

MINUTES

of the Annual General Meeting of Shareholders of AEGON N.V. ("AEGON"), held at the AEGON head office, AEGONplein 50, The Hague, The Netherlands, on Thursday April 22, 2004, at 2 p.m.

1. OPENING AND ANNOUNCEMENTS

In accordance with Article 38(1) of AEGON N.V.'s Articles of Incorporation, the meeting was chaired by the Chairman of the Supervisory Board, Mr. M. Tabaksblat. The minutes were kept by Mr. P. Tuit, the Company's Secretary, who had been designated for that purpose by the Chairman. Headphones were available to those wishing to follow the meeting in English or needing a Dutch translation of anything said in English.

The Chairman opened the meeting, welcoming all attendees and confirming that all members of the Executive Board and Supervisory Board were present. The Chairman noted that, in accordance with the Dutch Corporate Governance Code, AEGON's external accountants, Ernst & Young, were represented at the meeting by Messrs. Westerman and Helderma, who were willing to answer any questions. On a final note, the Chairman stated that if any item on the agenda came to a vote, the shareholders were to use the electronic terminal and voting card handed out prior to the meeting.

De Chairman went on to state:

- that the Annual General Meeting of Shareholders had been announced on March 31, 2004 in, amongst other things, notices published in a national daily newspaper in the Netherlands, Euronext Amsterdam's Daily Official List as well as daily newspapers in Germany, the United Kingdom, Japan and Switzerland on March 31, 2004. The agenda, including explanatory notes and addenda, had been sent to the registered shareholders, holders of New York Registry Shares, and members of the Shareholders Communication Channel (*Communicatiekanaal Aandeelhouders*);
- that the items on the agenda had been included in the convening notices, which also contained the announcement that the agenda and notes, and the annual accounts and annual report for 2003, including the notes required by law, as well as the statutorily required details of and announcements concerning the nominees for the Supervisory Board, which had also been posted on the AEGON website (www.aegon.com), and could be obtained free of charge from the Company's head office in The Hague, as well as from Dexia Bank Nederland in Amsterdam, Deutsche Bank in Frankfurt am Main, Germany, Capita Trust Company Limited in London, United Kingdom, UBS and Credit Suisse in Switzerland, Citibank N.A. in New York, United States, and The Sumitomo Trust and Banking Company Limited in Tokyo, Japan;
- that the said documents were available for inspection at the AEGON head office in The Hague from April 3, 2004, until the close of the meeting, and at all of the other offices mentioned, where copies could be obtained free of charge;
- convocation had taken place in accordance with the law and the Articles of Incorporation;
- that the Company's issued capital currently comprised:
 - 1,514,377,800 common shares with a par value of 0.12 euro each;
 - 222,780,000 preferred shares with a par value of 0.25 euro each;
- (later on during the meeting:) that present or represented at the meeting were 177 holders of common and preferred shares who, between them, were entitled to cast 636,365,964 votes and represented 37% of the 1,718,600,958 voting shares issued, so that valid resolutions could be adopted at the meeting.

The Chairman also stated that holders of registered shares, members of the Shareholders Communication channel, holders of New York Registry Shares and U.S. holders of bearer shares had issued written voting instructions to their proxies. It was agreed with the proxies that the results of the voting instructions would be processed automatically in the electronic voting results.

Finally, the Chairman announced that the minutes of the Annual General Meeting of Shareholders on April 17, 2003, and those of the Extraordinary Meeting of Shareholders on May 9, 2003 had been approved and signed on August 29, 2003 by the Chairman and those shareholders designated for that purpose at those meetings. The minutes had been available for inspection by the shareholders as from that date.



2. ANNUAL REPORT 2003, DIVIDENDS AND RELEASE FROM LIABILITY

The Chairman proposed discussing item 2.2 on the agenda immediately after item 2.1, as follows:

2.1 Discussion of the annual report 2003, and

2.2 Adoption of the annual accounts 2003

The Chairman gave the floor to Mr. Shepard and Mr. Streppel, who were giving a presentation.

Mr. Shepard, (whose slides showed the translation into Dutch of his English text), stated that profitability had been strengthened by AEGON's actions to improve margins and improvements in the equity and credit markets. Production results had been particularly good in the traditional life business in the United States and in the pension business in the United Kingdom. Life production in Taiwan had been very strong. Insurance premium production in the Netherlands had declined due to continued uncertainty over tax measures and other political decisions.

Mr. Shepard stated that AEGON's priority for 2004 was to strive for profitable revenue growth, and that reasonably stable and growing financial markets would help AEGON pursue that goal. Revenue growth was to come from new product initiatives, increased productivity of AEGON's existing distribution resources, and the addition of new ones. Key distribution channels continued to be the agency channel, financial institutions, direct marketing, and brokerage. Mr. Shepard concluded his speech by thanking the Supervisory Board, his colleagues on the Executive Board, and all of the AEGON employees, distributors, customers and shareholders for their support. He then gave the floor to Mr. Streppel.

Using *slides*¹, Mr. Streppel clarified AEGON's results for 2003. Earnings were up 16% over 2002 and, excluding exchange differences, would have shown a 30% increase. Exchange differences had a 10% impact on AEGON's premium income. Mr. Streppel emphasized that exchange differences did not affect the underlying positive development of AEGON's activities. As regards AEGON's capital position, Mr. Streppel noted that both the holding company and the country units had met AEGON's own requirements, and key country units had an AA financial rating. Although shareholders' equity had fluctuated during the year, it accounted for 71% of the company's total capital base at year-end, which was 1% above the 70% minimum standard applied by AEGON.

