



## MINUTES

of the annual General Meeting of Shareholders of AEGON N.V. ('AEGON'), having its registered office in The Hague, the Netherlands, held at AEGON's headquarters at AEGONplein 50 in The Hague on Thursday April 21, 2005, at 10.00 a.m.

### 1. **OPENING**

In accordance with Article 38, paragraph 1, of AEGON NV's Articles of Incorporation, the meeting was chaired by the Chairman of the Supervisory Board, Mr. M. Tabaksblat ('the Chairman'). The minutes were kept by Mr. P. Tuit, the Company Secretary, who had been appointed by the Chairman. Simultaneous translation was provided during the meeting in English and Dutch via headphones.

The *Chairman* opened the meeting, welcoming all attendees and establishing 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 auditors, Ernst & Young, were represented at the meeting by Mr. Westerman and Mr. Van Overmeire, who were available to answer any questions. On a final note, the Chairman stated that votes on agenda items were taken using the electronic voting system.

The *Chairman* went on to establish:

- ◆ that the notices convening the annual General Meeting of Shareholders had been published on March 31, 2005, in, *inter alia*, 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. The agenda, including explanatory notes and addenda, had been sent to the holders of registered shares, holders of New York Registry Shares and participants of the Shareholders Communication Channel [*Communicatiekanaal Aandeelhouders*];
- ◆ that the items on the agenda had been included in the convening notices, which also stated that the agenda and explanatory notes, the annual report for 2004, the annual accounts and the notes to the annual accounts, as well as the statutorily required information on persons nominated for appointment and reappointment to the Supervisory Board and for reappointment to the Executive Board, could be obtained free of charge from the AEGON website ([www.aegon.com](http://www.aegon.com)) and from the Company's offices in The Hague, the Netherlands, as well as from Kas Bank N.V. in Amsterdam, the Netherlands, Deutsche Bank in Frankfurt am Main, Germany, Capita Trust Company Limited in London, United Kingdom, UBS in Switzerland, Citibank N.A. in New York, United States, and The Sumitomo Trust and Banking Company Limited in Tokyo, Japan;
- ◆ that said documents were available for inspection at AEGON's offices in The Hague from April 1, 2005 until the close of the meeting, and at all the other offices mentioned, at which copies could be obtained free of charge;
- ◆ that the meeting had been convened in accordance with the law and the Articles of Incorporation;
- ◆ that the Company had currently 1,781,265,053 shares outstanding, consisting of:
  - 1,552,685,053 common shares, with a par value of EUR 0.12 each; and
  - 228,580,000 preferred shares Class A and B, with a par value of EUR 0.25 each; and
- ◆ (later on during the meeting:) that present or represented at the meeting were 125 holders of common and preferred shares who, together, were entitled to cast 722,299,044 votes and represented 41.08% of the 1,758,332,559 voting shares issued.

The *Chairman* also established that holders of registered shares, participants 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 held on April 22, 2004, had been available for comments from July 22, 2004, and had been approved and signed by the Chairman and the Secretary on October 22, 2004. The confirmed minutes had been available for inspection by shareholders at AEGON's headquarters and on the AEGON website as from that date. The minutes of this meeting would be available for comments from July 21, 2005, and be confirmed by himself and the Secretary after October 21, 2005. Thereafter, the minutes would be available until the close of the annual General Meeting of Shareholders in 2006.

## **2. ANNUAL REPORT AND ANNUAL ACCOUNTS FOR 2004, 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 for 2004; and**

### **2.2 Adoption of the annual accounts for 2004**

The Chairman gave the floor to Mr. Shepard and Mr. Streppel, who would provide an explanation of the annual accounts and annual report for 2004.

Mr. Shepard provided his explanation in English. His explanation was presented in Dutch on [slides, which are attached to these minutes](#).

Mr. Shepard concluded his speech by thanking the Supervisory Board, his colleagues on the Executive Board, and all of the AEGON employees, independent financial advisors, customers and shareholders for their support. He then gave the floor to Mr. Streppel.

Mr. Streppel gave his presentation using [slides, which are attached to these minutes](#).

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

Mr. Fentrop, on behalf of Union Investment, commented as follows: (i) AEGON was lacking a sound position in emerging markets and had grown too aggressively in the U.S.; (ii) AEGON had to shed the activities in the United Kingdom and use the resources thus released to invest in emerging markets such as Asia; and (iii) AEGON was to actively ensure that the special controlling rights of Vereniging AEGON were eliminated.

Mr. Shepard replied that AEGON was present in a few emerging markets, such as Central Europe and Asia, and that the United Kingdom continued to be an important growth market in the long term. He pointed out that the U.S. was a gigantic market, at which AEGON could still expand in the longer run. He added that AEGON's strategy was based on a long-term view. Mr. Fentrop responded by commenting that AEGON's long-term strategy apparently did not gain recognition in the market.

