MINUTES
Aegon N.V. ANNUAL GENERAL MEETING OF SHAREHOLDERS 2019
MAY 17, 2019
The Hague, Aegonplein 50

MINUTES of the Annual General Meeting of Shareholders ("AGM") of Aegon N.V. ("Aegon" or "the Company"), having its registered office in The Hague, held on Friday, May 17, 2019, at 10:00 CEST, at the Aegon head office, Aegonplein 50, The Hague, the Netherlands.

Agenda:

1. Opening

The *Chairman, Bill Connelly,* opens the meeting and welcomes the shareholders and other participants. The meeting will be held in English although it is allowed to ask questions in Dutch. Simultaneous translation from English to Dutch and from Dutch to English is available. Voting on the relevant agenda items will take place electronically via electronic voting devices or via a voting app on the own devices of shareholders. Voting devices, voting smart cards and information to use the voting app have been distributed prior to the meeting.

The *Chairman* states that the following Supervisory Board members are present: Ben Noteboom, Corien Wortmann-Kool, Ben van der Veer, Bob Dineen, Dona Young and Mark Ellman. Alex Wynaendts and Matt Rider, members of the Executive Board, are also present and seated next to him. The members of the Management Board present today are Allegra van Hövell-Patrizi, Mark Mullin, Adrian Grace, Marco Keim, Mark Bloom, Carla Mahieu and Onno van Klinken.

In conformity with the Dutch Corporate Governance Code, the auditors who performed the audit of the 2018 Annual Accounts - Gert-Jan Heuvelink and Albert Zoon from PwC – are also attending this meeting.

The *Chairman* establishes that the convening of this AGM has taken place by announcement on Aegon's corporate website on April 5, 2019. The agenda, together with the explanation and the annexes, has been sent to holders of shares registered in the shareholders' register held by the Company. Holders of New York Registry shares have been notified of the AGM and the agenda items by separate writing. When convening the meeting, the subjects that will be dealt with at this meeting were listed. Notice was given that the agenda with explanatory notes, annexes and enclosures, the Annual Report 2018 including the annual accounts, as well as the supplementary data required by law, were available free of charge on Aegon's corporate website, at Aegon's head office in The Hague, at ABN AMRO Bank in Amsterdam and through ABN AMRO's e-voting website. The AGM documents have been available for inspection from the day on which this meeting was convened and will remain available after the meeting. This AGM has been convened in accordance with Dutch law and Aegon's Articles of Association.

The issued capital of Aegon at the Record Date of April 20, 2019 consists of 2,680,670,404 (two billion six hundred eighty million six hundred seventy thousand four hundred and four) shares. The issued shares are divided as follows: 2,095,648,244 (two billion ninety-five million six hundred forty-eight thousand two hundred and forty-four) common shares with a par value of 12 eurocents, of which 61,418,167 (sixty one million four hundred eighteen thousand one hundred and sixty-seven) shares are non-voting common treasury shares; and 585,022,160 (five hundred eighty-five million twenty-two thousand one hundred and sixty) common shares B, with a par value of 12 eurocents, of which 13,856,480 (thirteen million eight hundred fifty-six thousand four hundred and eighty) shares are non-voting common treasury shares B. Discounting non-voting treasury shares and considering the waived voting rights on common shares B, the number of voting shares as of the Record Date is: 2,048,509,219 (two billion forty-eight million five hundred nine thousand two hundred and nineteen).

Later during the meeting, the *Chairman* announces that 87 holders of common shares and common shares B are present at the meeting. They represent, together with shareholders who have voted through e-voting and via proxy voting, a total of 1,295,051,399 votes. This number represents 63.22% of the 2,048,509,219 voting shares at the registration for this meeting. That means that the number of votes that are required for the adoption of a resolution in a normal majority is 647,525,700. As in previous years, shareholders have been actively encouraged to vote at the AGM.
The draft minutes of the AGM of May 18, 2018 have been available for comments during three months at Aegon's office in The Hague and were also published for comments on Aegon's corporate website on August 17, 2018. The final minutes, signed by the Chairman and the Secretary, were available as of November 16, 2018.

The minutes of this AGM will be kept in English by the Company Secretary, Mrs. Anne-Marie Roth-Verweij. The draft minutes of this AGM will be available for comments on the corporate website for three months from August 17, 2019. The final minutes, signed by the Chairman and the Secretary, will be available as from November 17, 2019, on aegon.com. An unofficial translation in Dutch will be made available as well.

2. 2018 Business overview

The *Chairman* explains that Alex Wynaendts, Aegon's CEO, will give a presentation on the course of business in 2018. Afterwards, Matt Rider, Aegon's CFO, will present the financial results as part of the 2018 Reports of the Boards. After the two presentations, shareholders will have the opportunity to ask questions regarding item 2 and 3.1 of the agenda. The slides of the presentations are considered part of these minutes and are published on aegon.com.

Mr. *Wynaendts* states that he would like to make a few brief remarks in Dutch before beginning his presentation. In Dutch he welcomes all present. He states that he wishes to remember Jaap Peters, one of the founders of Aegon, who sadly passed away. He underlines that Mr. Peters has always been of immense value for Aegon and the entire Board. Mr. Peters has always felt connected to the company until his death and we have often been able to rely on his keen mind and insights. He will be dearly missed.

He then continues that he wishes to discuss the steps that have been taken in the past year to further modernise and grow the company. All steps have as a main purpose to create value for all stakeholders of the company. Substantial progress has been made and Aegon is well positioned to help people achieve a lifetime of financial security in the years to come. He then states that he will continue in English, to make sure that all stakeholders, including the ones listening through the webcast, can understand.

Mr. *Wynaendts* continues in English and welcomes all present and states that 2018 was an important year for the business since actions were taken to further modernize the Company and to position the business for growth. The ultimate aim of these steps is to create value for the stakeholders. He will first make a few remarks on the purpose and vision and will then look back at the past three years and the milestones that were achieved and ahead at the targets and priorities for the next few years.

The most important objective is for the company to grow in a sustainable way to ensure that Aegon will remain relevant to all stakeholders in the future. The purpose is clear: helping people achieve a lifetime of financial security. This is the reason Aegon exists and the priority for the nearly 29 million customers. Financial security is a need that everyone has, wherever they may find themselves in the world. He explains that it is a belief within Aegon that everyone should have the right to a decent retirement and be able to age with dignity. People should not have to worry whether they can afford to retire at all.

Three elements are key in order to help people achieve a secure future:
- Smart financial planning, a healthy lifestyle and relevant financial solutions at every stage of their lives.
- A thoughtful approach to secure retirement and healthy aging in our society; and
- A lasting contribution to a healthy environment.

He will get back to these elements later on in his presentation.

Mr. *Wynaendts* explains that over the past few years, a number of critical steps have been taken to create value for our customers.
First and foremost, we have simplified and modernized our Group. Secondly, we have re-aligned the business towards areas with higher growth and the potential for a broader advice, service and solutions-based relationships with our customers. We have focused the company to be more relevant than ever to our almost 29 million customers as we help them through the journey of their financial lives.
These steps have allowed Aegon to increase capital generation and strengthen the capital base. Mr. *Wynaendts* states to be proud of what has been achieved over the past three years. Having strengthened our competitiveness, increased our capital position and diversified our business, we are now in a position to fully focus on growing in our chosen markets.

He continues with a slide showing the reasons why in 2019 Aegon is a totally different company from the one it was just a couple of years ago. This is due to a number of actions taken such as sharpening our company's profile and geographical footprint through a series of divestments.

The legal structures have been simplified and significant cost savings were achieved. In both the US and UK, we have partially outsourced policy administration, which has improved customer service and has allowed us to accelerate product development. By targeting specific growth opportunities in the key markets, millions of new customers have been attracted and as well as over 100 billion euros in additional assets. A number of acquisitions have added new capabilities and scale to existing businesses where we already have leading positions and can leverage existing infrastructure.

Mr. *Wynaendts* is pleased with how the Company is transforming into a technology-driven and agile business, as a result of which Aegon is better placed to help our customers.
900 million euro on technology is currently spent per year, close to 25 percent of our overall operating expenses. These costs cover information security, application development and IT operations, hardware, data centers and software.

Mr. *Wynaendts* discusses how Aegon has delivered on its 2016-2018 targets. We have been able to establish a strong foundation for sustainable growth in the years ahead. We have delivered 355 million euro of annualized savings, ahead of our 2016-2018 target. Improving our efficiency is one way to achieve cost savings and increase our profitability. It also helps us to deliver quicker, more reliable customer service.

In the US and the Netherlands, we have been simplifying our back-office systems in order to introduce new, more efficient IT platforms. And in the Netherlands alone, we have applied robotics to automate over 400 processes. At the same time, we have been investing in digitalization – e.g., encouraging more customer self-service and adding mobile apps to improve customer experience.

We have also achieved our target of returning 2.1 billion euros in capital to shareholders. We have strenghtened our capital position which allowed us to further increase our dividend to our shareholders. As a result Aegon is proposing to increase the dividend to 29 cents for the full year. This is a 7% increase on a year-on-year basis. The improved profitability of our company is demonstrated by a consistent increase in the return on equity, year-on-year. Since 2015, we have increased the return on equity by about 2%-points to 10.2%.

Mr. *Wynaendts* expresses his hope that he was able to convey the progress made over the past couple of years to the stakeholders, not only financially, but also with regard to our aim of helping people achieve a lifetime of financial security. Our goal is to create a positive customer experience. This means providing high-quality financial solutions and products and excellent customer service.
All the hard work, which offers the very latest digital and technological solutions and improves our customer service levels, has led to more satisfied customers as shown in the presentation. Customer service is incredibly important, especially when developing a lifelong relationship with customers.
Aegon knows by experience that the more engaged our workforce is, the better our customer service will be. The outcome of the latest survey measuring the engagement of employees is that despite all the profound changes, the engagement score has remained at the same level. What the employment engagement survey tells us is that management needs to continue to focus on leadership and

development opportunities. An example of this focus is that we have trained several hundred people across the entire company on Data Analytics.

Mr. *Wynaendts* then takes a few moments to discuss how Aegon is going to achieve its targets for the future.
Striving for sustainable growth requires us to be a responsible business so that we are relevant to all our stakeholders.
A short video on responsible business is played. After the video, Mr. *Wynaendts* refers that the execution of the Responsible Investment policy that was referenced in the video is included in the 2018 Responsible Investment Report, which was published today. Also referenced are Aegon's investments in innovation to enhance customer experience. At Aegon, we are responding to this rapidly changing environment by investing in innovation at three different levels:

- in core operations;
- through new initiatives that originate within our organization, which are not directly related to our existing businesses; and
- by reaching out into the broader innovation area through our Corporate Venture Fund.