Mr. Streppel went on to discuss the "indirect return" method, abandoned by AEGON with effect from January 1, 2004, for reporting gains and losses on investments in shares and real estate. AEGON had used this method since 1995 to reflect the long-term nature of the insurance business, but was now using a different method in line with international accounting standards. Although it would not be possible to say how this change would impact on future net earnings, AEGON expected its earnings to become more volatile. Mr. Streppel subsequently discussed the progress being made with the International Financial Reporting Standards (IFRS), due to come into force from 2005. At the time of speaking, it was still unclear whether the European Commission would approve the proposals submitted by the International Accounting Standards Board (IASB). AEGON and other European insurers would like to see this uncertainty removed as quickly as possible.

Mr. Streppel concluded his presentation by observing that 2003 had seen a return to a more stable business environment and economic recovery in key AEGON markets. During the year, AEGON had further strengthened the basis for future growth. The company would continue to strive for profitability, focusing on its core activities and cost control.

The Chairman thanked Mr. Shepard and Mr. Streppel for their contributions, allowing those present an opportunity to field questions.

In response to questions from Mr. Zomer about provisions being made for guaranteed benefit products, Mr. Streppel stated that guarantee levels for these products varied. Due to the slump in share markets in 2002, AEGON had set aside extra funds for some of these products. As share markets recovered in 2003, however, no material additional provisions were necessary for that financial year.

Mr. Van der Werf answered a few questions about sustainability put by Ms. Dijkstra, representing the Dutch Association of Investors for Sustained Development (*Vereniging voor Beleggers voor Duurzame Ontwikkeling*). AEGON introduced its Code of Conduct in 2002 and 2003, and the idea

¹ Copies of the slides translated into English are attached to these minutes.

was to arrange for an external auditor to review the Code's implementation and compliance with its provisions in 2004. AEGON would report back on the findings. In response to a question from Ms. Dijkstra about the recent publicity surrounding AEGON's interest in Meeùs, Mr. Van der Werf said that AEGON had disclosed its financial interest in Meeùs as early as January 2000, and was in compliance with the Information Provision (Intermediary Services) Code of Conduct (*Gedragscode Informatieverstrekking Dienstverlening Intermediair (GIDI)*) adopted by the insurance industry, which, among other things, prescribes how consumers are to be informed about the relationships between insurers and agents.

Mr. Van der Werf, went on to say that AEGON reviewed the environmental, social and ethical dimensions of its products according to internationally accepted socially responsible investment criteria. In the United Kingdom, for example, AEGON was using the services of IRIS, an independent sustainability research organization. He confirmed that AEGON's sustainability report, to be published on its website this summer, was being drawn up in accordance with the Guidelines of the Global Reporting Initiative (GRI). AEGON was currently considering whether to post the answers to the rating agencies' questionnaires on corporate social responsibility on its website.

In response to Mr. Sassen's question, Mr. Streppel confirmed that, as a precaution, a provision had been made in relation to AEGON's securities leasing portfolio.

Mr. Maatman, representing the ABP Pension Fund (*Stichting Pensioenfonds ABP*), PGM Graphic Industry Pension Fund (*Pensioenfonds Grafische Bedrijven*), Rail Pension Fund (*Spoorweg Pensioenfonds*) and Public Transport Pension Fund (*Pensioenfonds Openbaar Vervoer*), inquired about the depreciation of goodwill in AEGON's annual accounts, wondering whether that had been done in accordance with Dutch Accounting Guidelines (*Richtlijnen voor de Jaarverslaggeving*). Mr. Streppel replied that AEGON would continue to write off goodwill against shareholders' equity in accordance with Dutch law until January 1, 2005, when it would switch to applying the IFRS rules.

In response to Mr. Dirkzwager's question about the strategy with regard to the sea container operations remaining after the sale of the business financing activities of Transamerica Finance Corporation (TFC), Mr. Shepard said the sea container operations did not form part of AEGON's core activities either. The company intended to sell this interest as well, as soon as an acceptable buyer had been found.

In response to a question from Mr. Heinemann about the uncertainty surrounding the Dutch government's tax policies, Mr. Van der Werf explained that not only had the "Vermeend" system been introduced in the Netherlands in 2001, but in 2002 the tax deductibility of company savings schemes had been curtailed, followed in 2003 by the total abolition of the tax deductibility of single-premium policies. As a result of these tax measures, AEGON Netherlands had seen its production fall. The political uncertainty about pre-pensions and the proposed life cycle savings scheme was also having a negative impact on AEGON Netherlands' production results.

Mr. Heinemann added that he preferred the "indirect return" method. Mr. Streppel shared his view, saying he believed this method was a better reflection of the workings of the life insurance business. However, with a view to the introduction of IFRS, AEGON had decided to abandon this method.

Mr. Anink inquired about AEGON's business acumen. Mr. Shepard explained that declining share markets and the related reduction in the price of AEGON shares had prevented AEGON from initiating major acquisitions in the past few years. AEGON had nonetheless expanded its operations by launching new activities in new markets, such as China, where it entered into an alliance with CNOOC, and Slovakia, where it launched a greenfield operation. It had also entered into a joint venture with CAM in Spain. Mr. Streppel added that if AEGON wanted to be a successful multinational offering shareholder value, it would have to concentrate on its core activities: life insurance, pensions and investments.

In reply to a question from Mr. Will¹, representing Concerta, the German *Gesellschaft für Vermögensverwaltung und Wirtschaftsberatung*, about the increased provision for mortgage loans in the United States, Mr. Streppel explained that U.S. accounting standards required AEGON to write off

¹ Mr. Will spoke in English.



a mortgage loan in full in the event of a company going bankrupt. Whether or not the value of the mortgaged property provided sufficient security for the loan was immaterial for the purposes of this rule.

Mr. Shepard confirmed Mr. Will's comment that AEGON had purchased Transamerica at the height of the market. Although the results of Transamerica Finance Corporation were not as good as AEGON had been hoping, AEGON was satisfied with its insurance operations.