Mr. Streppel noted that AEGON applied the principle of one share, one vote, and that this principle also applied to Vereniging AEGON. There was one difference as compared to common shareholders, i.e. in the event of a hostile takeover. In such event, Vereniging AEGON could resolve independently that it would exercise its normal voting rights on its - preferred - shares for a period of six months. He emphasized that Vereniging AEGON already had such voting rights on preferred shares, although it had waived such voluntarily, by agreement, and had restricted its voting rights to one vote per preferred share. The Chairman went on to explain Vereniging AEGON's role and history, adding that the situation applicable at AEGON was in compliance with the Tabaksblat Code.

Mr. Leenaers of the Dutch Securities Owners' Association [*Vereniging van Effectenbezitters*] posed the following questions: (i) Why had AEGON under performed over the past few years (also as compared to its competitors); (ii) when did AEGON think it would again be one of the best-performing insurers, both as regards share price and as regards operational results; (iii) what would



AEGON's results be if the non-core and unprofitable activities were removed from the figures; (iv) how would the target of a 10% growth in earnings be achieved; (v) what was AEGON's dividend policy (especially in relation to cash flow developments and the business's asset position); (vi) had AEGON included adequate provisions for its – other – equity lease products in its balance sheet; and (vii) had AEGON taken any other measures regarding the equity lease issue?

Mr. Shepard responded as to Question (i) that AEGON had not under performed as compared to competitors, but had ended in the middle group. He added that caution should be taken when comparing, because, for instance, the European peers also had a great deal of banking activities, contrary to AEGON; the peers in the United States, on the other hand, were easier to be compared with, and AEGON *had* performed properly in comparison with them. In response to Questions (vi) and (vii), Mr. Shepard stated that AEGON had come to an arrangement with Dexia regarding Labouchere, without acknowledging any liability whatsoever. In Koersplan's case (which, by the way, did not involve equity lease products), parties were discussing a solution for the issue faced; AEGON staff were busy handling this matter. As regards the long-term 10% target, Mr. Shepard said that he did not make any projections in this regard, but that a positive feeling prevailed in that respect. He emphasized the influence of the new accounting system, IFRS. Mr. Shepard noted that the subject of dividend payments would be addressed at item 2.3. He emphasized that AEGON's policy focused on the long term. On a final note, Mr. Shepard noted that communications with investors remained a point for attention.

Ms. Dijkstra of VBDO posed the following questions: (i) When would the next sustainability report be published, and would it be available prior to the general meeting of shareholders next year; (ii) did AEGON pursue external verification of the sustainability report and, if so, when; (iii) would AEGON formulate any sustainability targets shortly and, if so, how did these relate to the targets formulated by peers; (iv) what was the outcome of verification of the AEGON code of conduct, and what was the state of affairs with respect to the introduction and implementation of the code of conduct; and (v) did AEGON apply the standards and values as formulated in its code of conduct to its voting policies and, if so, how? On a final note, Ms. Dijkstra asked to what extent non-financial targets had been processed in the remuneration policy, especially with respect to the determination of the bonuses.

Mr. Van der Werf replied as to question (i) that the sustainability report would be published in the summer of 2005 and that AEGON was still considering whether it could be published earlier next year. As to AEGON's code of conduct, Mr. Van der Werf said that its implementation would especially be locally driven, but that everybody was supposed to comply with the universal principles as formulated in the code of conduct. As regards external verification, AEGON had concluded that the internal verification system was strong and that, therefore, external verification was as yet to be considered. Mr. Van der Werf noted that the code of conduct was especially intended for AEGON and its stakeholders, and not so much to achieve high ratings. As to the question regarding the non-financial targets in the remuneration policy, Mr. Dahan, Chairman of the Remuneration Committee, replied that the financial targets had been emphasized in the remuneration policy.

In explanation, Mr. Streppel added that AEGON's role at shareholders' meetings had increased. Depending on the holding involved, AEGON voted itself or by proxy. The result would be posted on the AEGON website. Mr. Streppel went on to say that, in respect of holdings, AEGON complied with its code of conduct and that mandates violating its ethical standards were not accepted. In addition, AEGON had its own sustainability funds. As regards voting behavior, AEGON UK and AEGON USA had their own policies.

Mr. Will of *Deutscher Schützverein für Wertpapierbesitz* posed the following questions: (i) Why did AEGON Bank continue to be considered as a core business; (ii) why did the annual report not contain a reference to the free cash flow; (iii) was the capital increase below or above 'average'; (iv) did AEGON expect problems in the United States with prosecuting attorneys further to the AIG case; (v) what was the status of the reinsurance business and, specifically, the provision of EUR 64m included in that respect; and (vi) did AEGON have holdings in General Motors?