The objective is for new technologies to be applied as well as skills to upgrade Aegon's businesses. As an example, underwriting rules engines are used and data scientists look at improving the underwriting experience for our customers. Furthermore, partnerships are developed with universities in several markets. In the Netherlands for example, where Aegon and other leading Dutch companies have joined forces with the university of Delft in Xclamation Delft.

This initiative is all about co-creation, where university researchers and companies will explore and apply new technologies together. Mr. *Wynaendts* then highlights some of the innovation investments at the other two levels mentioned. Operations have been created at a sufficient distance from Aegon's more established businesses to develop new business models.

One example is the full-service digital bank Knab in the Netherlands, which in a limited number of years has attracted more than 200 thousand customers with some of the highest satisfaction scores in the country. A second example is GoBear, which will be discussed later in the presentation.
Both businesses have been able to move very fast and have developed highly entrepreneurial and customer-centric cultures. Thirdly, Aegon also invests in emerging technologies in new companies all over the world via the Transamerica Venture Fund. This 140 million dollar fund was created four years ago with a dual purpose: to make profitable investments in relevant fintech technologies, but more importantly, to interact with technology ventures to accelerate the transformation at Aegon.

There are currently 18 portfolio investments and so far we established more than 30 partnerships between Aegon and young innovative technology companies – ranging from digital distribution, Artificial Intelligence, Machine Learning, to digital wealth management and risk management. Our portfolio companies have already created significant financial value for Aegon to date and we believe going forward even more value will be created. The fund is playing an important role to help us build relevant technological and business partnerships which contribute to the future growth of Aegon.

Mr. *Wynaendts* continues to discuss the targets for the next three years (2019-2021). We are confident that our growth strategy will deliver sustainable and attractive returns to shareholders. At the core of our strategy is the capital we generate from our global operations. For the next three years, we are targeting a normalized capital generation of 4.1 billion euros cumulatively.

Our strategy will lead to attractive returns to our shareholders since we are targeting to pay 45 to 55 percent of normalized capital generation as a dividend to our shareholders. Going forward, we will support our medium-term targets with a one year remittance guidance to the holding. For 2019, we aim for gross remittances of 1.5 billion euros, which will support our annual dividend. In addition, remittances will be used to invest in growth, finance holding funding and operating expenses, and leave sufficient financial flexibility for potential add-on acquisitions or additional capital returns to shareholders. Last but not least, we will continue to target a return on equity in excess of 10% in the future.

Our targets are underpinned by active portfolio management of our various businesses. We have grouped our businesses into three distinct strategic categories. These strategic categories are differentiated from each other based on different characteristcis like maturity of our businesses in our different markets.

Mr. *Wynaendts* explains that the first category “Manage for Value” includes mature, at-scale businesses which often operate a single product relationship and are generally spread-based. “Manage for Value” businesses are and will be an important source of capital and earnings for the Group for many years to come.
In the “Drive for Growth” category, we have grouped businesses which are at scale and have strong market positions with attractive, profitable long-term growth potential. These businesses are highly capital generative and invest part of their capital generation in strong new business growth. Propositions are mostly digital or platform-based, with an emphasis on fee income and protection coverage, while focusing on broader and longer relationships with our customers and advisors.
Finally, we have the “Scale-up for the Future” category, which are a set of businesses that have a meaningful market opportunity. Similar to the “Drive for Growth” businesses, these businesses focus on capital-light (especially fee) and protection-based products but still require scaling-up in size and expanding the customer relationship into multiple products. Scale-up businesses bring new platforms, technology or business models into the Group, which can also be leveraged across our current “Drive for Growth” businesses.

As mentioned earlier, Aegon is targeting normalized capital generation of 4.1 billion euros cumulatively for the period 2019 through 2021. This is an increase of more than 25% compared to the last three years, when we generated 3.1 billion euros. In our “Manage for Value" businesses, a key driver will be continued expense savings as these businesses are running-off over time. Here we look for solutions that not only lead to cost savings, but also improve customer experience.

In our “Drive for growth” segment, we will be focusing on driving profitable sales growth and sustainably growing our capital generation. We will do this by leveraging our large customer base where we have the opportunity to broaden and expand our relationships with them by offering our strong suite of bundled products and solutions. As customer needs and demands evolve, we will continue to evolve our operating model toward less capital intensive, more fee-generating and protection products, while at the same time enhancing the customer experience through the extended use of data and data analytics.

Mr. *Wynaendts* further explains that throughout the company AI technology is used to improve customer experience and drive operational efficiency. A good example is the introduction in the Netherlands of Virtual Assistant, a human assisted live-chat customer service. Currently, we handle approximately 30,000

Virtual Assistant sessions each month. But more important than these numbers is the fact that we are able to answer questions much quicker. The handling time of questions is on average 20% lower. And our customers clearly value this type of customer service very well as is evidenced by a strongly increased (transactional) net promotor score, a good measure for customer satisfaction.

US Retirement Plans are an important Drive for Growth business. Today, we serve more than 4.4 million plan participants and support their retirement needs. Over the past 10 years, this business has grown faster than the US market and this despite recent outflows. The strong growth was supported by the Mercer acquisition in 2015. To continue our growth trajectory, we are taking several actions such as:

- Realignment of management responsibilities to increase focus on growing our Workplace Solutions offering; and
- Investments in additional platform functionality to improve customer satisfaction.

We have consistently improved customer satisfaction in the last years as demonstrated by improving (transactional) net promotor scores. We are reaping the initial benefits of these measures as we recorded strong written sales in the first quarter of 2019.

In asset management, we continue to grow our business, which is built on our strong track record in accumulating third-party assets with positive net inflows over the past seven years. The focus going forward will be on expanding distribution, selectively targeting new markets and leveraging our product expertise from our various investment centers across our business. In addition, we are investing in technology across Aegon Asset Management to e.g. better enable client reporting.
Mr. *Wynaendts* then explains that within Aegon, Asia continues to be regarded as a long-term growth market. Aegon Asia is a combination of Drive for Growth and Scale-up for the Future businesses.
You might have heard this morning that we have divested our stake in the partnership with Sony Life in Japan. Given the evolving market conditions, we agreed that the future of this variable annuity business is best served as a wholly-owned part of our longstanding partner Sony Life. This divestment allows Aegon to fully focus on its most promising businesses serving the fastest-growing customer segments and offering the most significant opportunities.

The well-established High-Net-Worth business Transamerica Life Bermuda is part of Drive for Growth and provides the bulk of Asia's earnings and capital generation. Our Asian joint venture in China, which is part of Scale-Up for Future, reported significant growth in recent years and is expected to lead to growing capital generation over time. Especially within the Scale-up for the Future businesses, we are embracing e-commerce and digitization through multiple partnerships.
By investing in digital initiatives that put products in the best position possible to enable customers to purchase online, we will transform into an even more customer centric organization.

A prime example is GoBear, which has evolved from a comparison website to a marketplace where customers can search, compare and perform transactions for insurance and banking products. GoBear is active in seven Asian countries and employs 140 people with 21 different nationalities. Since its launch in 2014 till now, the company has served 45 million people that value the service provided with a high net promotor score of +22. Also, Aegon Asia has developed a broker-as-a-service platform, FutureReady Ebroker. This platform integrates third party customer channels and GoBear with financial services providers in the Asia market. The platform is rolled out in Thailand and Indonesia and will in the future be rolled out to other Asian markets with only a minimum effort.

A good example of a successful "Scale-up for the Future" business is TKP. This business is a consolidator in the administration of pension funds in the Netherlands. It has grown rapidly over the past decade, gaining economies of scale with an increasing number of active and retired participants. TKP has the ability to manage complex and tailored pension structures. Its platform offers efficient and reliable processing, with a broad scope of services. TKP is also an enabler of the strategy of other Dutch businesses, and we foresee further growth ahead since we are exploring opportunities to administer not only Aegon's defined benefit books but also closed books of other providers.

Our joint-ventures with Santander in Spain and Portugal are growing strongly as we have access to an extensive distribution network of 5,600 bank branches. In 2018, we reached an agreement with Santander to expand our joint-ventures using Banco Popular's distribution network. In total, the expanded partnership will increase our potential client base from 10 million to over 14 million customers. Also here, we are also investing in digitization and automation to improve both customer experience and efficiency.

To grow our business, we are looking at selective inorganic opportunities. Next to strict financial criteria, acquisitions should be aligned with our strategic objectives. For these reasons, we are focusing on in-market acquisitions to strengthen our leading positions and fee and protection businesses, as they offer superior growth opportunities, and are less capital intensive.

Acquisitions should also add scale to increase the efficiency of our operations or add new capabilities that open up new market segments in the countries where we already operate.

Mr. *Wynaendts* then concludes his presentation. He states that Aegon is well-placed to focus on profitable growth and sustainable capital generation which has been built on the progress made in recent years. By succesfully executing our strategy we will be able to deliver on our purpose and help many more people achieve a lifetime of financial security, in addition to generating long-term value for all our stakeholders.

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

3. Annual Report 2018 and annual accounts 2018

3.1. Reports of the Boards for 2018

The *Chairman* asks Matt Rider, CFO of Aegon, to present the financial performance for the year 2018.

Mr. *Rider* welcomes everyone and explains that despite a small decline in our underlying earnings, the return on equity improved to 10.2% in 2018, an increase of 90 basis points versus 2017 as a result of lower taxes. Our gross deposits declined 3%, but remained at a high level of 122 billion euros.
Our solid capital position improved further to 211%, which was supported by an increase of over 40% in our normalized capital generation to 1.4 billion euros.

Mr. *Rider* continues to discuss our financial performance in more detail. Underlying earnings before tax declined 3% as higher earnings in Europe, Asia and Aegon Asset Management were offset by lower earnings in the Americas. The lower Americas result was caused by lower fee income due to declining equity markets and net outflows of assets, as well as unfavorable mortality experience in our US life business. Despite the lower fee income, earnings from fee based businesses as a percentage of total underlying earnings were 43 percent point, just below the level of 44 percent in 2017. Net income declined to 744 million euros due to an elevated level of negative fair value items and Other charges, which will be further explained.

Fair value losses of 260 million euros were caused by the Americas. These were related to the impact of market movements on our hedge results, as well as fair value investments. The losses were driven by the decline in equity markets at the end of 2018. The losses in the Americas were partly offset by gains in Europe, especially on real estate investments in the Netherlands.
Other charges amounted to 875 million euros. This related to, among other things:

- 127 million euro transition and conversion charges for the TCS partnership in the US;
- 75 million euro integration costs in the UK related to Cofunds and Blackrock's Defined Contribution business;
- A 140 million euro charge for a class action litigation settlement in the US;
- A book loss of 93 million euro on a divestment of a run-off portfolio, also in the US;
- And a 144 million euro charge for assumption changes in the US and the Netherlands.