In reply to Mr. Will's question about AEGON's long-term strategy, Mr. Shepard said AEGON believed that, as governments were retreating from the life and pension insurance markets in the countries where AEGON was operating or intended to operate, an average long-term 10% growth in earnings should be possible. To illustrate this point, Mr. Shepard referred to AEGON's Taiwan operations, which had achieved substantial production growth in 2003.

Mr. De Vries, representing the Dutch Securities Owners' Association (*Vereniging voor Effectenbezitters (VEB)*), said he first wanted to say a few things about the 2003 financial year. He noted that AEGON's price had plunged to EUR 11 in the last few years. If the share price reflected the company's value, AEGON would now be worth 80% less. Also, AEGON's revenues and production had ground to a halt, so he wondered how AEGON was supposed to meet this long-term target of 10% growth in earnings. Mr. Shepard replied that AEGON's share price had declined along with those of other insurers. AEGON's production had not ground to a halt; in the United States, production in the area of traditional life insurance had been good, and production levels in the United Kingdom were on course, too. In the Netherlands, production had been disappointing because of the uncertain tax environment.

Mr. De Vries made a number of comments on the position of Vereniging AEGON, saying that he believed Vereniging AEGON should be treated by AEGON as a major shareholder and should not be allowed to play a protective role. He also saw a link between the reduction in dividends on common shares and the September 2002 deal with Vereniging AEGON, pursuant to which Vereniging AEGON had sold a large quantity of its common shares whilst retaining its preferred shares, on which a higher amount in dividends was paid. Mr. Streppel insisted that if AEGON had launched a major share issue in September 2002, shareholders would have seen their shares diluted. The deal with Vereniging AEGON had prevented such dilution. Mr. Streppel concluded by saying that Mr. De Vries's comments on the issue of dividends were incorrect.

As regards Mr. De Vries' comment about the protective role being played by Vereniging AEGON, Mr. Streppel noted that AEGON, like other large companies, would like to have some measure of protection. Having said that, the "protection" afforded to AEGON merely consisted of a six-month cooling-off period if Vereniging AEGON decided to exercise its multiple voting right in the event of what it perceived to be a hostile takeover threat. Mr. Streppel added that the position of Vereniging AEGON was currently under consideration and changes might well be made in the light of corporate governance, amongst other things.

Mr. Streppel went on to address Mr. De Vries' comments about Meeüs being financed by AEGON. As regards the question as to whether AEGON should have consolidated the results of Meeüs in its annual accounts as from 1999, Mr. Streppel explained that, when Meeüs was acquired by AEGON in 1999, the intention had been to sell off the majority of shares in Meeüs, so any consolidation would have been inappropriate at that time. As it became clear in the course of 2003 that AEGON would not be able to sell the majority of shares to different parties, the decision was made to consolidate the accounts of Meeüs with effect from 2003. As regards Mr. De Vries' comment that AEGON had not responded particularly well to the negative press coverage suffered by Meeüs, Mr. Van der Werf made it clear that the stories in the press had been incorrect and had largely been based on the case file in criminal proceedings involving a former director of AEGON Netherlands. As AEGON did not want to interfere with those proceedings, it had just wanted to explain the actual situation with regard to Meeüs.

In response to a question from Mr. De Vries that AEGON should perhaps embrace an 'all finance concept', Mr. Shepard stated that AEGON would continue to focus on insurance. However, to strengthen its distribution capabilities, AEGON had entered into alliances with banks. It had recently entered into a joint venture with the Spanish bank CAM. Mr. Shepard did not think it likely that there would be a merger with a bank.

In response to a question from Mr. Heinemann about hedging currency risks, Mr. Streppe! explained that AEGON had not hedged currency risks in relation to the dollar, and was not considering doing so now. Hedging the dollar is very costly and would benefit only one category of shareholders, either the euro shareholders or the US dollar shareholders, and never both categories at the same time. Moreover, as the AEGON N.V. subsidiaries were financed with the currency of the country where they were established, their solvency would also fluctuate along with the exchange rate.

In reply to a question from Mr. Will about AEGON's embedded value, Mr. Streppe! explained that the embedded value of the AEGON group, including its shareholders' equity, had come to EUR 16 billion in 2002. Mr. Streppe! stated that new embedded value figures were due to be published on June 7, 2004, and that the company was planning on publishing its embedded value along with the annual accounts in the near future. In response to Mr. Will's question about the bond portfolio, Mr. Streppe! explained that, like all other insurers, AEGON had to align the duration of its investments with the duration of its obligations under the insurance policies. As the insurance policies were long-term in nature, so were the investments. AEGON's investment managers carried out "duration" analyses for that purpose.

The Chairman closed the discussion and proposed that the annual accounts for 2003, as prepared by the Executive Board and approved unchanged by the Supervisory Board, be adopted.

After an electronic vote, the Chairman concluded that the annual accounts 2003 had been adopted with 630,662,271 votes in favor, 2,047,219 votes against, and 3,656,474 abstentions.

2.3 Discussion of the policy on additions to reserves and dividend payments

After pointing out that this item had been included in the agenda in accordance with the Dutch Corporate Governance Code, the Chairman gave the floor to Mr. Streppe! to explain the dividend policy and policy to add funds to the reserves.

Mr. Streppe! began his presentation² by saying that AEGON had already announced at the time of publishing its results for 2002 that dividend payments would henceforth be based on the company's cash flow and capital position rather than its earnings. The company's aim was for its capital base to comprise at least 70% shareholders' equity, a minimum of 5% capital securities, and a maximum of 25% dated subordinated and senior debt. Mr. Streppe! added that, first and foremost, AEGON wanted to offer its shareholders a proper dividend at least in line with inflation. Despite changes in Dutch tax legislation, the company continued to offer shareholders the option to receive stock dividend. Mr. Streppe! concluded that AEGON's dividend policy was aimed at serving the long-term interests of shareholders as well as offering a proper cash dividend.

Mr. Osinga expressed his dissatisfaction with the fact that dividends for the financial year 2003 were 46% down on 2002.