Mr. Shepard stated that AEGON was not involved in the case between AIG and Mr. Spitzer in the U.S. As regards capital increase and growth, Mr. Shepard stated that these were continually subject to market developments. The provision included in the life reinsurance business resulted from the introduction of an advanced financial reserving policy at Transamerica Reinsurance. Mr. Streppe! replied in respect of General Motors that exposure for AEGON was relatively low and that it was not one of AEGON's top 25 holdings. On a final note, Mr. Streppe! stated that a banking license was required for certain activities, but that this did not mean that banking formed part of AEGON's core business. Mr. Ayodeji noted that AEGON was to focus more on translating results into share price (by communicating to the market). If possible, AEGON would have to set up a separate team in that respect.

Mr. Maatman of ABP, PGGM, PGB, SPF, PO and some smaller pension funds made the following three remarks with respect to the remuneration policy of the members of the Executive Board: (i) AEGON should introduce an explicit reasonability test in its remuneration policy; (ii) what was the value of 50,000 SARs; and (iii) AEGON should abolish Mr. Shepard's 0.1% bonus plan.

Mr. Dahan stated that, although the remuneration policy did not include an explicit reasonability test, such test did indeed play a significant role in the background. This held true especially for situations in which a certain outcome could be regarded as unreasonable. Mr. Streppe! noted that a SAR was treated the same as a stock option and was, therefore, easily to be calculated according to the option model. The Chairman stated that the remuneration of Mr. Shepard, having the U.S.A. nationality, as well as having his domicile in the U.S.A., was based on U.S.A. standards. His 0.1% bonus plan had been agreed upon when he became Chairman of the Executive Board and could not be abolished unilaterally. According to U.S.A. standards, Mr. Shepard's remuneration was not extravagant.

Mr. Heineman asked why AEGON had such a large exposure in U.S. dollars, considering the sharp decline in the value of the dollar against the euro. Mr. Shepard and Mr. Streppe! replied that, from a risk management perspective, liabilities were denominated in the currency of the country to which they pertained.

Mr. Sassen asked to what extent the reserves accumulated to cover deferred liabilities relating to the equity lease products still existed. Mr. Sassen failed to understand why AEGON communicated ambiguously regarding equity lease and Koersplan. Mr. Shepard stated that AEGON did not make any statements about specific reserves and amounts. As regards Koersplan, AEGON was still in the process of working out the proper strategy. The different products, consumers and parties were a complicating factor in that respect. Mr. Streppe! added that AEGON could not be held liable for and would not compensate for stock market losses.

Mr. Lissaur asked what the influence was of the interest rate on AEGON's results. He expressed his concern about the extent to which the business's results depended on the return on investments and real estate. Mr. Shepard stated that there was a connection between the interest rate and certain statutory product warranties. Mr. Streppe! clarified the concept of earnings before and after the effect of price changes of shares and real estate. In 2004, the results had increased by approximately 22%, but, he emphasized, due to the effect of IFRS, results could become much more volatile.

The Chairman closed the discussion and proposed that the annual accounts for 2004, 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 for 2004 had been adopted with 714,103,278 votes in favor, 222,570 votes against and 7,973,196 abstentions.

### **2.3 Discussion of the financial reserve policy and dividend policy**

The Chairman pointed out that this item had been included in the agenda in accordance with the Corporate Governance Code and then gave the floor to Mr. Streppel, who explained the financial reserving policy and dividend policy. (Mr. Streppel's presentation has been [attached to these minutes](#))

Mr. Heineman wondered why the proposed dividend was not related to earnings, with the exclusion of returns on real estate and share transactions. Since these earnings had increased by 22.23%, the share price would benefit from such a proposal. Mr. Streppel stated that AEGON's dividend policy was no longer related to earnings, but depended on the capital base and operational cash flows.

Mr. Meijeraan requested an explanation of the payment rate of 40% as stated in the historical data in the annual report. Mr. Streppel provided the required explanation and elaborated on cash payments and stock dividend. Finally, Mr. Maatman asked why AEGON maintained such a large cash position. Mr. Streppel replied that, in part, this was a coincidence, depending on the time it was assessed. With this, the Chairman closed the discussion and moved to the following item on the agenda.

### **2.4 Approval of the final dividend for the fiscal year of 2004**

The Chairman stated that it was being proposed that a dividend of EUR 0.42 would be paid per common share for the fiscal year of 2004. This reflected a 5% increase as against dividends for the fiscal year of 2003. Taking into account the interim dividend of EUR 0.21 per common share paid in September of 2004, this meant a final dividend of EUR 0.21 per common share for the fiscal year of 2004. The final dividend would be paid entirely in cash or entirely in common shares, at the shareholder's option. The fraction for fixing the stock dividend would be determined by the Executive Board on the basis of the average AEGON share price as quoted on Euronext Amsterdam over the five days of trading from May 3, 2005, through May 9, 2005. The value of the final dividend in common shares would exceed the value of the final cash dividend by approximately 5%. It was proposed that the dividend be approved.