A significant part of these charges were anticipated as they relate to management actions that we have taken to improve our business profile and profitability.

Mr. *Rider* continues with the commercial performance in 2018. Gross deposits declined 3% in 2018, but remained at a high level of 122 billion euro. The decrease was caused by lower platform deposits in the United Kingdom, in part due to Brexit uncertainties, and lower inflows at Aegon Asset Management.

Aegon recorded a net outflow of 4.7 billion as net inflows in asset management, the UK and the Dutch banking business, Knab, were offset by outflows in our US retirement plans business. Our continued focus on profitability over volume has led to a decline in new life sales over the past years, a trend that continued in 2018.

Mr. *Rider* explains that our cost reduction program has achieved annualized run-rate expense savings of 355 million euros since we initiated the program in 2016, and therefore we have delivered on our 350 million euro target.

Our US operations achieved expense savings of 270 million dollars over the last three years. A significant contributor to the US savings was the partnership entered into with TCS earlier in 2018, which generated approximately one third of the total benefit achieved. Transamerica stopped slightly short of its 300 million dollar target. Certain measures to reduce expenses were not implemented in order to improve service levels within Retirement Plans. At a group level, the slight shortfall in the US was compensated by additional expense savings in the Netherlands.

Digitization of the business, automation of processes, and efficiencies in the marketing and sales organization delivered 79 million euros run-rate expense savings compared with the original 50 million targeted for the Netherlands. Expense savings at the Holding totaled 19 million euros versus the target of 15 million. Aegon's solid Solvency II ratio improved 10 percentage points to 211%, above its target zone of 150 to 200 percent. Also the capital ratios of our main units remained within or above their target zones.

An important driver for the further improvement of the group's capital position was the strong normalized capital generation of 1.4 billion in 2018. Normalized capital generation increased 40 percent to 1.4 billion euros in 2018. This was driven by lower new business strain and positive underwriting experience. Our capital generation amply covers the announced dividend over 2018. Our strong capital generation and solid capital position are also reflected in the proposed dividend of 29 cents for 2018, a 7% increase compared with 2017. With this dividend over 2018, Aegon returned 2.1 billion of capital to shareholders over the period 2016-2018, in line with our target.

Mr. *Rider* then concludes his presentation saying that Aegon made strong progress on its 2016 to 2018 targets, leading to growing capital generation and dividends to shareholders over that period. We have also set ambitious targets for the next three years, in which we continue to focus on growing capital generation. This should lead to sustainably growing dividends going forward.

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

Mr. *Van der Kaaij* represents MN Asset Management and speaks on behalf of Menzis, De Goudse and APG Asset Management. He states that they are very pleased with the strong capital position of Aegon, solvency ratios being so good and having increased so much. He continues to say that they are also happy to see that the restructuring, simplifying the company, is well on course and that had led to good results. That gives some leeway to focus on the future. They are happy to read in the Annual Report that it intended to grow sustainably and have a long-term focus for that. The first questions related hereto, Mr. *Van der Kaaij* would like to hear more about where and how Aegon would like to grow and to make things more specific, what the capital allocation priorities are to that effect.
His second question relates to the Net Promoter Score. Aegon has voiced its ambition to be the most recommended financial service provider and scores well in terms of reputation and trust and in the presentation reference was made to a positive customer experience. However, the numbers state that 54% of the score is in the lowest quartile and is therefore lagging with respect to peers of Aegon. What does Aegon intends to do in order to further improve the experience of its clients and what can Aegon learn from peers. He also refers to the statement on Knab.
In conclusion, he says that it was mentioned Knab bank is doing very well, but is only 1% of the total company. His question is what Aegon intends to do in order to convey the 1% on the remaining 99%.

Mr. *Wynaendts* thanks Mr. Van der Kaaij for his questions. On the first question he answers that they have been very clear that Aegon wants to allocate capital to those businesses that can grow on a sustainable basis going forward. That is why he explained the three strategic of Aegon's businesses in his presentation. One is for one group where we do not allocate capital for new business, because it is more the 'Manage-for-value' business; another is for a group where we allocate over 90% of our investment in new business and that is the part of the business we want to grow; and then there is one for the part of the business 'Scale-up for the future', which is the part we want to scale up and where we would like to allocate even more capital. But we can only do so much every year and the business is growing. Knab is a good example of that business. There is a very clearly defined capital allocation framework.
When we allocate capital to our own business, we actually have the highest returns. We see that the best way for us is to allocate capital to developing our own business. We know the channels; we know the employees that work for us; it is also less of a risk. Therefore, that is our highest priority.

The second question on the Net Promoter Score and the results is a very valid question. The Net Promoter Score results today do not reflect our ambition. We have set ourselves a very high ambition in terms of how we can make sure that we are always seen by customers as the most recommendable company. We continue to work hard on that, but I would like to make a few comments.

The first being that while we are improving our Net Promoter Scores, we see that we are not alone and that the market and our competitors are also improving. So we actually have to run faster and we continue to make efforts to run faster. The second thing we see is that the highest Net Promoter Scores are very often given to niche players, for example niche players such as Knab. We see the same thing in our business. Knab has one of the highest Net Promoter Scores in our business. It is a smaller company, dedicated, it is often modern technology and does not have the legacy. The third comment, which we have to work even harder on is the Net Promoter Scores are very much in relation to the amount of contact we have with our customers. In some businesses we have a lot of contact with our customers. Knab is a good example because for banking you have a lot of contact. In other parts of our business, the pension business for example, we unfortunately have very limited contact with our customers. You see that there is a direct correlation between the amount of contact we have with our customers and the Net Promoter Scores. As you know, a big part of our business is in the pension area. That does not mean that we are not going to work hard to improve the Net Promoter Score to engage with our customers. That is part of our strategy, to engage with all the people and all the employees of companies that save for their future through a pension with us.
These are the three key elements on which we focus our efforts to improve. We are using technology because technology allows us to engage more often and better with our customers. I gave the example of the live chat bot in the Netherlands where we have automated systems and where we can engage with our customers and become more relevant to our customers. For me, it is important that each of the 29 million customers of Aegon is aware that they are a customer of Aegon. Unfortunately, that is not yet the case because very often, they are saving for their pension through their employer and their employer has a contract with us. But that is one of the highest priorities.

To the third question on how to get Knab representing 99% of the earnings in the Netherlands, Mr. *Wynaendts* assures that this is a question Aegon thinks about a lot, not so much in terms of getting to 99% but to go from 1% to 5% to 10%, et cetera. We believe that if we can continue on our track, which is offering superior customer service and a recognized customer service. By offering fully digital connectivity, people will come more and more to our platform, our bank. Also, younger people, people that are used to do everything digitally. So, we are extremely well positioned, and we have all the confidence that the share of Knab in the total will increase but we cannot promise that it will be 99%.

Mr. *Berge* is a private shareholder. He mentions that he has a couple of straight-forward questions. Aegon is a wonderful insurance and pension fund but finds that in comparison to his shares at Fortis and Delta Lloyd the shares are doing poorly. He wonders if the supervisory directors and Mr. Wynaendts are misleading the shareholders or if they are just clumsy? He states that he hopes Aegon will not be bought by another company for next to nothing. He asks why the share price of Aegon is staying behind by that of companies such as Fortis and Delta Lloyd.

Mr. *Wynaendts* replies that it is the job of management is to do everything we can reasonably do within its power. But that we cannot influence outside markets, which have been very difficult. We work as hard as we can to execute on our strategy. The best proof of that is that we have delivered on the targets, on the promises that we have made three years ago. We are equally committed and energized as a management team to deliver on the targets over the next three years. That ultimately will improve the share price. We have no doubt about that.

Mr. *Kodde* represents Greenpeace and wishes to congratulate Aegon with two things. In the beginning of the year, Aegon Group decided to stop investing in oil sands, tar sands and related pipeline companies.

We think that is a very wise decision, not only from a climate's point of view but also from a financial point of view. In the beginning of this week Aegon made a public statement that they were going to vote in favour of a number of climate resolutions in a number of annual general meetings of oil companies. We also think that with that public announcement, Aegon is ahead of its peers.
Climate change is an extremely urgent problem. We see an increasing number of typhoons and hurricanes and we have experienced the hottest summers over the last ten years. We see forest fires and we see melting glaciers in the Himalaya. In that area of the world – India and China – 2 billion people are depending on the melting glaciers of the Himalaya for their drinking water; you can imagine what kind of social and environmental conflicts will occur once this drinking water starts melting away from the glaciers.
One of the key causes of this climate crisis is the mining of coal and the burning of coal. We are very concerned about the continued investments of Aegon in utilities that are burning coal and mining companies that are mining coal. We have seen that the investments of Aegon in coal companies are worldwide; they go from Canada to Asia to Europe and Eastern Europe, basically all of the key countries where there is still coal expansion going on.
We think this is in sharp contradiction with all the scientific reports on climate change. We think Aegon should pull out its investments into coal, in any company that is involved in coal extraction and utilities. That is what we are asking Aegon to do as a next step towards climate leadership.

Mr. *Wynaendts* thanks Mr. Kodde for his remarks and appreciates Mr. Kodde's recognition of the enormous progress that we as a company are making and our commitment as a company to all our stakeholders, including society and including the world in which we live, to work towards improving the world. It is important for us because it makes no sense to live longer if you are not living in a better world. That is why also for Aegon, wealth and health is a theme that becomes more and more important. We therefore also very much share Greenpeace's concerns on climate change. We made that clear. We made that clear as a signatory of the Paris Pledge in 2015. Aegon is fully committed to achieving the goals of this agreement.
This is the reason why we are no longer investing in oil sands and why we have divested mining companies, which derive more than 30% of their reserves from thermal coal exploration, mining or refining. This is a very significant step.
That means that on your request – you will all have seen the flyer – we agreed that we have to work towards achieving these objectives. The second one, which is excluding companies producing more than 20 million tons of coal per year, is one we already endorse. Regarding the two other ones, we recognize that this is a step we should be looking into. We have made the pledge that we would, in our responsible investment policy, take the suggestions that have been put forward by Greenpeace into account. We also want to have a dialogue. We are looking for a constructive dialogue about the nature of our investments. We want to make sure that we first make a very good assessment of all investments that we have and all companies that would potentially, be impacted by exclusion as being proposed by Greenpeace. The next step for us is to review our entire portfolio of assets and ensure that we have a good understanding before taking a decision. That is the way we work at Aegon. We also welcome your continued input in order to achieve what we believe is really important, the CO2 decline pathway that we have all committed to.