Mr. De Vries pointed out, first of all, that AEGON's dividend policy was inconsistent because, unlike in previous years, a stock dividend provided a better return on investment than a cash dividend. In this way, too, He believed growth per share remained limited. Secondly, he believed a higher dividend could have been paid because earnings per share had improved. Mr. Streppe! agreed that per share growth did determine future share value. However, under the new accounting standards, 'earnings per share' will soon no longer be a clearly defined concept, so a different basis had to be found to measure the capital base and growth of a company. One of the tools to be used was 'embedded value'. AEGON published its embedded value in June 2002. In that report, the free cash flow of AEGON's subsidiaries had been analyzed and the findings showed that, taking into account the fact that many of AEGON's subsidiaries needed an AA rating, a EUR 0.40 dividend was a good payout.

In response to Mr. Will's request for more transparent free cash flow percentages, Mr. Streppe! stated they would be looking into this and see how these percentages could be clarified.

In reply to Mr. De Vries's comment that the value of options granted to executive staff increased as

² Copies of the slides translated into English are attached to these minutes.



dividends decreased, Mr. Streppe! said this might be true in theory, but had obviously not played a role in preparing the dividend proposal.

2.4 Approval of the final dividend for the financial year 2003

The Chairman proposed approving the dividend proposal for the financial year 2003. Under the proposal, in accordance with the company's dividend policy, a total dividend of EUR 0.40 per common share was to be paid. As an interim dividend of EUR 0.20 per common share had been declared in September 2003, the final dividend would come to EUR 0.20 per common share. The Chairman went on to say that, as previously announced, the final dividend was payable, at the option of the shareholders, either entirely in cash or entirely in newly issued stock. The latter would be charged to the share premium reserve. The number of newly issued stock was to be based on the average AEGON share price as quoted on the Euronext Amsterdam Stock Exchange over the five days of trading from May 4 through May 10, 2004. The value of the final dividend in stock would be about 5% higher than the value of the final dividend in cash. The shares were fully entitled to dividend for the years 2004 onwards.

Next, the Chairman provided an opportunity to discuss the final dividend for 2003. Mr. Tiemstra remarked that AEGON did not have a consistent dividend policy. The Chairman replied that policies were always subject to review as circumstances changed. Market developments in the last few years had had a great impact on AEGON, and dividends had to be readjusted as a result.

Mr. De Vries pointed out that, as there was no longer any tax reason for Dutch private individuals to opt for a stock dividend, AEGON might just as well have paid out the entire dividend in cash.

The Chairman closed the discussion and proposed taking the final dividend to a vote. After an electronic vote, he concluded that the final dividend for 2003 had been approved with 631,847,368 votes in favor, 1,913,092 votes against, and 2,605,504 abstentions.

2.5 Resolution to release the members of the Executive Board from liability for their duties

The Chairman stated that it was being proposed to release the members of the Executive Board from liability for their duties, insofar as the exercise of such duties was reflected in the annual accounts for the financial year 2003 or had otherwise been disclosed to the General Meeting of Shareholders prior to adoption of the annual accounts 2003. The Chairman observed that there were no comments and, following an electronic vote, concluded that the resolution to release the members of the Executive Board from liability for their duties had been adopted with 626,877,590 votes in favor, 6,274,551 votes against, and 3,213,823 abstentions.

2.6 Resolution to release the members of the Supervisory Board from liability for their duties

The Chairman stated that it was being proposed to release the members of the Supervisory Board from liability for their duties, insofar as the exercise of such duties was reflected in the annual accounts for the financial year 2003 or had otherwise been disclosed to the General Meeting of Shareholders prior to adoption of the annual accounts 2003. The Chairman observed that there were no comments and, following an electronic vote, concluded that the resolution to release the members of the Supervisory Board from liability for their duties had been adopted with 626,882,129 votes in favor, 6,504,201 votes against, and 2,979,634 abstentions.

3. ANNUAL REPORT FOR 2004 AND SUBSEQUENT YEARS

3.1 Appointment of independent auditors

The Chairman explained that the Supervisory Board's Audit Committee performs an annual review of the auditors and then issues recommendations to the Supervisory Board to submit to the shareholders a proposal either to reappoint the existing auditors or to appoint new ones. This procedure was in line with the new regulations issued by the U.S. Securities and Exchange Commission under the Sarbanes-Oxley Act. The SEC also prescribes that the auditors must be independent and that all audit and non-audit operations of the same accounting firm must be approved by the Audit Committee in advance. This 'pre-approval policy' had been adopted by the Audit Committee in 2003. To comply with these rules, Ernst & Young had submitted its annual independence letter. Also on the basis of that letter, the Audit Committee decided on March 11, 2004, to recommend to the Supervisory Board that Ernst & Young be reappointed. The Supervisory Board accepted this



recommendation on March 11, 2004, and the proposal was now being put to the shareholders to reappoint Ernst & Young as auditors for the financial year 2004.

When asked by Mr. De Vries, Mr. Westerman from Ernst & Young, after the Chairman had given him the floor, stated that the issue of whether the annual accounts should include not only the name of the accounting firm, but also the name of the individual auditor was currently being looked into.

After an electronic vote, the Chairman concluded that Ernst & Young had been reappointed as external auditors of AEGON N.V. for the financial year 2004, with 633,189,722 in favor, 443,766 votes against, and 2,732,476 abstentions.

3.2 Future annual reports in English

The Chairman explained why a proposal had been tabled to allow the English version of the annual accounts to be the official version with effect from the financial year 2004. Firstly, half of AEGON's turnover and nearly two thirds of its earnings were generated in the United States. Also, well over 40% of its shares were held by U.S. shareholders and English was the working language of AEGON's Group Staff. All these facts underlined the international character of AEGON. Secondly, AEGON was required annually to file Form 20F with the SEC. Form 20F must not contain any variations from the annual report and the SEC did not accept a Dutch-language version. Thirdly, the official version of the annual report was signed by all executive and supervisory directors. The non-Dutch speaking supervisory directors were not comfortable signing a report they could not read. The Chairman went on to say, however, that the interests of the Dutch shareholders were taken into consideration as AEGON had promised to make an unofficial Dutch version available to Dutch shareholders, which would also be posted on the AEGON website.