The Chairman then provided an opportunity to discuss the final dividend for 2004. In response to a question posed by Mr. Meijeraan as to the changed system regarding setting the exchange ratio, Mr. Streppel replied that this would be looked into and, if needed, be adjusted next year.

The Chairman closed the discussion and proposed taking the final dividend to a vote. After an electronic vote, he established that the final dividend for 2004 had been approved with 721,440,205 votes in favor, 452,895 votes against and 405,944 abstentions.

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

The Chairman put forward the proposal to release the members of the Executive Board from liability for their duties, insofar as the performance of these duties had been reflected in the annual accounts for the fiscal year of 2004 or had otherwise been disclosed to the general meeting of shareholders prior to adoption of the annual accounts for 2004.

Mr. Leenaers stated that the VEB would abstain from voting because of its dissatisfaction regarding the policies pursued, especially the lack of transparency regarding the business's performance. He would have appreciated it if the Embedded Value had been published earlier on in the year. The Chairman noted that AEGON also wanted to publish the Embedded Value earlier, but had unfortunately been flooded by all sorts of new laws and regulations and their implementation, including IFRS and Sarbanes-Oxley. Therefore, AEGON had not been able to disclose the Embedded Value any earlier.

The Chairman concluded that there were no further comments and established, following an electronic vote, that the resolution to release the members of the Executive Board from liability had been adopted with 712,074,774 votes in favor, 4,376,626 votes against and 5,847,644 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 performance of these duties had been reflected in the annual accounts for the fiscal year of 2004 or had otherwise been disclosed to the general meeting of shareholders prior to adoption of the annual accounts for 2004. The *Chairman* noted that there were no comments and, following an electronic vote, established that the resolution to release the members of the Supervisory Board from liability had been adopted with 712,061,317 votes in favor, 4,407,796 votes against and 5,829,931 abstentions.

## **3. APPOINTMENT OF INDEPENDENT AUDITORS**

The *Chairman* noted that the Supervisory Board proposed, as recommended by the Audit Committee, to instruct Ernst & Young, as required by law, to examine the annual accounts for the fiscal year of 2005. The Supervisory Board Audit Committee annually reviewed the external auditor's performance and issued a recommendation to the Supervisory Board to submit a proposal to shareholders either to reappoint the current auditors or to appoint new auditors. This procedure was in line with the new regulations issued by the U.S. Securities and Exchange Commission under the Sarbanes-Oxley Act, the *Chairman* went on to explain. This Act prescribed that external auditors must be independent and that all audit and non-audit operations by the same audit firm must be approved by the Audit Committee in advance.

The Audit Committee had readopted this pre-approval policy in 2004. In March of this year, Ernst & Young had presented the Audit Committee with its 'Independence Letter'. Partly on the basis of this Letter, the Audit Committee had resolved on March 1, 2005, to recommend the Supervisory Board that Ernst & Young be reappointed. The Supervisory Board had accepted this recommendation on March 2 and the proposal was presently being put to shareholders to reappoint Ernst & Young for the fiscal year of 2005. Many years ago, a rotation schedule had been introduced for the accountants of Ernst & Young, the *Chairman* concluded. On the basis of this schedule, an auditor of Ernst & Young may not audit AEGON's books for more than five years in a row. Mr. Westerman had started his auditing duties for AEGON in 2003 and Mr. Van Overmeire in 2004.

In response to a question posed by Mr. *Spanjer* as to why the auditors, attesting to the financial statements, were explicitly named in the annual report, Mr. *Westerman* of Ernst & Young replied that the shareholders had requested this and that Ernst & Young had considered the request.

After an electronic vote, the *Chairman* established that Ernst & Young had been reappointed as external auditors of AEGON N.V. for the fiscal year of 2005, with 719,520,246 votes in favor, 1,329,572 votes against and 1,449,226 abstentions.

## **4. CORPORATE GOVERNANCE**

The *Chairman* put forward AEGON's Corporate Governance and compliance with the Dutch Corporate Governance Code by AEGON as described in the annual report for 2004, pp. 73 through 82. The Chairman emphasized that the amendment to the Articles of Incorporation, which for the major part pertained to compliance with the Code by AEGON, would be addressed at item 5 on the agenda.