Mr. *Keyner* represents the Dutch Shareholder Association (VEB) and has proxies for about three quarter of a million shares as well from some of the retail investors. His first question is to the Chairman and is on the share price performance. He refers to the Chairman's letter to the VEB and questions whether
the letter of the Chairman should have shown more of a sense of urgency, indicating that Aegon has a structural problem as the share price has dropped 23% and the shareholders and other stakeholders such

as customers and employees are not sufficiently satisfied. He shares his concerns on net incomes, share prices, profitable growth, customer loyalty and employee satisfaction.

The *Chairman* starts with his letter that they should just take a step back and understand the situation where Aegon is. Aegon has gone through a transformation from the last ten years to reflect a changed regulatory environment, a changed economic environment and an environment where interest rates have been very low. Management has been working very hard and very effectively towards re-shaping the company, re-focusing activities to those areas where we can get profitable growth and focusing on capital generation to ensure that there are dividends to pay to shareholders and ensuring that the company is in a solid financial footing. As indicated in the presentation you heard today, in terms of capital generation, in terms of solvency and in terms of the capital position, the company is well positioned now for growth. That is what gives the Supervisory Board confidence that we are in a position to go to a next stage of development, beyond transformation because of regulatory change and financial markets' change into a more sustainable growth. The Supervisory Board is fully aligned with the strategy that has been set by management in order to go for a growth agenda.

Mr. *Keyner* states that his question has not been answered yet. With regards to the letter of the Chairman he asks for an explanation on whether the Chairman feels confident that Aegon has done enough work to get everything in order internally for Aegon to now take serious steps and even consider buying VIVAT and not consider subcontracting or outsourcing major parts of the operations.

The *Chairman* answers that with regards to his letter he would like to say that he will not speculate on individual transactions that are reported in the press. He says that the company is well positioned both for organic and inorganic opportunities as long as they are value-adding and support the development of the company. As per the strategy, we have the expectation that profitable growth will be reflected in the share price.

Mr. *Keyner* continues with his second set of questions. Firstly he states that it is disappointing that the Net Promoter Score relating to competition has dropped. How many of the scores are in the lowest quartile? The second question is regarding the 33% turnover of employees and what part thereof has been voluntarily and what part involuntarily. In the report he read that the turnover was 33% was wondering whether which part out of the turnover is voluntarily and which part is forced.
Finally he states that the financial performance of Aegon, not only in 2018, – which is also reflected in the share price – has been disappointing for at least a decade. He, in answer therefore, questions the decision to not inform investors on the results every quarter.

Mr. *Wynaendts* states that the first question from Mr. Keyner, he would like to point to page 418 of the Annual Report. The customer net promotor score has been 5% in the third quartile and 54% in the fourth quartile. He emphasizes that a big part of our customers covered here are in the pension area where Aegon has limited contact.
To the third question he answers that insurance is a very long-term business. We have contracts of 30 years to 50 years and we have come to the view – like many others in the world – that it does not make a lot of sense to have quarterly reporting and that we are better off to focus our efforts on half-year reporting. The time that gets freed up by not making the additional quarterly report is dedicated to improving our business. If there is specific information that is relevant in the period, we will consider making that public.

Mr. *Urbach* represents the VBDO, the Dutch Association of Investors for Sustainable Development. He states that he would like to start off with a compliment and refers to VBDO having published its fourth tax transparency benchmark last year, which was won by Aegon. This means that Aegon is the most fiscally transparent company in the Netherlands, for which it really deserves a compliment.
He has three questions and will start with climate change. He has heard and read that the CEO of Aegon is pressing companies and governments to publish their climate policies and to really follow the Paris Climate Agreement. He is wondering when Aegon intends to publish its own CO2-emission data and when it intends to publish a CO2-emission reduction target for scope 1, 2 and 3 emissions in line with the Global 2 Degrees benchmark.
His second question is on living wages. In last year's AGM it was stated that Aegon did not yet take a stand regarding living wages and that its approach was to discuss this first with external stakeholders. After this, Aegon stated it would evaluate whether to address living wages in its responsible investment policy. Since then, several other Dutch investors and banks have joined each other in the Platform Living Wage Financials (PLWF). What is Aegon's current position regarding living wages? Is Aegon willing to join other Dutch investors in the PLWF and include living wages in its responsible investment policy?
His third question is regarding the Sustainable Development Goals, (SDGs). In its Annual Report, Aegon provides an overview of its positive contribution towards the SDGs. How does Aegon determine its impact on reaching the SDGs in 2030? Could Aegon indicate if it intends to develop a strategy to invest in the SDGs to reach the SDGs in 2030?

Mr. *Wynaendts* thanks Mr. Urbach for his questions. In respect of the first question he states that Aegon has acknowledged our support for the Paris Climate Agreement and in 2017 the recommendation from the TCFD, the Task Force on Climate-related Financial Disclosures has been analyzed. We have stepped up our efforts greatly in the related TCFD-reporting.
In 2018, Aegon calculated the carbon footprint of a part of our general account investments and we also conducted a scenario analysis, testing our investments against various models of global warming. The analysis focused first on assets held here by The Netherlands, because this is where Aegon has most of its assets that are related to businesses where stakeholders have shown an interest. This year, 2019 and going forward we will broaden the scope of our assessment and continue to analyze the strategic implications of the findings that we have so far. He would recommend all shareholders to take the responsible investment report that was shared earlier and to look under item TCFD-reporting, which provides much more detailed and granular information.
In answer to the second question on the Platform Living Wage Financials, Mr. Wynaendts explains that, in our responsible investment policy, but also in our procurement policy we highlight the importance of fair wages explicitly. We say that employees have a right to reasonable working hours and fair wages and this is without gender distinction. During our investment screening process, so when we invest in companies amongst others, we look at the UN Global Compact Principles. Under SDG 8 – which is decent work and economic growth – we have identified this as one of the most relevant to our businesses. He mentions that we will be evaluating what relevant steps we could take in honoring our alignment with SDG 8, including the concept of living wages.
The third question raised by the VBDO was in relation to the selected SDGs. As part of our responsible business we have identified a number of SDGs and we have identified a few specifically. SDG1 is the commitment to no poverty. SDG 3 is the commitment to good health and well-being. I mentioned that earlier; extremely important for us. SDG 7 is commitment to affordable and clean energy. SDG 8 is commitment to decent work and economic growth, the one we just talked about with regard to fair wages and finally, SDG 13, which is climate action. So, we have very clearly focused on a number of SDGs in which we look at how it impacts our strategy, how it impacts the way we vote as an investor.

We are also trying to work together with Cambridge Institute for Sustainability Investment Leaders Group (ILG) in developing specific metrics that allow us to measure progress on how we are doing on these specific SDGs that we have recognized. That is work in progress and Mr. *Wynaendts* hopes that in the coming years we will be able to show you more granular details on how we are setting metrics that allow us to measure the progress we are making against the identified SDGs targets Aegon is contributing to.

Mr. *Wynaendts* then goes back to the Net Promoter Score. This is a measure of customer satisfaction. It is true that we have not achieved what we would like to achieve, but we have made a lot of progress. We are also transforming our company and we are taking a lot of steps to get closer to our customers because we have identified that one of the most important things is that we need to have contact with our customers. It is nearly impossible to have a high Net Promoter Score score if you do not have contact with your customers. As he mentioned before, significant parts of our business are in the pension area where we are probably most remote to our customers. That is why we are investing time, effort, also financially, in that area to get closer to our customers. He mentioned Aegon's venture fund, innovation efforts like artificial intelligence or robo-advisors are all ways on trying to get closer to our customers in an efficient technology-driven way. Mr. *Wynaendts* expresses his hope that going forward we will see that those businesses that have been specifically focusing on improving the customer experience through Net Promoter Score remain at the upper end of the scale, such as Knab.

Mr. *Van der Graaf* is a private shareholder and has three questions. The first is to the Supervisory Board regarding creating shareholders value or rather the lack of shareholders value. Should the Supervisory Board not devote far greater attention to creating shareholders value since the Executive Board from my perspective is not doing this or is doing this insufficiently? Via the previous chairman Rob Routs Supervisory Board in the past years expressed worries about the share price lagging behind and you can be worried but do not do anything. Can you tell us what the Supervisory Board is doing about this issue, anything beyond being concerned?
His second question is to the CEO, Mr. Wynaendts. The share price has been listed at a very low level for several years and should have been increased considerably higher a long time ago. He wonders what can be expected in terms of shareholders value under Mr. Wynaendts' leadership in the next four years. When will Aegon finally create additional shareholders value?
His third question is on capital returns to shareholders. From 2016 to 2018 approximately EUR 2.1 billion capital was returned and from 2019 to 2021 Aegon indicates that it envisages returning 45% to 55% of the capital generated as a dividend to be distributed. Nothing is mentioned on a repurchase of own shares. The envisaged capital generation for that period is EUR 4.1 billion. If you crunch the numbers that takes you to approximately the same amount as what it was in the previous three years. The financial targets do not appear to be any higher than in the preceding period. Can you elaborate on your plans? What do you plan to do? The dividend yield of Aegon appears high, but appearances are deceptive because percentage-wise an amount of almost nothing seems high. He has three requests. Mr. *Van der Graaf* would want for Aegon to repurchase and cancel its own shares to reduce the number of shares in issue to below 2 billion. In addition, he would like Aegon to increase the dividend a bit above market expectation. In addition, Aegon should become more profitable with stable results and fewer setbacks.

Mr. *Wynaendts* answers in respect of the share value that the management of Aegon is also disappointed by the development of the share price but would also like to point out that there have been a number of factors in relation to the development of markets that have certainly not helped, for instance low interest rates. We are very much in a continued, prolonged low-interest rate environment that has not helped. Having said that, at the same time we are working extremely hard with our colleagues to improve our businesses, take out cost, be more efficient and start new business models that are much less dependent on interest rates. Three years ago, we set ambitious targets. We have achieved those targets. One important target is in relation to the dividend we pay to our shareholders. We have an increase of 7% year-on-year in terms of dividend growth and that is the best commitment we as management can make to create more shareholder value. What is important is that we achieve our objectives. We have set a new set of targets for the next three years that are ambitious, but are also achievable. So, looking back at the numbers in terms of return of capital and the comment that was made that the return of capital of 2.1 billion compared to what we are now proposing for the future is no big improvement, the 2.1 billion includes a 400 million share buy-back. So, the dividend over that period was around 1.7 billion. When you look at the calculation about comparing what we expect and what you would expect or what the market expects as a future dividend, please compare that to the 1.7 billion, being the 2.1 minus the share buy-back.

