

## **PROPOSAL TO AMEND THE ARTICLES OF INCORPORATION**

of

**AEGON N.V.**

with official seat in The Hague.

### **Introduction:**

This proposal to amend the Articles of Incorporation of the Company provides for a number of changes based on the Dutch Corporate Governance Code as well as legislative changes. This concerns among other things (whereby references between brackets refer to articles to be amended of the Articles of Incorporation):

- remuneration policy for the Executive Board (article 16.3);
- Executive Board members are appointed for a period of four years, subject to reappointment (new article 17.6);
- required approval from the General Meeting of Shareholders for certain significant resolutions (article 20.1);
- annual release from liability of Executive Board and Supervisory Board members (article 34.2);
- policy on reserves and dividends as well as dividend proposals (articles 32.4, 32.7 and 34.2);
- right of shareholders to propose agenda items (article 36.4);
- external auditor is entitled to attend shareholders meetings (article 40.5); and
- abolition of requirements with regard to the attendance list of shareholder meetings (article 40.7).

Also proposed are provisions regarding indemnification of Executive Board and Supervisory Board members (new article 28A).

Set forth below is the verbatim text of the proposed amendments, with a further explanation per article concerned.

The text of the clauses of the current Articles of Incorporation that are to be changed are stated in the left column and the proposed changes to the Articles of Incorporation are stated in the right column. Clauses of the current Articles of Incorporation not stated in the left column remain unchanged.

The text of the proposal below is an English translation of a proposal prepared in Dutch. In preparing the text below, an attempt has been made to translate as literally as possible without jeopardising the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law. In this translation, Dutch legal concepts are expressed in English terms. The concepts concerned may be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

**Current text:**

**Proposed new text:**

**Article 16. Executive Board Members.**

(...)

16.3 The terms of employment of the Executive Board members shall be determined by the Supervisory Board.

(...)

16.3 The Company shall pursue a policy in the field of the remuneration of the Executive Board. This policy is determined by the General Meeting; the Supervisory Board shall make a proposal with respect thereto. The remuneration policy shall contain at least the subjects described in Sections 2:383c through 2:283e of the Dutch Civil Code, to the extent these subjects concern the Executive Board. The Supervisory Board shall establish the remuneration and further conditions of employment for each Executive Board member with due observance of the aforementioned policy. With respect to arrangements in the form of Shares and/or rights to subscribe for Shares, the Supervisory Board will submit a proposal for approval to the General Meeting. This proposal should at least state the number of Shares or rights to subscribe for Shares that can be assigned to the Executive Board as well as the criteria for assignment and amendment. Executive Board members shall be entitled to an indemnity from the Company and D&O insurance in accordance with the provisions of Article 28A.

*Explanatory note to Article 16.3*

*Adjustment to the new Section 2:135 of the Dutch Civil Code, which has come into effect on 1 October 2004.*

## **Article 17. Appointment, suspension and removal of Executive Board members.**

*The current Articles 17.6 and 17.7 are renumbered 17.7 and 17.8 respectively, and a new Article 17.6 is included, reading as follows:*

- 17.6 An Executive Board member shall retire not later than the day on which the annual General Meeting of shareholders is held in the fourth calendar year after the calendar year in which such member was last appointed. An Executive Board member who retires in accordance with the previous provision is immediately eligible for reappointment.

### *Explanatory note to new Article 17.6*

*Based on best practice provision II.1.1 of the Dutch Corporate Governance Code. The proposed provision does not apply to sitting members of the Executive Board who were appointed for an indefinite period of time. They have agreed to a rotation schedule on a voluntary basis. The new Article 17.6 will apply to them in the event of reappointment.*

## **Article 20. Approval of Executive Board Resolutions.**

*The current Articles 20.1, 20.2 and 20.3 are renumbered 20.2, 20.3 and 20.4 respectively, and a new Article 20.1 is included, reading as follows.:*

- 20.1 The Executive Board shall require the approval of the General Meeting for resolutions entailing a significant change in the identity or character of the Company or its business, in any case concerning:
- (a) the transfer of (nearly) the entire business of the Company to a third party;
  - (b) entering into or terminating a long term cooperation between the Company or a Subsidiary and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company;
  - (c) acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one third of

the sum of the assets of the Company according to its balance sheet and explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet and explanatory notes according to the last adopted annual accounts of the Company, by the Company or a Subsidiary.

20.3 The absence of approval by the Supervisory Board of a resolution as referred to in Article 20.1 (except for Article 20.1 under (1)), or Article 20.2 shall not affect the authority of the Executive Board or the Executive Board members to represent the Company.

20.4 The absence of approval by the General Meeting or the Supervisory Board, respectively, of a resolution as referred to in Article 20.1 or Article 20.2 (except for Article 20.2 under (1)) shall not affect the authority of the Executive Board or its members to represent the Company.