Mr. *Leenaers* of the VEB made a number of remarks about the relationship between AEGON and Vereniging AEGON, and urged that the relationship be severed. He noted that Mr. Olcay's term of office exceeded 12 years and was, therefore, contrary to the Code. Mr. Leenaers wondered why AEGON's Corporate Governance policy was not submitted to the general meeting of shareholders for approval. He stated that the VEB's criticism had to be regarded as a dissenting vote. He concluded on expressing the wish that AEGON, when casting its vote at shareholders' meetings, would pay attention to preventing conflicts between the investor's interest and AEGON's own interest. As to this latter remark, Mr. *Streppel* replied that AEGON tried to be open about its voting behavior. This policy had already been posted on the AEGON Nederland website for quite some time. The *Chairman* noted that Mr. Olcay had been asked to stay on a little longer as a Supervisory Director in view of the need for certain expertise within the Supervisory Board. Although it was true



that AEGON's Corporate Governance was not submitted to shareholders for a vote, AEGON was obviously listening to its shareholders very well, as usual. The Chairman expressed his satisfaction with the major changes in the area of Corporate Governance within AEGON.

Mr. Maatman asked whether all transactions taking place between AEGON and Vereniging AEGON were public, because Vereniging AEGON acted as a trust office. Mr. Maatman noted that the documentation on AEGON's voting policies was thin and pertained to the Dutch holdings only. The Chairman stated that the comparison made by Mr. Maatman between a trust office and Vereniging AEGON was utterly inappropriate. The Protocol on conflicting interests had specifically been prepared at the shareholders' request. It contained provisions on the publication of said transactions. On a final note, Mr. Fentrop responded by commenting that Corporate Governance should not come down to 'ticking off the boxes' in the Corporate Governance Code.

Mr. Bolman made a few remarks about the fact that the annual report did not report on the remuneration of the independent auditor nor on the division of tasks within the Executive Board and about the statements of the CEOs of the country units who were not members of the Executive Board, which he believed were irrelevant. He also suggested that the Company Secretary should be mentioned in the annual report, given the acknowledgement of this role in the Corporate Governance Code. The Chairman remarked that the remuneration of Ernst & Young was public. It had been included in SEC Form 20-F and was published, *inter alia*, on the AEGON website. The Chairman further noted that an annual report was to provide an insight into the business, and that interviews such as with the CEOs mentioned were of an informative nature, intended to illustrate matters, and as such certainly not irrelevant. As to the statement of and insight into the division of the tasks of the Executive Board, the Chairman noted that flexibility was required and that an approach that would be too formal, by inclusion in the annual report, was, therefore, undesirable.

Mr. Maatman asked who was responsible for the investments attributable to AEGON's shareholders' equity. Mr. Streppe! replied that, in principle, the local organizations were responsible for this, but that the Risk Management Group Staff Department was involved in this.

Mr. Meijeraan made a remark about the influence of Vereniging AEGON, especially the two AEGON Executive Board members who also had a seat on the Board of Vereniging AEGON. The Chairman noted that Vereniging AEGON had 18 members, who were elected (and dismissed) by the members' meeting, and that two out of those 18 members were the AEGON Executive Board members mentioned.

## **5. AMENDMENT TO THE ARTICLES OF INCORPORATION**

### **5.1 Amendment to the Company's Articles of Incorporation**

The Chairman noted that the Executive Board proposed, with the approval of the Supervisory Board, that the Company's Articles of Incorporation be amended. The full text of the proposed amendment to the Articles of Incorporation and the Explanatory Notes thereto had been included in an addendum to the agenda. It had already been stated in the previous item on the agenda that most amendments were the result of the Dutch Corporate Governance Code and recent amendments to the law.

Mr. Bolman noted a printer's error in the new Article 34.2, which was confirmed by the Secretary. The English version was correct. The civil-law notary would take the correct text as a basis.

Mr. Meijeraan made some more editorial comments. The Chairman promised that the civil-law notary would consider them, if needed.

The Chairman noted that there were no further comments and, following an electronic vote, established that the resolution to amend the Articles of Incorporation had been adopted with 712,520,636 votes in favor, 6,376,693 votes against and 3,401,715 abstentions.

The *Chairman* went on to state that, since the proposal submitted in item 5.1 had been adopted, the proposal to pass the amendment to the Articles of Incorporation could be addressed at item 5.2.

## **5.2 Authorization to pass the amendment to the Company's Articles of Incorporation**

The *Chairman* noted that it was being proposed to authorize Mr. Streppel and Mr. Lagendijk, as well as any civil-law notary, any junior civil-law notary and all notarial staff members of Allen & Overy, each of them individually, to apply for a certificate of no objection [*verklaring van geen bezwaar*] from the Dutch Ministry of Justice, to introduce any changes to the draft deed of amendment to the Articles of Incorporation that might turn out to be necessary to obtain the certificate of no objection, and to have the deed of amendment to the Articles of Incorporation passed.