With regards to the capital returns Mr. *Wynaendts* replies that we are looking after the interests of all stakeholders. We therefore need a strong capital position. Our customers need to have trust that we will still be there in 30- or 40-years' time to pay and live up to the promises that we have made to our customers. So, a strong capital position is absolutely important and paramount. We have achieved a strong capital position, as our AA- rating was confirmed by Standard & Poor's just two months ago. So, that was very positive. At the same time, we also need to continue to generate capital. We want to invest the capital we generate in our business to grow our business because that is important for the future. We also want to make sure that we have some flexibility for add-on acquisitions. We have had a few of them in the past in the UK where we had acquired growth funds, in the US where we had acquired Mercer, in the Netherlands where we had required Robidus. At a certain point in time we will consider all options when the amount of capital generated and accumulated is not being deployed, including returning it to our shareholders. He states that he cannot say more at this point in time because he is not going to make a commitment about how much will be returned in addition to the increased dividend that is being proposed to the shareholders.

The *Chairman* thanks Mr. Wynaendts for his answers and then reacts himself. Regarding the Supervisory Board and its role in terms of the share price he states that all he can say is that every time they meet, this is a top issue in terms of the discussions with management. Both the Supervisory Board and management are equally convinced that we all would like to see an increase in the share price. But this can only be reflected in the market when the investors, such as yourselves, believe that the company is not only in a strong financial footing, but also in a position for profitable growth. This is the focus in terms of the strategy. We as a Supervisory Board of course would like to see a stronger share price because it puts us in a better position for the company as a whole but we have to do so in a sustainable manner. As indicated by some of the questions, taking into mind our responsibility to the environment, our employees and our clients. But rest assured, the share price is a frustration that we all share, and it is certainly an area of focus in our meetings.

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

3.2 Remuneration report 2018

The *Chairman* introduces Ben Noteboom, Chairman of the Supervisory Board Remuneration Committee, who will present the 2018 Remuneration report. Mr. Noteboom's presentation slides are considered part of these minutes and are available on aegon.com.

Mr. *Noteboom* notes that the remuneration consists of three components: the fixed compensation, the variable compensation and other benefits like pensions. He explains that the fixed compensation of Mr. Wynaendts and Mr. Rider was increased with 2% in 2018 compared to 2017. Mr. Wynaendts' fixed compensation was increased from EUR 1,269,478 to EUR 1,294,867 and Mr. Riders' fixed compensation was increased from EUR 900,000 to EUR 918,000. The variable compensation is conditional, allocated after completion of the performance year, depending on the results and what has been achieved. The maximum is 100% of the fixed compensation as per legislation for international finance holdings in the Netherlands, 50% in shares, 50% in cash. Once we have calculated the variable compensation, the pay-out is in four instances. The first year after the completion of the relevant year we pay out 40% and the remaining 60% is paid out in the consecutive three years after that, after we have made an ex-post assessment whether or not the reason for the variable compensation being awarded was actually valid or not. After this period, the variable compensation shares are subject to a holding period of 3 years.

The presentation shows the performance indicators that were applicable in 2018, including the outcomes in terms of the amount of variable compensation to be allocated over 2018. The results are shown in the same format as last year, so it is easier to compare. The largest part of the applicable indicators for the Executive Board is formed by the Group targets. These contained financial and non-financial targets. Generally speaking, the performance of the Group with regard to the financial targets was above target, with the exception of the return on equity and market consistent value of new business. Both scored between threshold and target level, so not below the minimum. The performance of the non-financial Group targets was above target. The personal targets for the CEO were just below target and were exactly on target for the CFO. These individual targets were tailored by the Supervisory Board specific for the CEO and CFO's roles and responsibilities. These scores have resulted in the percentages variable compensation shown on the slide. When added up, they provide an overall outcome for the CEO of 82.1% and for the CFO of 82.8% in percentages of annual fixed income. The conditional variable compensation is allocated over the performance year. In 2019 40% of variable compensation related to the performance year 2018 is payable directly. Half of this will be in shares and the other half in cash. The shares will have to be kept by the board for another three years after they are actually vested. The remaining part of the performance year will be paid out in future years, again subject to the ex-post assessments. It will always be 50-50 with a retention period of three years. With that, Mr. Noteboom concludes his presentation.

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

Mr. *Keyner* has a question on the net promotor score addition, he questions the weighing thereof in the Remuneration Report. He wants to know whether the net promotor score in the Annual Report is the same that is used for remuneration and, if not, whether Aegon would be prepared to also disclose the other types of net promotor scores.
His follow-up question is on variable compensation. He gets the impression the rules are not completely transparent and in excess of the limit that we have agreed on here in the Netherlands. This is possible because 75% of the employees work abroad, outside the Netherlands. But what about the societal debate about this? How do you see this? Did that play a part in making this proposal? Do you see any risks attached?

And then, in conclusion. In the Annual Report you write that the revision of remuneration will have to take place somewhere in the near future, also on the basis of the new shareholders rights directive. Being major shareholders, we would be very happy to consult with you on this. We see that long-term performance indicators will be included, and we would like to hear your views on that. As I said, as shareholders we would like to be consulted on the kind of long-term performance indicators that you should include in that process.

Mr. *Noteboom* answers that once every four years, the policy has to be put to a vote in the AGM, so when the directive will be captured in Dutch law then we obviously will follow the law. That would mean that indeed next year we will have to put the policy – willingly – to a vote in this meeting. So yes, that will happen.
A dialogue on the Key Performance Indicators is always welcome. To increase the impact of each KPI, we have decided to work with short term KPI's only. However, the KPI's we have in there have for sure the intention to create long-term value. He thinks quite a number of our KPI's indeed have the goal to create long-term targets.
He understands the sensitivity on the bonus discussion in the Netherlands. Unfortunately, or fortunately, we are 17 million people in a very big world and in the Aegon-world we in the Netherlands are also not more than one quarter of the employees. So, whether or not we in Holland think it is a very good idea to not pay bonuses, it is very difficult to convince somebody in the US or anywhere else in the world. We have a fiduciary responsibility to take care of this company and to make sure that we get the right people, the best possible people, to create value. That means we have to take into account the habits and the values in other cultures. That implicitly means that we have to accept the fact that people expect bonuses. So, our opinions are not the only relevant aspect; we have a fiduciary responsibility to make sure the company is managed well and for that, we need bonuses, we need flexible pay.
The net promotor score is not a relative score vis-à-vis our competitors. It does not indicate how we perform against competitors; it indicates the sentiment of the group we actually are measuring.

Mr. *Keyner* replies to say that his questions have not been answspered sufficiently. His suggestion was not to discontinue incentives. He states that the remuneration system is not working properly. There is no incentive for the long term related to clients or employees. You cannot do a pay-out close to the maximum when there are so many stakeholders, so many parties who are simply unhappy with the situation.

Mr. *Noteboom* continues to explain that we talked about the elements we have; we talked about the fact that 50% of it is non-financial. Of course, we are not setting a target for the Executive Board on share price, because that is an impossible thing. We look at the plans we have, we look at the execution of the strategy, we measure it and based on that we pay a bonus. It is a system that we agreed upon in 2011.

The *Chairman* then reacts as well and mentions that he would add to that point, in reference to that question, that this is a regulated industry. We are subject to CRD4 and Solvency II. There are very strict definitions as to how compensation, particularly variable, can be done. The basis on which CRD4 works is that you cannot provide long-term incentives, certainly not tied directly to the share price. It is based upon targets that are set on an annual basis and a significant part of the variable being placed in shares to be paid over time, as a result of which management receive shares as part of their compensation, which are subject to both the increases and decreases of their share price. That is the law. So, we may have a lot of sympathy with the comments about the system and how it works, but again it is a regulated industry that we have to comply with.

Mr. *Spanjer* questioned the bonus principle and that pensions were not increased but bonuses still granted.

Mr. *Vreeken,* WeConnectYou, made reference to ABN AMRO and ING, whereby the Board opted voluntarily or otherwise to do something about bonuses and salaries.

Mr. *Noteboom* reacts that Aegon is legally bound to what we agreed upon and that we do not break our promises.

3.3 Annual accounts 2018 and report independent auditor

The *Chairman* notes that Mr. Rider has already discussed the financials for 2018 with the reports of the Boards for 2018 and invites Mr. Gert-Jan Heuvelink from PwC, the independent auditor, to comment on their audit work with regard to the 2018 annual accounts.

Mr. *Heuvelink* (PwC) gives his insights into the audit report of the Aegon 2018 Financial Statements. He refers to the Audit Report on the pages 324 to 332 of the Annual Report and then discusses the PwC opinion of 21 March 2019.

With regard to the materiality, Mr. *Heuvelink* indicates that the materiality level was set at EUR 78 mln, which is a decrease compared to the materiality level of EUR 90 mln used in the 2017 audit. Materiality has been calculated consistent with last year as 5% of the three-year average income before tax excluding the 2016 loss on the sale of the UK annuities business.

With regard to the audit scope, he explains that the scope was established based on the way Aegon is organized, which is consistent with the prior years. We performed audit work on all in-scope regional units where Aegon has operations, which included the Americas, The Netherlands, the UK, Central and Eastern Europe, Spain and Asset Management. In the Americas, The Netherlands and the UK, due to their relative size, full-scope audits were performed based on our overall materiality, while in CEE, Spain and Asset Management specific audit procedures were performed. The coverage of our audit work amounted to 95% for revenues, 97% for total assets and 98% for profit before tax.

We ensured that the audit teams both at group (consolidation) and at component levels had the appropriate skills and competences which are needed for the audit of a complex financial conglomerate, such as Aegon. This included industry expertise in life and non-life insurance, banking and asset management.

We therefore included specialists and experts in the areas of risk assurance (IT), tax services, actuarial services, global human resource services and valuation services for certain type of assets (e.g. complex financial instruments and real estate) in our team.
Given the importance of information technology (IT) for the Group and hence for our audit of the financial statements, we have, to the extent relevant to our audit, paid specific attention to IT general controls, which comprise the policies and procedures to ensure reliable automated processing of information used for financial reporting purposes, relevant application controls and IT dependencies.

As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. In our analysis of fraud risks factors we were supported by our forensic specialists.