In response to Mr. Sassen's question about legal implications an official English version of the annual report for any legal proceedings being conducted in the Netherlands, Mr. Hepkema, a lawyer with Allen & Overy in Amsterdam, stated that, in such cases, the English version would take precedence.

The Chairman answered Mr. Loeb's question as to whether all Dutch-speaking supervisory directors had a good command of English in the affirmative.

Ms. Aghina expressed her disappointment at the fact that Dutch companies were increasingly using English as a working language. The Chairman considered the use of English by international groups of companies to be virtually inevitable.

In response to Ms. De Nagtegaal's suggestion that an official Dutch version should continue to be adopted, the Chairman explained that, given the enormous liability exposure in the United States, this was not the intention.

Mr. Kohnstamm, Chairman of Vereniging AEGON, stated that Vereniging AEGON understood why AEGON wanted to prepare the official version of the annual report in English, and would therefore accept the proposal. Mr. Kohnstamm added that Vereniging AEGON did consider it essential that a Dutch version of the report should be made available as well.

In reply to a question from Mr. Tiemstra about the language of the tax returns to be filed by the various business units in the countries where AEGON is conducting its operations, the Chairman replied that they would be filed in the language of the country in question, adding that the corporation tax return to be filed in the Netherlands would, of course, be prepared in Dutch.

In reply to another question from Mr. Tiemstra, the Chairman pointed out that AEGON's Articles of Incorporation stipulated that Meetings of Shareholders must be held in the Netherlands.

After an electronic vote, the Chairman concluded that the proposal to prepare the official version of the annual report, including without limitation the reports from the Supervisory Board and the Executive Board and the annual accounts, in English as from the years 2004 onwards, had been adopted with 631,184,648 votes in favor, 2,449,474 votes against, and 2,731,842 abstentions.

4. CORPORATE GOVERNANCE

4.1 Discussion of corporate governance at AEGON

Against the background of the Dutch Corporate Governance Code as published by the Corporate Governance Committee on December 9, 2003, the Chairman introduced the chapter on corporate governance in the annual report, pointing out that any changes in corporate governance at AEGON, prompted by the implementation of the Corporate Governance Code, were to be submitted for discussion at the Annual General Meeting of Shareholders in 2005. The Chairman also announced that AEGON was adjusting existing documents and regulations to bring them in line with the Corporate Governance Code, and that these adjustments were to be posted on the website after internal approval.

Mr. Maatman pointed out that, although AEGON had abandoned the two-tier board system for large companies ('*structuurregime*') pursuant to an amendment to its Articles of Incorporation in May 2003, it had replaced that system with one that allowed binding recommendation to be made. Mr. Maatman remarked that it was difficult for shareholders to reverse a binding recommendation because that would require a resolution adopted with a majority of no less than two thirds of the votes cast representing more than one half of the issued capital. He asked AEGON to reduce these quorum and majority requirements to the level prescribed by the Corporate Governance Code. The Chairman stated that AEGON was currently considering whether its corporate governance structure needed adjusting and how any such changes should be structured. The company would report its findings to the Annual General Meeting of Shareholders in 2005.

In reply to a question from Mr. Maatman about the "voting arrangement regarding preferred shares" signed by AEGON and Vereniging AEGON last year, Mr. Stokkermans, a civil-law notary at Allen & Overy in Amsterdam, explained that the agreement operated between AEGON and Vereniging AEGON and could be amended by either party subject to written permission from the other. Additionally, if AEGON wanted to amend the agreement, it would need an Executive Board resolution, to be approved by the company's Supervisory Board as well as the General Meeting of Shareholders.

In reply to a question from Mr. Maatman about AEGON N.V.'s voting policy at the shareholders' meetings of other companies, Mr. Streppel explained that AEGON Netherlands published its voting policy on its website, adding that although the Corporate Governance Code did not apply in the United Kingdom or the United States, AEGON's business units in those countries had adopted a similar policy. In reply to a question from Mr. De Vries as to whether shareholders should be allowed access to remote voting, Mr. Streppel said he was Chairman of the Shareholders Communication Channel Foundation (*Stichting Communicatiekanaal Aandeelhouders*) and the Foundation was urging the Dutch Ministry of Finance to make remote voting possible under Dutch law. So far, however, the Ministry had indicated they wanted to wait for European legislation on the issue.

There were no further comments, and the Chairman closed the discussion.

4.2 Adoption of the general remuneration policy of the Executive Board

The Chairman proposed adopting the general remuneration policy of the Executive Board for the years 2004 through 2006, as set out in the annual report 2003, pages 71 through 74. The Chairman explained that the Executive Board's remuneration policy had been the subject of debate at five Compensation Committee meetings, starting in December 2002, and that the Committee had recommended the policy to the Supervisory Board, which had approved it. The Chairman emphasized that, strictly speaking, the Corporate Governance Code did not require AEGON to submit the remuneration policy to its shareholders, because the policy had been approved by the Supervisory Board prior to January 1, 2004, when the Code came into force. The decision had nonetheless been made to submit the remuneration policy for adoption to the shareholders now.

The Chairman then gave the floor to Mr. De Wit, Chairman of the Compensation Committee, to give a presentation² about the remuneration policy.

