
- (z) all transactions in which there are conflicts of interest with Supervisory Board members that are of material significance to the Company and/or the relevant Supervisory Board members;<sup>136</sup>
- (aa) the appointment and removal of the Company Secretary; and<sup>137</sup>
- (bb) the acceptance of a membership of a supervisory board of a company not belonging to the Group by an Executive Board Member.

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<sup>132</sup> Executive Board Charter, clause 6.1

<sup>133</sup> Executive Board Charter, clause 1.8.

<sup>134</sup> Executive Board Charter, clause 6.7.

<sup>135</sup> Executive Board Charter, clause 17.6.

<sup>136</sup> Supervisory Board Charter, Clause 19.6.

<sup>137</sup> Executive Board Charter, clause 5.1.

## ANNEX 5

### INFORMATION TO BE INCLUDED IN THE SUPERVISORY BOARD REPORT<sup>138</sup>

The annual report of the Supervisory Board shall in any case contain the following information:

- (a) an account of the involvement of the Supervisory Board in the establishment of the strategy, and the way in which the Supervisory Board monitors its implementation;<sup>139</sup>
- (b) a reference to the discussions on the main business risks, and the result of the assessment by the Executive Board of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto, which were held by the Supervisory Board in the year under review;
- (c) the absenteeism rate at Supervisory Board meetings and Committee meetings of each Supervisory Board member;<sup>140</sup>
- (d) a statement that in the opinion of the Supervisory Board Clause 1.4(e), 1.5 and 3.1 of this Charter have been complied with and which member or members of the Supervisory Board, if any, shall not be deemed independent;<sup>141</sup>
- (e) a reference as to how the evaluation of the Supervisory Board, the Committees and the individual members of the Supervisory Board described in Clause 8.3 of this Charter has been carried out and what has been of will be done with the conclusions from the evaluations;<sup>142</sup>
- (f) a reference as to how the evaluation of the Executive Board and the individual members of the Executive Board described in Clause 8.5 of this Charter has been carried out and what has been or will be done with the conclusions from the evaluations;<sup>143</sup>
- (g) if applicable, the arguments for reappointment of a member of the Supervisory Board after a period of eight years;<sup>144</sup>
- (h) an account with respect to the diversity objectives;
- (i) a reference to the Supervisory Board resolutions pursuant to Clauses 26.2 and 26.3 of this Charter, to the extent of material significance;
- (j) for each Committee: a report on how it has performed its duties in the financial year; details of its existence, its composition, number of meetings and the main issues discussed;<sup>145</sup>
- (k) the following information on each Supervisory Board member:<sup>146</sup> (i) gender; (ii) age; (iii) nationality; (iv) chief position; (v) profession, (vi) other positions to the extent relevant for the performance of his duties as member of the Supervisory Board; (vii) date of initial appointment and term of appointment of relevant member of Supervisory Board.

<sup>138</sup> Dutch Corporate Governance Code, best practice provision 2.3.11.

<sup>139</sup> Dutch Corporate Governance Code, best practice provision 1.1.3.

<sup>140</sup> Dutch Corporate Governance Code, best practice provision 2.4.4.

<sup>141</sup> Dutch Corporate Governance Code, best practice provision 2.1.10.

<sup>142</sup> Dutch Corporate Governance Code, best practice provision 2.2.8(i) en (iii).

<sup>143</sup> Dutch Corporate Governance Code, best practice provision 2.2.8(ii) en (iii).

<sup>144</sup> Dutch Corporate Governance Code, best practice provision 2.2.2.

<sup>145</sup> Dutch Corporate Governance Code, best practice provision 2.3.5.

<sup>146</sup> Dutch Corporate Governance Code, best practice provision 2.1.2.



## ANNEX 6

### EXTERNAL AUDITOR INDEPENDENCE POLICY

The policy set out below was adopted by the Supervisory Board on November 7, 2017, on a proposal of the Audit Committee and after consultation with the Executive Board.

#### 1. Policy

The Company and its Subsidiaries use the services of the External Auditor to the extent this does not prejudice the independence of the External Auditor.

#### 2. Terms of Reference

The External Auditor must be independent within the meaning of EU Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities, the Act supervision audit firms (*Wet toezicht accountantsorganisaties (Wta)*) and the Regulation on the independence of auditors with respect to assurance assignment (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)*) of the Royal Dutch Professional Organisation of Auditors (*Koninklijk Nederlandse Beroepsorganisatie van Accountants*).