Mr. *Heuvelink* then addresses the key audit matters. Key audit matters are the most important matters identified in the Audit Plan and in the audit work during the year. Four key audit matters were identified. Compared to prior year, two key audit matters have been combined. These are the two that relate to the valuation of insurance contracts and the valuation of deferred policy acquisition costs and value of business acquired as these matters and our work performed are closely related. We excluded the one that related to the US Tax Reform as this has less impact this year. A key audit matter relating to outsourcing is new:

- To start with this final, new key audit matter: in 2018, Aegon outsourced a large part of the policy administration of its insurance and annuity business lines in Americas to a third-party. As Aegon's outsourcing strategy further developed in 2018 and the services outsourced have a significant impact on the Group's financial statements and operations, we determined this as a key audit matter. A critical element to the successful execution of Aegon's processes is to adequately design the appropriate monitoring controls and governance over these outsourced services. We evaluated the scope of the service provider's auditor's report and assessed the reputation, objectivity and the competence of the service provider's auditor. We evaluated the control objectives and control activities in the report which are relevant to Aegon's internal control over financial reporting. In addition, we evaluated the design and tested the existence and operating effectiveness of controls implemented by Aegon to monitor the outsourced services.
- The second key audit matter is liabilities arising out of insurance contracts. Liabilities arising out of insurance contracts are the most significant liabilities on an insurance company's balance sheet. Deferred policy acquisition costs are upfront costs associated with writing an insurance contract which are capitalized and expensed over the life of the insurance contract. These assets and liabilities require significant judgment in respect of their valuation. We used our own actuaries to assist us in auditing these balances. We assessed whether the methods, data and assumptions used by Aegon to determine these assets and liabilities are suitable, accurate, reliable and relevant.
- The third key audit matter is fair value of hard to value financial instruments. This matter relates to investments that are illiquid and thus require significant judgment from Aegon management in determining their valuation. We use our own valuation specialists to assist in auditing the calculations and assessing the judgments made and assumptions used by Aegon.
- The fourth is the key audit matter of uncertainties in policy holder claims and litigation. The insurance industry continues to face consumer activism and regulatory scrutiny over product design and selling practices. Aegon has encountered claims and litigations in this respect. We have assessed the company's position on these matters, including underlying facts and circumstances, and by obtaining lawyer's letters to the extent considered necessary for our audit, as well as assessing the need to record a liability and the required disclosures.

Most key audit matters have been selected as they contain a significant level of management judgment. Based on our procedures performed, we concur with management's assessment.

Mr. *Heuvelink* concludes his presentation by reporting on the other information included in the Director's Report. With respect to the other information included in the Annual Report, based on our knowledge and understanding obtained during our audit, we have concluded that this is consistent with the financial statements, does not contain material misstatements and contains all information as required by part 9 of Book 2 of the Dutch Civil Code. The scope of these procedures was substantially less than the scope of procedures performed in our audit.

The *Chairman* thanks Mr. Heuvelink for the presentation. He then gives the shareholders the opportunity to ask questions.

Mr. *Keyner* raises questions on the SEC investigation, which has now been closed and settled for US$ 97 million. It is not the settlement amount itself that worries him, but the report, analysis and the conclusions of the SEC, amongst others that the models used by Aegon contained material mistakes, incorrect calculations, incalculations, inconsistent formulas and somtetimes using numbere where percentages should have been used. The models that were being used for managing investments on behalf of customers in the end. The models had been developed by a new employee, fresh from school. No one within Aegon considered maybe checking what he was doing. What you were doing, the marketing materials were all presented very nicely, the package was very nice ant it was being used, the models were being used, for managing investments on behalf of your customers. He mentioned that last year he was not exactly aware of the details. He refers to questions raised by him last year to Mr. Wynaendts, Mr. Van der Veer and the accountant and the discussions on these questions. His first question in this meeting is to Mr. Wynaendts. Mr. Wynaendts has not incorrectly but misleadingly said that it is not so much about errors in the models but more the communication about the models, maybe the marketing material, the prospectus. I took from this that it was something minor and maybe there are some small issues in the model, rounding issues, etcetera. But just to be sure, one question later I asked Mr. van der Veer about the answers given by the CEO that it was more about communication issues than really big issues with a big impact. I learned that maybe it concerns a bigger issue which could happen throughout Aegon, which means there may be some control issues. If wrong models are being used or models are communicated to your customers in a wrong way, maybe something bigger is happening within Aegon. *Mr. Van der Veer*, as chairman of the Audit Committee said, that first he fully supported what the CEO has answered and second that it has nothing to do with being 'in control' or not because they were not in control and that actually it was not even Aegon but fund sub advised by Aegon in the US.

He continues that it took him some effort to get an answer at all from PwC, not because PwC did not want to answer but because Mr. Ben Van Der Veer made an effort to answer on his behalf already. So, he had to ask three times if the auditor could confirm what you have said so far. In the end, PwC obliged and said it concurred on the page where it says it is 'in control' and everything that has been said in this meeting is conform the truth, so he could sit down again and go back to sleep.

Mr. Keyner says that we can disagree on many things, about remuneration systems or we can be disappointed about the financial results and we can have a discussion on stakeholder models versus shareholder models. That is all fine and he can deal with that. Mr. Keyner has more issues when he or any shareholder ask questions and the answer is putting him to sleep rather than saying that we have a point and that it is a big issue, reason enough to check all other models and do quality control on all other models that are being used throughout AEGON because models are essential for the way we earn our money. No, the answer he gets is that of course there might be some errors but this is more a question communication; AEGON is in control and it is subsidiary company in the US.

He has an issue with that and he would like to know, first from the CEO that he regrets the kind of answers the CEO has given to me as a shareholder and also informing the other shareholders. Mr. Keyner would let to get an apology from the Audit Committee through Mr. Ben Van Der Veer that he has not stepped up and tell the CEO that the issue is more serious than he presented so far or even worse, when he asked him this question directly and he told me to go back to sleep because there was no issue and AEGON was in control. He understands that the CEO is trying to sugar-coat the message. That is understandable. It is not good but it is understandable. But it is not understandable that the Supervisory Board is backing the CEO in such a delicate matter.

The last is also serious criticism towards PwC. If the board, executives and non-executives, is communicating something which is sugar-coating the issue, Mr. Keyner expects PwC to stand up and warn us, especially when a question is asked directly to the auditor.

He would like to know if Mr. Wynaendts still agrees with the answers he had given last year during the shareholders meeting and with the manner of informing the shareholders.
In addition, he would like to know whether the Audit Committee through Mr. Ben Van Der Veer now, in hindsight, believes they should have stepped up and inform the meeting that the issue was more serious than anticipated.
His last remark is for PwC and he tells PWC that he would expect the auditor to step up up and inform the shareholders at the meeting if the auditor deems such appropriate.

Mr. *Wynaendts* responds by first explaining that this investigation was related to issues that were discovered by Aegon Asset Management in the US in 2014 in the operation and implementation of quantitative models used in funds subadvised by Aegon Asset Management for its customers. Part of the issue is the question whether appropriate disclosures were made regarding these matters and did not relate to Aegon's own financial statements.
We discussed this investigation at the shareholders meeting last year as at that time we had taken a reserve for the USD 100 million. We have discovered at Aegon this issue ourselves and this was discovered through our control procedures. We reported them ourselves to the SEC and have fully cooperated with the resulting SEC investigation, as you will have seen in the final press release by the SEC.

He continues to say that clearly that actions have been taken to implement stronger control to avoid reoccurrence of similar situations. Furthermore, also actions have been taken in relation to employees directly involved, employees that are responsible and the variable compensation of local senior management and line management has also been affected. Similarly, the Supervisory Board felt it to be appropriate that also the variable compensation of the Executive Board and the management team of Aegon would be adjusted to reflect this.
The facts are as follows. The majority of the settlement, US$ 97.6 million, is related to the reimbursement or return of fees to customers. The fine that the SEC imposed on us, was around US$ 35 million. We have disclosed this in the 2017 Annual Report and discussed it in last year's AGM. We are and have been very transparent on the situation and the steps we have taken. He said if this information was perceived in a different way, he certainly regrets that. We have been extremely careful to make sure that whatever we say was well calibrated as we were in live discussions with the SEC. I said.

Mr. *Van der Veer* continues to say that this is a delicate matter. The most important thing what we said last year as well is that the Audit Committee was on top a lot of things was also on top of this item together with legal counsel. The information the company has provided to shareholders in the Annual Report was sufficient. Of course, these matters will be discussed and have been discussed ongoing with PwC. They are critical by nature, as are the members of the Audit Committee is critical by nature. But again, what Mr. Wynaendts is saying now on this issue, what we have discussed and what the company has disclosed is the same, reviewed by the Audit Committee and again he fully endorses what Mr. Wynaendts has said.

Mr. *Heuvelink* mentions that he can confirm what has been said about this matter and maybe just to add, he thinks in general models that have an impact on the financial statements obviously have a very strong focus in PwC's audit.

The *Chairman* answers on behalf of the Supervisory Board and confirms this was a self-reported item in 2014 and has clearly been communicated to all stakeholders. The issue of being 'in control' has been a top priority both for the Risk and Audit Committee. A huge amount of effort has been made to ensure that we are in control but this is a dynamic process and a dynamic market in a dynamic environment, so this continues to be the focus of both the Risk Committee and the Audit Committee and of course the total Supervisory Board.

Then Mr. *Keyner* continues that he is not criticizing that you found the issue yourself and you try to solve it, the fact is that when I am asking about the issue you are sugar-coating the story.

The *Chairman* answers that at the AGM there was ongoing negotiations with the SEC, they were not completed and as the CEO pointed out, we were under strict guidelines as to what could be communicated at what time. We have fulfilled full disclosure requirements as we could at that time, including the AGM.

Mr. *Keyner* continues that he was there at the AGM as well and he read meeting minutes, which were not incorrect but not the complete story. He has tried to watch the webcast of last year, but he could not find it back. He could find previous years but not 2018. Fortunately, he received the transcript from Reuters, so he has the exact words that were being used and these exact words were that you did have an issue, that you reported it yourself and that it could have impacted the control, the degree to which you as AEGON controlled all the work that you were doing and all the models that were being used and that this was a very serious matter. The opposite was true: there are some issues, but it is more communication than anything else. It is not. This could have been a serious issue, which could happen at multiple places in your organisation if a young analyst can develop a model, which is wrong, where there is no quality control and the models are being used to manage investments on behalf of customers. If it happens at one place, why would it not happen at another place? So, the issue Mr. Keyner was trying to indicate was a fundamental one and he expects a fundamental answer, which is much more transparent than the one you gave in the AGM. His criticism is not that things went wrong; his criticism is that you did not answer the questions in the way you should have.

The *Chairman* duly notes the comments from Mr. Keyner and moves to the adoption of the annual accounts.

In answer to the question of Mr. Spanjer on privacy protection Mr. *Heuvelink* states that this is an important focus in the audit. We should make a distinction between laws and regulations that have a direct impact on the financial statements. That is part of our audit. With respect to other laws and regulations we obviously assess what the company has been doing in that respect. If there are any instances of serious compliance issues, we will ensure that management takes the appropriate action.