Mr. De Wit explained that the remuneration system was based on a number of principles. For one thing, the remuneration system had to be in line with AEGON's strategy to create added value as

² Copies of the slides translated into English are attached to these minutes.

well as with the interests of the shareholders. The level of remuneration should allow AEGON to recruit capable executive directors. There also had to be a link between their remuneration and the company's performance, more specifically the performance of the units for which the director in question was responsible. The system also had to provide a continuous performance incentive. Following policy reviews in 2002 and 2003, the decision had been taken to modernize the system on a number of points. Under the new policy, the link between pay and performance had been strengthened and there was more differentiation between the pay packages of the various directors. Mr. De Wit added that the policy satisfied the requirements imposed under the Corporate Governance Code. When drawing up the remuneration policy, parameters and related targets were set that were quantifiable and measurable. The procedure for measuring performance was transparent and had been laid down in rules. Also, everything would be audited by independent experts. Mr. De Wit went on to discuss the details of the proposed remuneration policy, which had been changed on three points. Firstly, as a result of increased responsibilities and risks, base salaries had been increased on January 1, 2003, with respect to 2002, save for Mr. Shepard's salary. The base salaries also vary to reflect the differences in tasks and responsibilities. The short-term cash bonus is to be paid only in the event of a positive "Value New Business" (VNB). The bonus is based on pre-tax earnings, as adjusted for realized earnings on shares and real estate. As far as Mr. Van der Werf and Mr. Wynaendts are concerned, their bonuses are based on the operating profits generated by the units for which they were responsible. Mr. Shepard is entitled to an additional variable bonus of 0.1% of net income. Mr. De Wit explained that, under the proposed remuneration policy, the remuneration of AEGON's American Chairman of the Executive Board, Mr. Shepard, had been established primarily in a U.S. context. The U.S. insurance market had been used as a benchmark in determining his basic salary, whereas the European insurance market operated as a benchmark for the Dutch members of the Executive Board. For the same reason, the variable part of Mr. Shepard's income is higher than it would have been had it been modeled on Dutch standards. Finally, Mr. De Wit made a few comments on long-term bonuses. These are based on AEGON's performance in relation to its peer group, consisting of companies comparable with AEGON. The right to a long-term bonus was based on the development of the AEGON share price in relation to share price developments in the peer group. If AEGON underperformed, there would be no bonus. From that point, the right to a bonus was based on a linear scale. The amount of the bonus was linked to a percentage of the basic salary, with 50% paid out in stock. AEGON was currently bottom but one on the list of peer companies. The long-term bonus was therefore a challenging target.

Mr. De Wit answered Mr. Maatman's question as to whether the base salaries of the members of the Executive Board were also compared with those of the peer group in the negative. The base salaries of the Dutch members of the Executive Board were compared with those prevailing in the European and Dutch insurance industry, and the salary of the Chairman of the Executive Board was compared with that earned in the U.S. insurance industry. AEGON aims for a position in the middle group.

In reply to a question from Mr. Maatman about the peer group being used to determine the long-term bonus, Mr. De Wit explained that, although this group had been adjusted under the proposed system to reflect a number of changes in the market, AEGON was still bottom but one.

Mr. Maatman and Mr. De Vries wondered why AEGON should base the short-term bonus on VNB and its operating income. Mr. De Wit explained that VNB indicated whether any value had been created in a particular year. If no value was created, although the company had made a profit, the members of the Executive Board would have no right to a short-term bonus. He also explained that because of the imminent changes in accounting standards, operating income would be a better indicator of how the company was doing than would net earnings.

Mr. De Wit answered Mr. De Vries's question as to whether Towers Perrin had assisted AEGON in drawing up a new remuneration policy, in the affirmative.

In reply to another question from Mr. De Vries, Mr. De Wit said the remuneration policy would be adopted for a period of three years. Only if it needed adjusting within that period would the policy be put on the agenda of the shareholders' meeting again.

Following a comment by Mr. De Vries about the variable part of the remuneration of the members of the Executive Board, Mr. De Wit explained that, if the performance criteria were satisfied, the

variable part of Mr. Shepard's remuneration would account for about two thirds of his total pay, and for about one half of total pay of the other members. Mr. De Vries considered the variable part of Mr. Shepard's salary, in particular, to be too high. The Chairman pointed out that this variable part could also lead to Mr. Shepard's income being reduced. He went on to show a number of slides depicting the trends in pay for members of the Executive Board over the last five years. The slides showed a steady decline in total pay for all members of Executive Board since 1999. In reply to a comment from Mr. De Vries, the Chairman confirmed that copies of the slides would be attached to the minutes¹.

In reply to Mr. Sassen's question as to whether the remuneration policy could be said to be socially responsible, the Chairman observed that there might be a discrepancy between the top salaries dictated by the market and the social acceptability of those salaries. The Chairman added that this could only be taken into account to some extent, because AEGON's responsibility was to find the right managers to run the company. Those managers based their pay demands on what they might earn elsewhere in the industry, and so its remuneration policy was dictated by the market.

Mr. Tiemstra said he believed that, especially in the light of Mr. Shepard's variable bonus, the bonuses of the members of the Executive Board should be linked to any dividend payments.

The Chairman proposed taking the matter to a vote and, after an electronic vote, concluded that the proposal to adopt the general remuneration policy for the Executive Board for the period from 2004 to 2006 had been passed with 621,617,916 votes in favor, 10,608,032 votes against, and 4,140,016 abstentions.

5. COMPOSITION OF THE SUPERVISORY BOARD

As regards this item on the agenda, the Chairman noted that the shareholders had been informed at their meeting on April 17, 2003, that five vacancies would arise on the Supervisory Board, which were now being discussed. The Chairman explained that in order to be appointed or reappointed as supervisory director, candidates had to fit the Supervisory Board profile. When asked by Mr. Boissevain as to whether this Profile was available to the meeting, the Chairman answered in the negative. The Profile would be put on the website shortly. Mr. Boissevain stated that, seeing as the meeting could not test the proposed appointments against the Profile, he would abstain from voting. Finally, the Chairman noted that, under the Articles of Incorporation of AEGON N.V., a binding nomination could be made. At the shareholders' meeting on April 17, 2003, however, the company had promised to use this option sparingly. The proposals currently before the meeting were not binding nominations, and could be adopted or rejected by a simple majority of the votes cast.