Mr. *Meijeraan* asked why it had not been sufficient to authorize Mr. Streppel and Mr. Lagendijk exclusively, with the right of substitution, and why the general meeting of shareholders had to appoint the civil-law notary in advance. The *Chairman* noted in that respect that this would also have been an option, which had simply not been chosen. Mr. *Meijeraan* stated that he would abstain from voting.

The *Chairman* noted that there were no further comments and, following an electronic vote, established that the authorization resolution had been adopted with 713,250,081 votes in favor, 5,885,533 votes against and 3,163,430 abstentions.

## **6. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD**

The *Chairman* noted that the explanatory notes to the agenda contained an elaborate description of this proposal, as well as an overview of the present and proposed remuneration. The last time shareholders had adjusted the remuneration of Supervisory Directors was in 2001, i.e. four years ago. In 2004, the Compensation Committee had studied whether the remuneration was still reasonable and had concluded that a slight increase in the basic remuneration would be justified, as well as supplementary remuneration for committee memberships and attendance at committee meetings.

The Compensation Committee had then advised the Supervisory Board to propose to shareholders to adjust the remuneration of Supervisory Directors effective January 1, 2005. The proposal pertained to the introduction, on January 1, 2005, of a remuneration structure consisting of three elements:

- (1) basic remuneration (as Supervisory Director);
- (2) supplementary remuneration (as Committee member); and
- (3) a fee for face-to-face committee meetings (i.e., in case of physical attendance).

The *Chairman* concluded his introduction by stating that the relevant amounts were stated in the explanatory notes to the agenda.

Mr. *Boissevain* stated that he did not agree with the proposal, because he saw no justification in a separate fee for attending meetings. Mr. *Dahan* noted that actual practice and peer companies had been considered. The *Chairman* added that a large degree of differentiation had occurred in the work of the members, because some committees had become increasingly important, especially the Audit Committee and the Compensation Committee, which met much more frequently than the other committees.

Mr. *Spanjer* stated that he found the present development unacceptable from a social point of view. Mr. *Dahan* responded by commenting that the increase in tasks had been dictated by society. The remuneration reflected this. Mr. *Meijeraan* noted that, in his opinion, the fee had been increased by 50% instead of 35%, but that, apart from this, it was not exactly an act of solidarity to increase remuneration to this extent, considering the recent decreases in dividend payments and in share price. Mr. *Sassen* noted that, considering the busy schedule of the Supervisory Directors, the number of supervisory directorships had to be limited. The *Chairman* responded by commenting that attendance at meetings was almost 100% and that, for the rest, he agreed with Mr. Sassen, noting,



however, that the focus should be on supervision rather than on the number of supervisory directorships. Mr. Heijnen wondered whether the remuneration of Supervisory Directors was not to be compared against the results realized by peer companies, to which the Chairman responded by commenting that the remuneration of a supervisory director was not to be result-related. Mr. Van Leeuwen expressed his dissatisfaction with the course of affairs. Mr. Ayodeji asked Vereniging AEGON to abstain from voting because of a technical conflict of interests involving two members of the Executive Board who also represented Vereniging AEGON. Mr. Kohnstamm of Vereniging AEGON stated that he would vote on behalf of Vereniging AEGON, because Vereniging AEGON was a shareholder of AEGON and because there was no conflict of interest whatsoever since the issue to be taken to a vote pertained to the remuneration of Supervisory Directors and not one Supervisory Director was a member of Vereniging AEGON. Mr. Kohnstamm pointed out that Vereniging AEGON's Articles of Association prescribed that the two members of the Executive Board had no voting rights on this point (and on any other points) in Vereniging AEGON. Mr. Kohnstamm concluded that it was impossible and incorrect to withhold a shareholder's voting rights on this point.

The Chairman noted that there were no further comments and, following an electronic vote, established that the remuneration resolution had been adopted with 709,859,415 votes in favor, 3,089,300 votes against and 9,350,329 abstentions.

## **7. COMPOSITION OF THE EXECUTIVE BOARD**

### **7.1 Reappointment of Mr. D.J. Shepard to the Executive Board**

The Chairman noted that, according to the rotation schedule applying to members of the Executive Board, Mr. Shepard's term of office would expire after the meeting. Mr. Shepard was eligible and available for reappointment. It was presently proposed to reappoint him as a member of the Executive Board for a new term effective April 21, 2005.

Mr. Meijeraan stated that he would vote against the proposal, because of the very poor price/quality ratio and due to a lack of integration on Mr. Shepard's part. Mr. Spanjer noted that he held the view that Mr. Shepard held too many other positions, especially abroad. The Chairman noted in that respect that Mr. Shepard had complied more than satisfactorily with the arrangements made.

The Chairman noted that there were no further comments and, after an electronic vote, established that the reappointment resolution had been adopted with 715,689,667 votes in favor, 2,834,878 votes against and 3,774,499 abstentions.