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

3.4 Adoption of the annual accounts 2018

The *Chairman* then puts forward the adoption of the annual accounts 2018 and establishes that there are no further comments or questions on the annual accounts 2018.

Following an electronic vote showing 1,286,347,715 (99.51%) votes in favor, 6,282,348 (0.49%) against and 2,347,385 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has adopted the annual accounts for 2018.

3.5. Approval of the final dividend 2018

The *Chairman* states that Aegon's dividend policy is to pay out a sustainable dividend to allow shareholders to participate in the performance of the company, which can grow over time if the performance of the company so allows. In normal circumstances Aegon would expect to declare an interim dividend when announcing the first half year results and to propose a final dividend at the AGM of shareholders for approval. Aegon proposes to pay a final dividend for 2018 of EUR 0.15 per common share. This results in a total dividend for the financial year 2018 of EUR 0.29 per common share, considering the interim dividend of EUR 0.14 paid in September 2018. The final dividend will be paid fully in cash or stock at the election of the shareholder. The value of the dividend in common shares will be approximately equal to the cash dividend. It is the intention to neutralize the dilutive effect of the stock dividend by repurchasing shares.

The *Chairman* then gives the shareholders the opportunity to ask questions.

Mr. *Van Ieperen* is a private shareholder and asks when the Aegon share will be listed ex dividend at the stock exchange?

The *Chairman* replies that this will be Monday May 21, 2019.

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

Following an electronic vote showing 1,286,456,168 (99.39%) votes in favor, 7,935,614 (0.61%) against and 588,007 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the final dividend for 2018.

4. Appointment of PricewaterhouseCoopers as independent auditor for the annual accounts 2019 and 2020

The *Chairman* states that following the recommendation of the Audit Committee of the Supervisory Board, we propose that PricewaterhouseCoopers is appointed as independent auditor for the annual accounts of 2019 and 2020.

PwC has been Aegon's independent auditor since 2014. At the AGM in May 2017, PwC was appointed for the annual accounts of 2017 and 2018. After an evaluation by the Audit Committee, it is now proposed to also appoint PwC for 2019 and 2020.

The *Chairman* then gives the shareholders the opportunity to ask questions.

Mr. *Keyner* has questions for PwC. Does PwC agree that in the last AGM the Supervisory Board as well as the Executive Board did not elaborate sufficiently on the questions that he has asked on behalf of the VEB concerning the SEC matter? Does PwC agree that it would have been wiser if a PwC partner would have used the meeting and the discussions at that agenda point to clarify the situation, to make it clearer what the answer should have been and, lastly, does the current PwC partner agree that especially if the question is directly asked to PwC that PwC should have given a more complete answer?

Mr. *Heuvelink* thanks Mr. Keyner for his question and states that he can confirm that if the Executive Board or the Supervisory Board would have stated something in their answers to questions with which he would ot have agreed, he would have made the meeting aware thereof.

Mr. *Keyner* read the transcript of last year's meeting.

Mr. *Heuvelink* responds that he has read the transcript and he has read what has been communicated in the meeting.

Mr. *Keyner* then asked if that the way is that you think PwC should have responded in that meeting?

Mr. *Heuvelink* responds that reference was made to the opinion in respect of the in-control statement at that point in time, which he could understand given the impact that the models have in respect of the financial statements.

Then Mr. *Keyner* responses that only because there is a new partner at PwC, he had the intention of voting against reappointing PwC since he thinks they are the last point of resort to help us shareholders if we may not get the kind of answers we are entitled to. This is a new partner and at least he indicates what he intends to do for the future. So, we will not vote against this item on the agenda.

The *Chairman* thanks Mr. Heuvelink and Mr. Keyner and would like to vote on this proposal.

The *Chairman* establishes that there are no further comments or questions on the appointment of PwC. Following an electronic vote showing 1,291,279,640 (99.87%) votes in favor, 1,628,698 (0.13%) against and 2,071,251 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the appointment of PricewaterhouseCoopers as independent auditor for the annual accounts 2019 and 2020.

5. Release from liability

The *Chairman* puts forward the proposals to release the members of Aegon's Executive Board and the members of Aegon's Supervisory Board from liability for their duties, to the extent that the exercise of these duties is reflected in the 2018 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2018 annual accounts.

The *Chairman* proposes to first address any questions on both agenda item 5.1 and 5.2 before the voting on these items is opened.

Mr. *Keyner* has questions on the governance and the transparency towards shareholders. One question for the Executive Board, Mr. Wynaendts, is whether he in hindsight feels that the questions from the VEB concerning the SEC issue at the previous AGM have been answered appropriately.
His question for the Supervisory Board is directed to the chairman of the Audit Committee, Mr. Ben Van der Veer. Do you feel you are taking your role seriously enough in trying to ensure that the one who asks the question – which was me on behalf of the VEB – got more clarity on the issue?

Mr. *Keyner* continues*,* to refresh your memory, because you do not exactly remember what you said, I will give you one of the sentences in reply to the specific question whether this was what Mr. Wynaendts said that it was not so much about the errors in the model but more about the communication on the model. Secondly, my question to primarily as Chairman of the Audit Committee is whether we should we be concerned about being in control, whether your control mechanisms are well enough. From the transcript I read literally what your answer was:

'And on the SEC matter I can again confirm that on top of management that was Alex Wynaendts just said earlier about it, on the SEC issue, of the […] published as a company it has nothing to do with real in control, if you are in control or not so to say, to use that word. But it was more the term that Alex was using in confirming and discussing with our clients, the issues we were doing there for them in the US are not so much in control what you see, let's say that we're not in control, so to say.'

You can say a lot about these things but if the United Nations are looking for diplomats, they can hire you, but I am sure they will not understand each other better after your involvement. With this in mind, do you feel that you really helped me to better understand the issue?

Mr. *Wynaendts* then answers that he can only repeat what he said earlier and that is that he had a clear script. That was what he was supposed to communicate. He communicated that and again, if it was misunderstood or understood in a different way. If that was understood in a different way he regrets that, as he said earlier. But the most important thing is that we take controls extremely seriously, wherever they are. We have taken measures, and this is one area but the organisation has many areas, as you rightly pointed out. We have learned from that situation. We continue to implement more and more controls because that is what is required from us.

Mr. *Van der Veer*, thanked Mr. *Keyner* for his question and that he will not repeat my earlier answer, but he can always learn. If you are critical on the way I specifically communicated, I can always learn from that. I listened carefully to you because most of the time you are also very much focused on content and you read your material very well. So, I learn from that and I listen carefully to you. Looking with hindsight, I still think that we gave the right answer in the AGM last year. So, I stick to what I said before.

Mr. *Keyner* asks to let him at least clarify the kind of leniency with which he looked at the proposition regarding reappointing the auditor. He will not do that with the boards. He still thinks that you should have been more open to us in explaining what the issue was and the potential implications. He was very clear on that, on several occasions. So, the VEB will vote against the release from liability both for the Executive Board as for the Supervisory Board. He hope that he will not have to continue that for the next years but for this year it is very important that governance is in control and that you take questions from investors, whether small or big, whether they are stupid questions or bright questions, whether annoying or not, but you have to take these questions seriously and try and answer them in a way which is appropriate. He concluded that he will vote against.

Mr. *Van Der Veer* thanks Mr. Keyner for his questions and states that he can always learn from critique. In hindsight, he still believs the answers in the meeting last year were the right answers.

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

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

Following an electronic vote showing 1,265,802,147 (98.11%) votes in favor, 24,381,298 (1.89%) against and 4,794,297 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has released the members of the Company's Executive Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2018 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2018 annual accounts.

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

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

Following an electronic vote showing 1,267,190,092 (98.22%) votes in favor, 23,020,434 (1.78%) against and 4,763,216 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has released the members of the Company's Supervisory Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2018 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2018 annual accounts.

6. Remuneration

The *Chairman* invites Ben Noteboom, Chairman of the Supervisory Board Remuneration Committee, who will discuss the remuneration policy for the members of the Supervisory Board.

Mr. *Noteboom* explains that it is proposed to amend the remuneration policy for the members of the Supervisory Board. The proposal reflects the increase in complexity and workload of the Risk Committee and presents an update of the attendance and travel fees, after considering a peer review amongst comparable Dutch and European companies.

It is proposed that the annual fixed fees for Risk Committee members become equal to the fees for Audit Committee members. The Risk Committee Chairman fee will be increased from EUR 10,000 to EUR 13,000 and the fees for the other Risk Committee Members will be increased from EUR 5,000 to EUR 8,000.

In addition, the attendance fee for all Committees will become EUR 3,000 per meeting. The Audit Committee attendance fee was already EUR 3,000, for the others it was EUR 2,000 and will therefore be increase with EUR 1,000.

Intercontinental travel fees will be increased from EUR 3,000 to EUR 4,000. Also, it is intended to introduce a continental travel fee and to set this at EUR 2,000. The last change to the policy was made at the AGM of May 2013.

The *Chairman* thanks Mr. Noteboom for the presentation. He then gives the shareholders the opportunity to ask questions.

Mr. *Spanjer* asks what the peer group is and if such is mentioned somewhere? Also whether the travel fee is meant to cover the cost of airline tickets.

Mr. *Noteboom* states that the peer group is stated in the Annual Report. On top of that, he explains giving remuneration to anybody is also calibrated with the Top 12 AEX companies, to be sure we are also in line with what happens in the Netherlands next to our international peer group. On the travel fee: it is not the flight costs, it is the time that people need to spend on travelling that we are trying to compensate. Instead of increasing the base fee you only get the additional attendance fee if you actually attend the meeting. That means you have to work for it. We prefer that over increasing the base fee.

6.1 Adoption of the remuneration policy for members of the Supervisory Board

The *Chairman* establishes that there are no further comments or questions on the proposal to adopt the amended remuneration policy for members of the Supervisory Board.

Following an electronic vote showing 1,287,211,693 (99.53%) votes in favor, 6,128,579 (0.47%) against and 1,637,470 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has adopted the remuneration policy for members of the Supervisory Board.

7. Composition of the Supervisory Board

The *Chairman* puts forward the proposals to reappoint Mr. Ben J. Noteboom as member of Aegon's Supervisory Board for a term of four years from May 17, 2019 (i.e. until the end of the AGM to be held in 2023).

