

# AEGON N.V.

## RISK COMMITTEE CHARTER

ADOPTED BY THE SUPERVISORY BOARD ON: MARCH 5, 2008

LAST REVISION: 6 NOVEMBER 2017

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### 1. GENERAL PURPOSE

- 1.1 The Risk Committee (“Committee”) is appointed by the Supervisory Board (“Board”) from among its members to advise the Board and prepare decisions to be taken by the Board.
- 1.2 The Committee focuses on the effectiveness of the design and operation and the appropriateness of the enterprise risk management framework and internal control systems of Aegon N.V. and its subsidiaries and affiliates comprising the Aegon Group (the “Company”). This includes risk strategy, risk tolerance, risk governance, product development and pricing, risk assessment, risk responses and internal control effectiveness, risk monitoring and risk reporting<sup>1</sup>.
- 1.3 The Committee is responsible for supervising the activities of, and advising the Board with respect to, the Company’s enterprise risk management framework and internal control systems as defined above. The Audit Committee of the Board primarily relies on the Risk Committee on the topics as defined in Clause 1.2. and has specific responsibility for supervising internal control over financial reporting (including SOX compliance), compliance with relevant legislation and regulations, and the operation of the code of conduct.
- 1.4 The Committee and the Audit Committee report directly into the Board. Both Committees will discuss periodically financial reporting and risk management topics in a combined meeting.

### 2. DUTIES AND RESPONSIBILITIES

- 2.1 The Committee shall review the enterprise risk management framework as part of the business strategy and business model of the Company including but not limited to:
  - the risk governance structure;
  - the risk competencies of the Company;
  - the Company’s risk tolerance;
  - the risk management strategy and associated risk management initiatives and how both support the business strategy and business model of the Company;
  - the risk management elements of the Company’s strategy.

<sup>1</sup> Dutch Corporate Governance Code, best practice provision 1.4.1.

- 2.2 The Committee shall review 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 known material risks of the Company, and related control requirements, including but not limited to:
- Investment & Counterparty Risk;
    - o Fixed Income, Equity, Alternative Investments, Counterparty, Equity Volatility
  - ALM/Mismatch Risk;
    - o Interest Rates, Interest Rate Volatility, Currency, Liquidity
  - Underwriting Risk;
    - o Mortality/Longevity, Morbidity, Policyholder Behavior, Property, Casualty, Expenses
  - Operational Risk;
    - o Business, Legal and Compliance, Financial Crime, Processing, Staff, Physical Assets, Systems, Business Disruption, Transactional Risk and Business Transformation Risk, Cybersecurity and Tax.
- 2.3 The Chief Risk Officer of the Company shall prepare quarterly a risk exposure and policy compliance report to be presented to the Committee covering all material group level risks of the Company. This report should include not only a summary ranking of risks and actions dealing with the management of these risks of the Company but also additional detail where needed.
- 2.4 The Committee is authorized by the Board to exercise all powers of the Board which it needs to discharge itself of its assignments and may consequently inspect all relevant corporate records and interview all officers and employees of the Company in so far as necessary to fulfill its responsibilities.

### **3 COMPOSITION**

- 3.1 The Committee shall consist of at least three members, one of which will also be a member of the Audit Committee of the Board.
- 3.2 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination and Governance Committee, provided that the Chairman of the Committee shall be appointed by the Chairman of the Board. Committee members shall not have a set term of office and may be replaced by the Board at any time. More than half of the members of the Committee shall be independent within the meaning of the Dutch Corporate Governance Code<sup>2</sup>.
- 3.3 Each member of the Committee shall be entitled to rely on the integrity of those persons and organizations within and outside the Company that provide information to the Committee and on the accuracy and completeness of the information provided to the Committee by such persons or organizations, absent actual knowledge to the contrary.
- 3.4 No member of the Committee shall receive, directly or indirectly, any compensation from the Company other than fees paid to Board members for service on the Board or a committee thereof, except that a member of the Committee may receive a pension or deferred compensation for prior service with the Company that is not contingent on future or continued service.
- 3.5 The Company Secretary or a deputy shall act as the secretary to the Committee.

### **4 MEETINGS AND REPORTS**

- 4.1 The Committee shall meet quarterly or as often as it determines to be necessary. The Committee shall decide whether and, if so, when the Chairman and/or any other member of the Executive Board and/or Management Board and/or the Chief Risk Officer of the Company should attend its meetings. The Committee may request any other officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- 4.2 For every meeting of the Committee, at least 50% of its members need to be present to constitute a valid quorum.

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<sup>2</sup> Dutch Corporate Governance Code, best practice provision 2.3.4.

- 4.3 Except in case of urgency, the notice period for a meeting in person shall be at least seven days prior to the date of such meeting. The Committee may also meet by telephone or video conference. Minutes will be prepared by the Company Secretary.
- 4.4 Minutes of Committee meetings shall be sent to: (i) the members of the Committee; (ii) all members of the Board unless there is a compelling reason not to do so, and the receipt of such minutes are to be noted during a meeting of the Board; (iii) the members of the Executive Board, unless there is a compelling reason not to do so.
- 4.5 The Chairman of the Committee shall report on the deliberations and findings of the most recent Committee meeting in the first meeting of the Board following the Committee meeting.<sup>3</sup>
- 4.6 The Committee shall report to the Board on how the Committee has performed its duties in the financial year, details of its existence, its composition, number of meetings and the main issues discussed.<sup>4</sup> The report shall at least include the methods used to assess the effectiveness of the design and operation of the enterprise risk management framework and internal control systems of the Company.<sup>5</sup>

## 5 EFFECTIVENESS AND AMENDMENTS OF THE CHARTER

- 5.1 The Committee shall regularly review and reassess the adequacy of this Charter, report on it and recommend any proposed changes to the Board for approval. The Board shall at least once a year review the Committee's functioning as part of the evaluation of the functioning of the Board.<sup>6</sup>
- 5.2 This updated Charter has been reviewed by the Committee And Nomination and Governance committee on November 6, 2017 and approved by the Board on November 7, 2017. It may be amended at any time by the Board and any such amendment shall be effective as of such date determined by the Board.

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<sup>3</sup> Dutch Corporate Governance Code, best practice provision 2.3.5

<sup>4</sup> Dutch Corporate Governance Code, best practice provision 2.3.5.

<sup>5</sup> Dutch Corporate Governance Code, best practice provision 1.5.3, sub i.

<sup>6</sup> Dutch Corporate Governance Code, best practice provision 2.2.6