### **7.2 Reappointment of Mr. J.B.M. Streppel to the Executive Board**

The Chairman noted that, according to the rotation schedule applying to members of the Executive Board, Mr. Streppel's term of office would expire after the close of the meeting. Mr. Streppel was eligible and available for reappointment. It was proposed to reappoint him as a member of the Executive Board for a new term effective April 21, 2005.

The Chairman noted that there were no comments and, after an electronic vote, established that the reappointment resolution had been adopted with 716,010,574 votes in favor, 2,521,278 votes against and 3,767,192 abstentions.

## **8. COMPOSITION OF THE SUPERVISORY BOARD**

### **8.1 Appointment of Mr. S. Levy to the Supervisory Board**

The Chairman stated that it was being proposed to appoint Mr. Levy as a member of the Supervisory Board for a term of four years effective April 21, 2005. The statutorily required details concerning Mr. Levy were included after the explanatory notes to the agenda.

Mr. Boissevain noted that the percentage of women on the Supervisory Board was low, which he regretted. The Chairman confirmed this.



The Chairman noted that there were no further comments and, after an electronic vote, established that the appointment resolution had been adopted with 717,160,878 votes in favor, 1,245,564 votes against and 3,892,602 abstentions. The Chairman welcomed Mr. Levy to the Supervisory Board and announced that, now that Mr. Levy had been appointed, he would become a member of the Audit Committee.

### **8.2 Reappointment of Mr. D.G. Eustace to the Supervisory Board**

The Chairman put forward that Mr. Eustace stepped down as a member of the Supervisory Board due to the expiry of his 4-year term of office after the meeting. Mr. Eustace was eligible and available for reappointment. It was proposed to reappoint him as a member of the Supervisory Board effective April 21, 2005.

Mr. Meijeraan asked whether Mr. Eustace spoke Dutch. Mr. Eustace stated that he understood the language and spoke it to a certain extent.

The Chairman observed that there were no further comments and, after an electronic vote, concluded that the reappointment resolution had been adopted with 717,068,687 votes in favor, 1,403,254 votes against and 3,827,103 abstentions.

The Chairman noted that, now that Mr. Eustace had been reappointed, Mr. Eustace would succeed him as Chairman of the Supervisory Board after the close of the meeting. As a consequence, the vacancy of Vice-Chairman arose, and the Supervisory Board had resolved to appoint Mr. Olcay Vice-Chairman of the Supervisory Board.

### **8.3 Reappointment of Mr. W.F.C. Stevens to the Supervisory Board**

The Chairman put forward that Mr. Stevens stepped down as a member of the Supervisory Board due to the expiry of his 4-year term of office after the meeting. Mr. Stevens was eligible and available for reappointment. It was proposed to reappoint him as a member of the Supervisory Board effective April 21, 2005.

Mr. Wassenaar noted that Mr. Stevens, in addition to a main position, held more than five other supervisory directorships, which constituted a violation of the Tabaksblat Code. The Chairman noted that Mr. Stevens had retired and had less than five supervisory directorships with companies listed in the Netherlands, which, therefore, was fully in compliance with the Tabaksblat Code.

The Chairman observed that there were no further comments and, after an electronic vote, established that the reappointment resolution had been adopted with 715,723,348 votes in favor, 1,393,532 votes against and 5,182,164 abstentions.

The Chairman established that Mr. Stevens had been reappointed as a member of the Supervisory Board.

### **8.4 Announcement of a vacancy in 2006**

The Chairman put forward that in 2006, at the end of the Annual General Meeting of Shareholders, Mr. K.J. Storm would step down according to schedule as a member of the Supervisory Board due to the expiry of his 4-year term of office. Mr. Storm was eligible and available for reappointment.

Mr. Leenaers requested the Nominating Committee to consider in its recommendation that Mr. Storm was Chairman of AEGON N.V.'s Executive Board when equity lease products were sold.

## **9. AUTHORIZATIONS TO ISSUE SHARES AND TO ACQUIRE SHARES**

### **9.1 Authorization to issue shares in the Company**

The Chairman established that the literal text of this authorization had been included in the explanatory notes to the agenda. In accordance with Dutch law, it was proposed to authorize the Executive Board to resolve to issue shares (or grant a right to subscribe for shares), having obtained the approval of the Supervisory Board. This would give the Executive Board the opportunity to



respond quickly, without having to wait for prior approval from shareholders. For common shares, the authorization was limited to 10%, plus 10% in the event of an acquisition. This '10 plus 10' formula presently was the customary formula. The Chairman reminded the meeting that the authorization as recently as last year mentioned a limit of 10% plus 20%. The authorization does not apply to cases coming under the authorization referred to in item 9.3.