In response to Mr. Boissevain's question as to why no women had been nominated as supervisory directors, particularly after the departure of Ms. Peijs, the Chairman said the company had been looking for women, but women supervisory directors with the same capabilities as Ms. Peijs were difficult to find. He added that the search for women supervisory directors had not been called off.

5.1 Reappointments in 2004

The Chairman proposed reappointing Ms. Rembe and Mr. Olcay, explaining that they had to retire on the date of the Annual General Meeting due to expiry of their four-year term of office. Both directors were eligible for reappointment and were willing to remain on the Supervisory Board.

5.1a Reappointment of Ms. T. Rembe

The Chairman went on to say that the Nominating Committee of the Supervisory Board had recommended nominating Ms. Rembe for reappointment. Ms. Rembe, who is a tax attorney and a U.S. citizen, had been on the Supervisory Board since 2000. She was easy to contact, had attended all meetings and was internationally focused and very committed to AEGON. She was also a member of the Audit Committee and her knowledge of U.S. legislation, especially Sarbanes-Oxley, was greatly appreciated. The Supervisory Board had therefore adopted the Nominating Committee's recommendation, and now proposed reappointing Ms. Rembe.

¹ [Copies of the slides translated into English are attached to these minutes.](#)



There were no further comments and the Chairman concluded that the meeting did not want a roll call vote and that Ms. T. Rembe had been reappointed as a member of the Supervisory Board as from April 22, 2004, by acclamation.

5.1.b Reappointment of Mr. O.J. Olcay

The Chairman stated that Mr. Olcay had also been nominated for reappointment by the Nominating Committee for the following reasons. Mr. Olcay, a U.S. citizen, had been on the Supervisory Board since 1993. Mr. Olcay had also made constructive contributions as a supervisory director. He was easy to contact, had attended all meetings, has an in-depth knowledge of the international investment business, and is highly experienced in international commerce. The Supervisory Board had adopted the Nominating Committee's recommendation, and now proposed reappointing Mr. Olcay.

The Chairman explained, partly in response to a question from Mr. Osinga, that the reappointment would be at odds with the maximum 12-year term prescribed by the Dutch Corporate Governance Code, but because of the rather large number of supervisory directors currently stepping down, should be permitted for reasons of continuity.

There were no further comments and the Chairman concluded that the meeting did not want a roll call vote and that Mr. O.J. Olcay had been reappointed as a member of the Supervisory Board as from April 22, 2004, by acclamation.

5.2 Vacancies and appointments in 2004

The Chairman stated that Ms. Peijs had retired from the Supervisory Board following her appointment as Dutch Minister of Transport, Public Works and Water Management on May 27, 2003. Mr. De Wit, a supervisory director since 1990, was retiring as of the date of this meeting in accordance with the Dutch Corporate Governance Code, which prescribed a maximum term of office of three four-year terms. As Mr. De Ruyter would be 70 in 2004 and thus reach the age limit specified in the Articles of Incorporation, Mr. De Ruyter would also be stepping down on the date of this meeting. The Supervisory Board proposed filling the three vacancies by appointing Messrs. Dahan, Bailey and Voser. The Chairman referred to the statutorily required information about the three nominees as contained in the notes to the agenda for this meeting. He also noted that all three nominees, all of whom were present at the meeting, fitted the Supervisory Board profile.

5.2.a Appointment of Mr. R. Dahan

The Chairman proposed a resolution to appoint Mr. Dahan, a Dutch national permanently residing in the United States, as a supervisory director for a period of four years from April 22, 2004. The Nominating Committee had met to discuss the appointment and advised the Supervisory Board to nominate Mr. Dahan because of his managerial experience, business acumen and qualities in the field of international commerce. Mr. Dahan was fluent in Dutch and English and fitted the Profile perfectly. The Supervisory Board had adopted the recommendation, and now proposed appointing him.

There were no further comments and the Chairman concluded that the meeting did not want a roll call vote and that Mr. R. Dahan had been appointed as a member of the Supervisory Board for a period of four years as from April 22, 2004, with the proviso that Mr. Boissevain abstained from casting 924 votes.

5.2.b Appointment of Mr. I.W. Bailey, II

The Chairman proposed a resolution to appoint Mr. I.W. Bailey, a U.S. citizen, as a supervisory director for a period of four years from April 22, 2004. The Nominating Committee had met to discuss the appointment and advised the Supervisory Board to nominate Mr. I.W. Bailey, because of his in-depth knowledge of the insurance business, the financial services market in the United States, and the investment business in general. The Chairman made it clear that Mr. Bailey was an independent party within the meaning of the Dutch Corporate Governance Code and the Sarbanes-Oxley Act. Until 1997 he had worked for Providian, which was acquired by AEGON in 1997. He had since been a non-executive member of the Board of AEGON USA, and Chairman since 2002. Mr. Bailey would step down as a member of the Board of AEGON USA if appointed to the Supervisory Board of AEGON N.V.

There were no further comments and the Chairman concluded that the meeting did not want a roll call vote and that Mr. I.W. Bailey, II had been appointed as a member of the Supervisory Board for



a period of four years as from April 22, 2004, with the proviso that Mr. Boissevain abstained from casting 924 votes.

5.2.c Appointment of Mr. P. Voser

The Chairman proposed a resolution to appoint Mr. Voser, a Swiss citizen, as a member of the Supervisory Board for a period of four years from April 22, 2004. The Nominating Committee had met to discuss the appointment and advised the Supervisory Board to nominate Mr. Voser. The Supervisory Board adopted the recommendation and now proposed appointing Mr. Voser on the basis of his broad expertise and experience in the field of finance, strategic financial management and internal control systems in large international organizations, and the fact that he is fluent in English. The Chairman added that Mr. Voser was willing to sit on the Audit Committee, where there was a vacancy due to Mr. De Ruiters' departure. Mr. Voser was a financial expert within the meaning of the Sarbanes-Oxley Act and therefore a very suitable candidate for a seat on the Audit Committee.