7.1 Reappointment of Ben J. Noteboom

The *Chairman* states that the Supervisory Board proposes reappointing Ben J. Noteboom as member of the Supervisory Board for another term of four years as of May 2019 until the end of the AGM to be held in 2023. The Supervisory Board proposes to reappoint Ben Noteboom in view of the constructive way in which he has contributed as a member of the Board, chairman of the Remuneration Committee and member of the Risk Committee. Ben Noteboom has experience as CEO of a global company in recruitment and brings knowledge and expertise to the Supervisory Board in branding, marketing, human resources, strategy and mergers and acquisitions. His knowledge and expertise match the desired expertise and his reappointment safeguards the continuity and knowledge of the organization within the Supervisory

Board. We have full confidence that with Ben Noteboom as a member of the Supervisory Board, Aegon is well-positioned to help people achieve a lifetime of financial security. Information regarding Ben Noteboom is available in the agenda in the explanatory notes on page 5 and in Annex 1 on page 9.

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

Following an electronic vote showing 1,278,309,444 (98.98%) votes in favor, 13,226,871 (1.02%) against and 3,440,027 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Noteboom as a Supervisory Board member for a four-year term as of May 17, 2019 and congratulates Mr. Noteboom with the reappointment, also on behalf of the other members of the Supervisory Board.

8. Composition of the Executive Board

The *Chairman* puts forward the proposals to reappoint Mr. Alexander R. Wynaendts as members of Aegon's Supervisory Board for a term of four years from May 17, 2019 (i.e. until the end of the AGM to be held in 2023).

8.1 Reappointment of Alexander R. Wynaendts

The *Chairman* states that the Executive Board proposes reappointing Alexander R. Wynaendts as member of the Executive Board for another term of four years as of May 2019 until the end of the AGM to be held in 2023. Alex Wynaendts has broad international and financial services experience and is furthermore proposed for reappointment for his leadership and vision, and his performance as CEO in the past years. His knowledge and experience match the desired expertise. We have full confidence that with Alex Wynaendts as member of the Executive Board, Aegon N.V. is well-positioned to help people achieve a lifetime of financial security. Information regarding Alex Wynaendts is available in the agenda in the explanatory notes on page 5 and in Annex 2 on page 10 and 11.

The *Chairman* then gives the shareholders the opportunity to ask questions.

Mr. *Van der Graaf* asks for the reasons for reappointing Mr. Wynaendts because the shareholders have been hearing the same line every year in terms of long-term value creation and the value of Aegon keeps declining. He wonders why they should have the confidence to support the re-appointment.

Mr. *Keyner* states that Mr. Wynaendts has been a board member for 16 years now. The markets overall have doubled in value in that period, so it is also fair to conclude that no great shareholder value has been created, even though there were some dividends and sometimes attractive dividends. But overall, not very successful.
He concludes that there must have been very good reasons for Aegon to really continue engaging with Mr. Wynaendts and queries if the remuneration policy restricts Aegon in finding good candidates maybe further away from the Netherlands, in the US for example?

The *Chairman* responds to both that the proposal is to reappoint Mr. Wynaendts for another four years. Not only his performance over the last four years has ben taken into consideration, but his complete tenure as CEO. As indicated earlier, under his leadership the company has gone through massive transformation, taking into account the changes in the industry, the regulatory regime and the unprecedent low-interest rate environment we are dealing with. The company is now well positioned for the next phase of development and this is an opportunity that we can provide the continuity that will allow us to continue to address the issues you clearly all have, which is an improvement of the share price, performance beyond what has also been an attractive dividend and capital generation. He has a clear mandate and understanding from the Supervisory Board, as to what is expected from him and we have full confidence of his ability to achieve it.

As to the remuneration, obviously this is a very sensitive topic particularly in this country. We as a Board are extremely sensitive to it. We follow our fiduciary responsibility when looking at such candidates also taking into account the sensitivities involved in this country as well as the international environment.

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

Following an electronic vote showing 1,277,892,981 (99.07%) votes in favor, 12,021,873 (0.93%) against and 5,062,888 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Wynaendts as an Executive Board member for a four-year term as of May 17, 2019 and congratulates Mr. Wynaendts with the reappointment, also on behalf of the other members of the Supervisory Board.

9. Issuance and acquisition of shares

The *Chairman* puts forward the proposals for the issuance and acquisition of shares. The Chairman proposes to first address the proposals of the agenda items 9.1, 9.2 and 9.3 and to address any questions on all these items before the voting is opened.

9.1 Authorization of the Executive Board to issue common shares with or without pre-emptive rights

The *Chairman* establishes that the full text of the proposed resolution to authorize the Executive Board to issue common shares has been included in the explanatory notes on pages 5 and 6 of the agenda. In accordance with Dutch law we ask shareholders to authorize the Executive Board to decide on an issue of common shares and on the restriction or exclusion of pre-emptive rights, for a period of eighteen months starting May 17, 2019, and subject to Supervisory Board approval. With this authorization the Executive Board can react quickly if an issue of common shares is necessary. The authorization is limited to 10% of the issued capital and can be used for all purposes. This resolution will replace the authorizations granted to the Board in 2018 to issue shares and to restrict or exclude pre-emptive rights up to 10% of the issued capital, plus 10% of the issued capital if the issuance occurs on the occasion of the acquisition of an enterprise or to safeguard or conserve the capital position of the company.

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

Following an electronic vote showing 1,246,532,267 (96.36%) votes in favor, 47,051,705 (3.64%) against and 1,392,633 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 17, 2019, to issue common shares with or without pre-emptive rights, subject to approval of the Supervisory Board.

9.2 Authorization of the Executive Board to issue common shares in connection with a rights-issue

The *Chairman* establishes that the full text of the proposed resolution to authorize the Executive Board to issue common shares in connection with a rights-issue has been included in the explanatory notes on page 6 of the agenda. In accordance with Dutch law, it is proposed that shareholders authorize the Executive Board to issue common shares in connection with a rights issue and to restrict or exclude pre-emptive rights, for a period of eighteen months starting May 17, 2019, and subject to Supervisory Board approval. These authorizations give the Executive Board flexibility in managing its capital position and to respond promptly to developments in the financial markets, should circumstance so require.

These authorizations are limited to 25% of the issued capital and may only be used to safeguard or conserve the capital position of the company. To safeguard the shareholders' interest to minimize dilution of their percentage shareholding, this authorization provides for the authority to issue shares by means of a rights issue only. The rights issue will be conducted in line with market practice, affording eligible existing shareholders the right to subscribe for the new shares in proportion to their shareholding to prevent dilution.

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

Following an electronic vote showing 1,259,367,912 (97.34%) votes in favor, 34,378,088 (2.66%) against and 1,198,608 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 17, 2019, to issue common shares in connection with a rights-issue, subject to approval of the Supervisory Board.

9.3 Authorization of the Executive Board to acquire shares in the Company

The *Chairman* establishes that the full text of the proposed resolution has been included in the explanatory notes on page 6 of the agenda. This authorization is identical to the one granted in previous years. Although according to Dutch law a repurchase of shares is allowed to a maximum of 50% of Aegon's total issued capital, it is proposed to limit this authorization to 10%. This authorization will allow the Executive Board to be flexible and to react quickly to circumstances necessitating a repurchase of Aegon N.V. shares and can be used for any and all purposes. Upon adoption, this resolution will replace the authorization granted in 2018.

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

Following an electronic vote showing 1,285,986,164 (99.54%) votes in favor, 5,888,878 (0.46%) against and 1,638,872 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 17, 2019, to acquire, for a consideration, shares in Aegon's own capital. The number of shares that may be so acquired shall not exceed 10% of Aegon N.V.'s total issued capital. Common shares and common shares B may only be acquired at a price no higher than 10% over the actual local market value of the shares immediately prior to the acquisition.

10. Any other business

The *Chairman* then gives the shareholders the opportunity to ask any final questions or make any points of observation.

Mr. *Van Ieperen* is a private shareholder and wants to know why AEGON is not consistently a front-runner? He would prefer for Aegon to be among the top 3 insurance companies in the Netherlands.

Mr. *Van der Hek* is a private shareholder and has two questions. Every evening when he checks the share price, he notes that the share prices in the US always end up lower than they do in the Netherlands. That means that in the US the Aegon image – TransAmerica – is not sufficiently highlighted and might be negative. Secondly, you provide services to pension funds and you offer life insurance. We as private shareholders would also like to invest for our pension and many of us in this room who do that wonder whether you would consider, as it would benefit Aegon's image and appeal, that the moment you refuse to disclose quarterly results and even refuse to give a minimal trading update you could perhaps distribute a quarterly dividend. Then people, who have retired, have a regular source of income. That is your business, as you understand better than anybody else.

Mr. *Keyner* then said that he was highly critical of you this morning and had a reason for that. I think my criticism of the performance in 2018 and previous years is justified. I am disappointed because I sincerely hope that Aegon will do much better for customers, employees and especially the investors. You heard a more striding VEB concerning governance and the method of communication and transparency in answering questions. I sincerely mean this but it is based on confidence and trust. I hope that my strident responses towards you, including about the remuneration policy which in my view is completely disproportionate, will be taken on boardIn the future, let's put this behind is. If Aegon does well I am certainly going to advance this and make a point of it.

The *Chairman* thanks the shareholders for their questions and states that this is the opportunity for shareholders such as yourselves to remind us of our duties and to make sure that we are very clear in our responsibilities. So, we take it all as constructive and we all take it on board. We understand your concerns and take it very seriously. In response to the first question, we all want this company be a front runner. That is something we all share. We want to do so in a sustainable way, taking into account our responsibility for society but we want to see Aegon be a front runner. That is our common goal and vision and the area of focus.

Mr. *Wynaendts* then responds that the trading in the New York Stock Exchange is often of a very small volume. In general, it is less than 10% compared to the volume we have in Amsterdam. Therefore, the price setting in New York is not very much an indicator. You really need to look at the volumes and the pricing in Amsterdam. On the quarterly dividends, in America it is very normal. We have always had interim dividends, so twice a year. It is certainly something we will want to look into and if there is clearly demand for that we certainly need to consider that.

Mr. *Wynaendts* concludes in English to all shareholders that he is very grateful for the support they have given today. It is an honour and a privilege to be working together with the team, to continue on the path that we have embarked on, to execute on our strategy and to deliver the results for all our stakeholders and of course our shareholders. He wishes to assure the shareholders that we will do this together with all the energy we have, to make sure that we achieve our targets and that all stakeholders get rewarded accordingly.

The *Chairman* finally congratulates Mr. Noteboom on his reappointment as member of the Supervisory Board and Mr. Wynaendts on his reappointment as member of the Executive Board.

The Chairman confirms that there are no questions left.

11. Closing

There being no other business, the *Chairman* thanks everybody present for attending and participating in the meeting, noting that members of the Supervisory Board and Management Board, as well as Investor Relations officers, will be available for questions after the meeting. The meeting is closed at 13.22 CEST.

Drawn up in The Hague on August 15, 2019, to be adopted and signed on November 15, 2019.

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