Mr. Spanjer asked why the authorization to issue shares had been disconnected from the restriction on shareholders' pre-emptive rights. The Chairman noted that this had been the case for years and Mr. Streppel added that the authorization to issue shares required a normal majority of the votes cast, whereas the authorization to issue shares restricting or excluding pre-emptive rights required a qualified 2/3 majority.

Mr. Ayodeji asked whether the authorization was intended with a view to a specific transaction. The Chairman noted that this was not the case and that it was a general authorization for a time period of 18 months.

The Chairman noted that there were no further comments and, after an electronic vote, established that the authorization resolution had been adopted with 473,201,753 votes in favor, 237,063,699 votes against and 12,033,592 abstentions; that more than half of all votes had been cast in favor of approval of the authorization, and that the general meeting, therefore, resolved to grant the Authorization as from today for a time period of 18 months.

## **9.2 Authorization to restrict or exclude pre-emptive rights upon issuing shares in the Company**

The Chairman put forward that the literal text of this authorization had been included in the explanatory notes to the agenda. In accordance with Dutch law, it was proposed to authorize the Executive Board to restrict or exclude shareholders' pre-emptive rights when issuing common shares (or granting rights to subscribe for common shares), having obtained the approval of the Supervisory Board. This authorization, together with that of item 9.1, would give the Executive Board the opportunity to respond quickly, without having to wait for prior approval from shareholders, to circumstances necessitating an issue of common shares without or with restricted pre-emptive rights. This authorization, just like that in item 9.1, was limited to 10%, plus 10% in the event of an acquisition. The Chairman reminded the meeting that the authorization as recently as last year mentioned a limit of 10% plus 20%.

The Chairman went on to note that there were no comments and, after an electronic vote, established that the authorization resolution had been adopted with 580,787,563 votes in favor, 135,699,490 votes against and 5,142,157 abstentions; that more than two-thirds of all votes had been cast in favor of approval of the authorization, and that the general meeting, therefore, resolved to grant the authorization as from today for a time period of 18 months.

## **9.3 Authorization to issue shares in the Company as part of incentive plans**

The Chairman put forward that the literal text of this authorization had been included in the explanatory notes to the agenda. The authorization was the same as the one in previous years. AEGON had already had stock-option programs for all of its employees for a very long time. An overview of these programs had been included in the annual reports. The authorization also applied to the shares and stock options awarded as part of the Long-Term Incentive Program for the members of the Executive Board, as described in the section entitled 'Remuneration Policy' in the annual reports for 2003 and 2004, as approved by shareholders during the meeting of shareholders in 2004. The authorization was limited to 1% of the issued capital.

Mr. Spanjer wondered why this subject had been itemized separately. Mr. Streppel replied that AEGON had already had an annual stock-option program for all of its employees for a very long time that annually covered no more than 1% of the issued capital, and that the shares with which the stock-option programs were hedged could be purchased or newly issued on the stock exchange. Permission was presently requested for the latter.



The Chairman noted that there were no comments and, after an electronic vote, established that the authorization resolution had been adopted with 714,137,174 votes in favor, 3,019,713 votes against and 5,142,157 abstentions; that more than half of all votes had been cast in favor of approval of the authorization, and that the general meeting, therefore, resolved to grant the Authorization as from today for a time period of 18 months.

#### **9.4 Authorization for the Company to acquire shares in its own capital**

The Chairman put forward that the literal text of this authorization had been included in the explanatory notes to the agenda. The authorization for the Company to purchase shares in its own capital was the same as the one in previous years. It was limited to the number of shares allowed according to the law and the Articles of Incorporation, i.e. 10% of the issued capital. This authorization also would give the Executive Board the opportunity to respond quickly to circumstances necessitating the purchase of shares by the Company in its own capital.

Mr. Spanjer asked for how many shares this option had been used during the past 18 months. After consulting the Director of Group Treasury, the Chairman noted that this was for approximately 1%.

The Chairman noted that there were no comments and, after an electronic vote, established that the authorization resolution had been adopted with 717,910,513 votes in favor, 659,059 votes against and 3,729,472 abstentions; that more than half of all votes had been cast in favor of approval of the authorization and that the general meeting, therefore, resolved to grant the Authorization as from today for a time period of 18 months.

#### **10. ANY OTHER BUSINESS**

Mr. Eustace took the floor and thanked the Chairman for his membership of the Supervisory Board since 1992 and for his chairmanship of the Supervisory Board since 2000. He was of the opinion that a word of thanks on behalf of shareholders would also be in order indeed. Mr. Boissevain concurred with this. The Chairman kindly thanked them for their friendly words.

#### **11. CLOSE OF THE MEETING**

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

So drawn up in The Hague, the Netherlands, on July 21, 2005, and adopted and [only the Dutch version] signed on October 24, 2005.

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M. Tabaksblat, Chairman

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P. Tuit, Secretary

*“The Dutch version of these minutes (including the slides attached, 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.”*