Explanatory note Article 20

*Adjustment to the new Section 2:107a of the Dutch Civil Code, which has come into effect on 1 October 2004.*

**Article 22. Supervisory Board Members; Eligibility.**

*The following sentence is added to Article 22.4:*

"The Supervisory Board members shall be entitled to an indemnity from the Company and D&O insurance in accordance with the provisions of Article 28A."

**Article 28A. Indemnity and insurance.**

28A.1 To the extent permissible by law, the Company shall indemnify and hold harmless each member of the Executive Board and of the Supervisory Board, both former members and members currently in office (each of them, for the purpose of this Article 28A only, an "Indemnified Person"), against any and all liabilities, claims, judgements, fines and penalties ("Claims") incurred by the

Indemnified Person as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a "Legal Action"), brought by any party other than the Company itself or its Group Companies, in relation to acts or omissions in or related to his capacity as an Indemnified Person. Claims will include derivative actions brought on behalf of the Company or its Group Companies against the Indemnified Person and claims by the Company (or any of its Group Companies) itself for reimbursement for claims by third parties on the ground that the Indemnified Person was jointly liable toward that third party in addition to the Company.

28A.2 The Indemnified Person will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Indemnified Person shall have been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).

28A.3 Any expenses (including reasonable attorneys' fees and litigation costs) (collectively, "Expenses") incurred by the Indemnified Person in connection with any Legal Action shall be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that Indemnified Person that he shall repay such Expenses if a competent Court in an irrevocable judgement should determine that he is not entitled to be indemnified. Expenses shall be deemed to include any tax liability which the Indemnified Person may be subject to as a result of his indemnification.

28A.4 Also in case of a Legal Action against the Indemnified Person by the Company itself or its Group Companies, the Company will settle or reimburse to the Indemnified Person his reasonable attorneys' fees and litigation costs, but only upon receipt of a written undertaking by that Indemnified Person that he shall repay

such fees and costs if a competent Court in an irrevocable judgement should resolve the Legal Action in favour of the Company or the relevant Group Company rather than the Indemnified Person.

28A.5 The Indemnified Person shall not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the Company's prior written authorisation. The Company and the Indemnified Person shall use all reasonable endeavours to cooperate with a view to agreeing on the defence of any Claims, but in the event that the Company and the Indemnified Person would fail to reach such agreement, the Indemnified Person shall comply with all directions given by the Company in its sole discretion, in order to be entitled to the indemnity contemplated by this Article 28A.

28A.6 The indemnity contemplated by this Article 28A shall not apply to the extent Claims and Expenses are reimbursed by insurers.

28A.7 The Company will provide for and bear the cost of adequate insurance covering Claims against sitting and former Executive Board members and sitting and former Supervisory Board members ("D&O insurance"), unless such insurance cannot be obtained at reasonable terms.

28A.8 This Article 28A can be amended without the consent of the Indemnified Persons as such. However, the indemnity provided herein shall nevertheless continue to apply to Claims and/or Expenses incurred in relation to the acts or omissions by the Indemnified Person during the periods in which this clause was in effect.

#### Explanatory note to Article 28A

*The new article 28A provides for an indemnity for members of the Executive Board and the Supervisory Board as well as for an obligation of the Company to ensure adequate D&O insurance is in place, unless such insurance is not available in the market at reasonable terms. The indemnity does not apply in the event the granting of indemnity by the Company is not permitted by law, such as in the event of wilful misconduct or intentional recklessness on the part of the director concerned. These provisions are considered to be*

*appropriate given the scope of the responsibilities of the Executive Board and the Supervisory Board as well as the international trend in which the risk to incur liability claims (right or wrong) has increased. In addition, the proposed changes offer a provision for the - often long - period of time taken by legal proceedings, in which the outcome is uncertain at the outset. In that case, the Company must settle or reimburse the expenses, but the relevant director shall be obliged to again reimburse the expenses paid to the Company if it is eventually determined in court that he is not entitled to the indemnity.*

### **Article 32. Profits and Distributions.**

(...)

32.4 The remaining profit shall be put at the disposal of the General Meeting of Shareholders.

(...)

(...)

32.4 The profits remaining after application of Articles 32.1 and 32.3 shall be put at the disposal of the General Meeting of Shareholders. The Executive Board, subject to the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.

(...)

#### *Explanatory note to Article 32.4*

*Adjustment relating to best practice provision IV.1.5 of the Dutch Corporate Governance Code regarding dividend proposals. Also refer to the explanatory note on the proposed change to Article 34.2.*

*To Article 32 a new Article 32.7 is added, reading as follows:*

32.7 The Company's policy on reserves and dividends shall be determined and can be amended by the Supervisory Board, upon the proposal of the Executive Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item. The Supervisory Board, upon the proposal of the Executive Board, shall each year determine which part of the profits shown in the adopted profit and loss account shall be reserved. The profits remaining after allocation to reserves shall be determined by the General Meeting.