The Audit Committee sees to it that the external auditor complies with the relevant recommendations, provisions and statutory provisions, and may request more detailed explanations and written confirmations from the external auditor that these provisions are followed.

#### 3. Audit Services

In addition to complying with section 5 paragraph 1 of the EU Regulation, the firm of the External Auditor that conducts the statutory audit of a public-interest entity shall not render any other services to this entity in addition to the audit services.<sup>147</sup>

The External Auditor or any other member of the network to which the external auditor or its firm belongs, may directly or indirectly only render auditing services to the Company and the enterprises its controls during:

- (a) the period between the beginning of the period audited and the issuing of the audit report; and
- (b) the financial year immediately preceding the period referred to in point (a) in relation to non-audit services.<sup>148</sup>

Audit services is the audit of the annual financial reports of the Company, the assessment of interim financial reports that are disclosed, services that are traditionally provided by the external auditor and that are related to filings and obligations under legislation or regulations, and services that only the external auditor as such can reasonably provide.

The External Auditor does not need to go through a tender process for each individual engagement.

#### 4. Rotation of the External Auditor and Partners responsible for Audit Services

In order to prevent that the External Auditor and the Company become too close, the number of years a firm of an external auditor may be engaged and a certain person may be part of the audit team of the External Auditor, is capped.

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<sup>147</sup> Section 24b par 2 Act supervision audit firms (*Wet toezicht accountantsorganisaties (Wta)*). This provision also applies to other parts of a network of which the external auditor's firm is a part of, as set out in more detail in Section 24b par 2 Wta.

<sup>148</sup> Section 5 EU Regulation 537/2014.

The External Auditor charged with the statutory audit must be replaced after a maximum period of ten years after the start of their involvement. The External Auditor is not allowed to work on a new assignment for the Company until at least four years have expired from the date of its replacement.<sup>149</sup>

Partners in the audit team of the External Auditor who are charged with essential audit tasks must be replaced after a maximum period of five years after the start of their involvement.<sup>150</sup>

The Audit Committee shall also supervise the risks of dependency of other members of the audit team of the External Auditor who are involved with the audit for a significant period. The Audit Committee shall consult the responsible partner of the External Auditor regularly on safeguards set up by the External Auditor to assess the risk of dependency and to reduce it to an acceptable minimum level.

## **5. Appointment of the External Auditor**

The External Auditor shall be appointed in accordance with Clause 11 of this Charter. If the decision is taken to call in the services of another External Auditor, the tender process approved by the Audit Committee shall be followed.

## **6. Staff transfer restrictions**

The Company and the External Auditor shall agree on a policy regarding the restriction of staff transfers from the Company and its group to the organisation of the External Auditor and vice versa, taking into account all relevant legislation and regulations.<sup>151</sup> This policy is subject to the approval of the Supervisory Board.

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<sup>149</sup> Section 17 EU Regulation 537/2014.

<sup>150</sup> Section 24 Wta.

<sup>151</sup> Like art. 42 of the Regulation on the independence of auditors with respect to assurance assignment (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)*) of the Royal Dutch Professional Organisation of Auditors (*Koninklijk Nederlandse Beroepsorganisatie van Accountants*)

## ANNEX 7

### INFORMATION TO BE INCLUDED IN THE REMUNERATION REPORT

The Remuneration Report shall contain an account of the manner in which the Remuneration Policy has been implemented in the past financial year, as well as an overview of the Remuneration Policy planned by the Supervisory Board for the next financial year and subsequent years.<sup>152</sup>

The overview shall furthermore, in any event, contain the following information:<sup>153</sup>

- (a) how the implementation of the Remuneration Policy contributes to long-term value creation;
- (b) that scenario analyses have been taken into consideration;
- (c) the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- (d) in the event an Executive Board member receives variable remuneration: how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends and the relationship between the remuneration and performance;
- (e) in the event that a current or former Executive Board member receives a severance payment or other special compensation during a given financial year, an account and the reason for this payment; and
- (f) any other information the Supervisory Board is obliged to report on based on the laws and regulations for remuneration applicable to financial institutions.

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<sup>152</sup> Dutch Corporate Governance Code, best practice provision 3.4.1 (i).

<sup>153</sup> Dutch Corporate Governance Code, best practice provision 3.4.1 (ii), (iii), (iv), (v) and (vi).