There were no further comments and the Chairman concluded that the meeting did not want a roll call vote and that Mr. P. Voser had been appointed as a member of the Supervisory Board for a period of four years as from April 22, 2004, with the proviso that Mr. Boissevain abstained from casting 924 votes.

5.3 Announcement of vacancies in 2005

The Chairman stated that Mr. Eustace, Mr. Stevens and himself would step down at the end of the Annual General Meeting of Shareholders in 2005 on expiry of their four-year term of office. Messrs. Eustace and Stevens were eligible and available for reappointment in 2005. The Chairman added that he would retire as a supervisory director in 2005, as he had been on the Supervisory Board since 1990 and could not be reappointed under the Dutch Corporate Governance Code. The Supervisory Board intends to fill this vacancy.

In response to a question from Mr. De Vries about a successor to the Vice-Chairman of the Supervisory Board, who was retiring on the date of this meeting, and the departure of the Chairman of the Supervisory Board, the Chairman stated that Mr. Eustace had been elected as the new Vice-Chairman, and a new Chairman would be elected in the course of next year.

6. AUTHORIZATIONS TO ISSUE SHARES AND ACQUIRE SHARES IN THE COMPANY

The Chairman proposed discussing item 6.2 on the agenda immediately after item 6.1, as follows:

6.1 Authorization to issue shares in the company; and

6.2 Authorization to restrict or exclude pre-emptive rights when new shares are issued

The Chairman referred to the notes to the agenda distributed along with the agenda for this meeting.

Messrs. Maatman and De Vries stated that they believed any authorization to issue shares in the company should be limited to a maximum of 10% of shares, and perhaps an additional 10% in the event of a merger or takeover.

The Chairman then put both authorizations to individual votes, concluding that the holder of the preferred shares was in favor of both authorizations and that the holders of common shares would vote electronically.

As regards item 6.1 on the agenda, the Chairman concluded that the requested authorization to issue shares in the company had been granted with 463,679,935 votes in favor, 167,646,316 votes against, and 5,039,713 abstentions.

As regards item 6.2 on the agenda, the Chairman concluded that the requested authorization to restrict or exclude pre-emptive rights in the event of share issue had also been granted, with 459,694,688 votes in favor, i.e. more than two-thirds of the votes cast, 173,237,374 votes against, and 3,433,902 abstentions.

In response to a comment from Mr. De Vries, the Chairman confirmed that many voters had voted against items 6.1 and 6.2, and that this fact would be taken into account in preparing any future authorization proposals to be put to the shareholders.



6.3 Authorization to issue shares under incentive plans

The Chairman again referred to the notes to the agenda distributed along with the agenda for this meeting, and put this item to the vote. He concluded that the holder of preferred shares was in favor of granting the requested authorization.

After an electronic vote, the Chairman concluded that the requested authorization to issue shares under incentive plans had been granted with 548,005,275 votes in favor, 86,437,238 votes against, and 1,923,451 abstentions.

6.4 Authorization to acquire own shares

The Chairman referred to the notes to the agenda distributed along with the agenda for this meeting, explaining that the company could only acquire its own shares at a maximum price of 10% above the local market price immediately preceding the acquisition. He then put the item to the vote.

After an electronic vote, the Chairman concluded that the requested authorization for the company to acquire its own shares had been granted with 558,701,974 votes in favor, 75,778,571 votes against, and 1,885,419 abstentions.

7. ANY OTHER BUSINESS

The Chairman said a few words to Mr. De Ruiter and Mr. De Wit, who were stepping down as supervisory directors on the date of the meeting. Both had served on AEGON's Supervisory Board for a long time and had seen turbulent years of growth as well as difficult times for AEGON. Mr. De Ruiter had sat on all Supervisory Board committees, always showing great dedication and rarely missing out on a meeting. AEGON could not have done without his international experience. Mr. De Wit had also made a huge contribution to AEGON Supervisory Board meetings, because of his composure and analytical mind. AEGON was very grateful to both directors for the contributions they had made over the years, and wished them all the best for the future.

Mr. Sassen noted that legal proceedings were pending between Dexia and AEGON concerning the sale to Dexia of AEGON's subsidiary Labouchère, and that AEGON had recently hired the former legal affairs director of Labouchère. In the light of the dispute between AEGON and Dexia, he did not consider that move right from an ethical point of view. The Chairman replied that he failed to see the connection between the two events.

Mr. Waardenburg, a retired independent insurance consultant, pointed out that until recently AEGON Netherlands had, in fact, only been using independent insurance consultants. With the acquisition of Meeùs, he believed this company had lost its acumen of doing business. Mr. Van der Werf explained that AEGON needed different distribution channels under current market conditions, and that AEGON and Meeùs had seen entrepreneurship within the company increase rather than decrease as a result of the expansion of Meeùs.

In reply to a comment from Mr. Ayodeji that half of the Supervisory Board of AEGON N.V. consisted of persons who were not Dutch citizens, the Chairman explained that, as AEGON was an international company, it had deliberately opted for an international Supervisory Board.

8. CLOSE OF THE MEETING

No other business being raised, the Chairman closed the meeting, thanking everyone for their presence.

Thus drawn up in The Hague on July 22, 2004, and adopted and signed on October 22, 2004.

Mr. M. Tabaksblat, Chairman

Mr. P. Tuit, Secretary

"The Dutch version of these minutes (including the slides attached thereto), as signed by the Chairman and the Secretary, is the original version. In case of differences between the Dutch version and the English version, the Dutch text will by law govern."