Explanatory note to Article 32.7

*Adjustment pursuant to best practice provisions IV.1.4 of the Dutch Corporate Governance Code regarding the policy on reserves and dividends.*

**Article 34. Annual General Meeting of Shareholders.**

(...)	(...)
34.2 The agenda of such meeting shall contain, inter alia, the following subjects for discussion:	34.2 The agenda of such meeting shall contain, inter alia, the following subjects for discussion:
(a) discussion of the annual report;	(a) discussion of the annual report;
(b) discussion and adoption of the annual accounts;	(b) discussion and adoption of the annual accounts;
(c) release from liability of the Executive Board members and of the Supervisory Board members;	(c) dividend proposal (if applicable);
(d) appointment of an accountant;	(d) appointment of an external auditor;
(e) other subjects presented for discussion by the Supervisory Board or the Executive Board and announced with due observance of the provisions of these Articles of Incorporation, as for instance with respect to the designation of a body of the Company competent to issue Shares and with respect to the authority of the Executive Board to cause the Company to acquire own Shares or depositary receipts therefor.	(e) other subjects presented for discussion by the Supervisory Board or the Executive Board and announced with due observance of the provisions of these Articles of Incorporation, as for instance (i) release of the Executive Board members and Supervisory Board members from liability; (ii) discussion of the policy on reserves and dividends; (iii) designation of a body of the Company competent to issue Shares; and/or (iv) authorisation of the Executive Board to make the Company acquire own Shares or depositary receipts thereof.

*Explanatory note Article 34.2*

*In accordance with best practice provision IV.1.6 of the Dutch Corporate Governance Code, a proposal to release Executive Board members from liability and a proposal to release Supervisory Board members from liability shall be tabled separately. Providing separate agenda items for any amending of the policy on reserves and dividends (for discussion) on the one hand and the dividend proposal on the other is based on best practice provisions IV.1.4 and IV.1.5 of the Dutch Corporate Governance Code; see also the explanatory note to the amended article 32.4 and the newly proposed article 32.7 of these articles of incorporation. The proposed changes to the current text (left column) are indicated in the right column above by 'strike through' and 'underline'.*

### **Article 36. Notice and agenda of meetings.**

(...)

36.4 Requests to add subjects to the agenda of the General Meeting of Shareholders, made by Shareholders who, solely or jointly, represent at least one-tenth percent (0.1%) of the issued Common Shares, will be honoured if these are presented in writing at the Company's registered office, at least two and at a maximum of three months prior to the day on which the meeting will be held, unless in the opinion of the Supervisory Board and the Executive Board there are important Company interests which would oppose the adding of such subjects to the agenda.

(...)

(...)

36.4 Shareholders who, alone or jointly, represent at least one-tenth percent (0.1%) of the issued capital or a block of shares, alone or jointly, worth at least fifty million euro (EUR 50,000,000) according to the Official Price List of Euronext Amsterdam N.V. (or any publication taking its place), shall have the right to request of the Executive Board or the Supervisory Board that items be placed on the agenda of the General Meeting of Shareholders.

These requests shall be honoured by the Executive Board or the Supervisory Board under the conditions:

- (a) that important Company interests do not dictate otherwise; and
- (b) that the request is received by the chairman of the Executive Board or the chairman of the Supervisory Board in writing at least sixty (60) days before the date of the General Meeting of Shareholders.

(...)

#### Explanatory note Article 36.4

*Adjustment to the new Section 2:114a of the Dutch Civil Code, which has come into effect on 1 October 2004. AEGON's low threshold (0.1%, the new Section 2:114a of the Dutch Civil Code requiring 1%) is maintained.*

### **Article 38. Chairman of the Meeting.**

*The following sentence is added to Article 38.1:*

"The chairman of the meeting shall have all powers needed to ensure the proper and orderly functioning of the General Meeting of Shareholders."

Explanatory note to Article 38.1

*Addition clarifying the role of the chairman of the meeting.*

**Article 40. Rights at Meetings and Admittance.**

*The following sentence is added to Article 40.5:*

"Also, the external auditor of the Company shall be authorized to attend and address the General Meetings of Shareholders."

Explanatory note to Article 40.5

*This change anticipates a legislative proposal to the same effect (proposed amendment to Section 2:117 of the Dutch Civil Code, legislative proposal, no. 29737). It is also based on best practice provision V.2.1 of the Dutch Corporate Governance Code.*

40.7 Each person entitled to vote or his proxy Deleted  
must sign the attendance list. The chairman of the  
meeting may decide that the attendance list must  
also be signed by other persons present at the  
meeting.

Explanatory note to Article 40.7

*Abolition of requirements with regard to the attendance list of shareholder meetings. If and when deemed necessary, the chairman of the meeting may decide to have an attendance list signed without that specifically being provided in the Articles of Association (also refer to the addition to article 38.1 proposed hereinabove). However, signing of an attendance list will often be redundant.*