

Annual General Meeting of Shareholders AEGON N.V.

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LIFE INSURANCE PENSIONS ASSET MANAGEMENT

Executive Board remuneration policy

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Executive Board Remuneration Policy

▪ OBJECTIVES

- ▶ Allow to attract and retain qualified executives
- ▶ Pay for performance
- ▶ Align with international market practices
- ▶ Comply with (European) regulations

▪ PRACTICES

- ▶ Executive Board variable compensation is capped at 100%
- ▶ Executive Board members did not receive cash incentive compensation in 2009, 2010 and 2011; CEO received appr. 26,000 shares from previous plans
- ▶ Total pay-out of cash incentive compensation to all staff was far below industry average

New international regulations

- Key elements of European Directive and Dutch Wft (DNB principles):
 - ▶ Guidelines for better governance and increased disclosure
 - ▶ Risk alignment of Variable Compensation
 - Target setting: use quantitative and qualitative measures for assessing performance
 - Ex-ante risk adjustment: align remuneration with risk profile of the company
 - Pay-out: defer a substantial portion of variable compensation (at least 60%; for at least 3 years)
 - Retention policy: variable compensation is subject to an appropriate retention period
 - Pay instruments: a substantial portion of variable compensation should consist of shares (at least 50%)

Proposed adjustments

- Following adjustments to the Executive Board Remuneration Policy have been proposed to meet DNB's interpretation of the European Directive:
 - ▶ One Variable Compensation Plan under a mix of quantitative and qualitative measures
 - ▶ Performance indicators are more risk-adjusted
 - ▶ Further deferral of pay-out of variable compensation
 - ▶ Increased performance measurement