MINUTES
Aegon N.V. ANNUAL GENERAL MEETING OF SHAREHOLDERS 2015
MAY 20, 2015
The Hague, Aegonplein 50

MINUTES of the Annual General Meeting of Shareholders (AGM) of Aegon N.V. ('Aegon' or 'the Company'), having its registered office in The Hague, held on Wednesday, May 20, 2015, at 10:00 CEST, at the Aegon head office, Aegonplein 50, The Hague, the Netherlands.

Agenda:: page

1. Opening

The *Chairman* opens the meeting and welcomes the shareholders and other participants. The meeting will be held in English. Simultaneous translation from English to Dutch and from Dutch to English is available. Voting on the relevant agenda items will take place electronically. Voting devices and voting smart cards have been distributed prior to the meeting.

The *Chairman* states that the following Supervisory Board members are present: Irv Bailey, Robert Dineen, Shemaya Levy, Ben van der Veer, Leo van Wijk and Corien Wortmann-Kool, as well as himself, Rob Routs. Dick Verbeek and Dona Young are unable to attend this AGM due to other obligations. The Executive Board members are also present: Alex Wynaendts and Darryl Button. In addition to the members of the Executive Board, who are also members of the Management Board, the other MB members are also present: Adrian Grace, Tom Grondin, Marco Keim, Gabor Kepecs and Mark Mullin. In conformity with the Dutch Corporate Governance Code, the auditors who performed the audit of the 2014 Annual Accounts – Ruud Dekkers, Angie Blomberg and Emile Rondhout from PwC – are present at this meeting.

The minutes of this AGM will be kept in English by the Company Secretary, Ms. Anne-Marie Roth-Verweij. The draft minutes will be available for comments on the corporate website for three months from August 20, 2015. The final minutes, signed by the Chairman and the Secretary, will be available from November 20, 2015, on aegon.com. An unofficial Dutch translation will be made available as well.

The *Chairman* establishes that this AGM has been convened in accordance with Dutch law and Aegon's Articles of Association. The convening of this AGM has taken place by an announcement on Aegon's corporate website on April 8, 2015, and by an announcement in one national newspaper in the Netherlands on April 8, 2015. The agenda, together with the explanation and the annexes, has been sent to holders of shares registered in the shareholders' register held by the Company. Holders of New York Registry shares have been notified of the AGM and the agenda items by separate writing. When convening the meeting, the agenda items were listed that will be dealt with at this meeting. Notice was given that the agenda with explanatory notes, the Annual Report 2014, including the Annual Accounts, as well as the supplementary data required by law, were available free of charge at Aegon's head office in The Hague, on Aegon's corporate website, at ABN AMRO Bank in Amsterdam and via ABN AMRO's e-voting website. The AGM documents have been available for inspection from the day on which this meeting was convened and will remain available after the meeting.

The issued share capital at the Record Date of April 8, 2015 consists of 2,727,282,911 shares, of which 2,145,947,511 are common shares and 581,335,400 are common shares B. Both types of shares have a par value of 12 eurocents. Discounting non-voting treasury shares (49,516,806) and taking into account the waived voting rights on common shares B (1 vote for every 40 shares), the number of voting shares as at the Record Date is 2,110,964,090.

Later during the meeting, the *Company Secretary* announces that 92 holders of common shares and common shares B are present at the meeting. They represent, together with shareholders who have voted through e-voting or via proxy voting, a total of 1,460,127,621 votes. This number represents 67.58% of the currently issued and outstanding share capital and 69.17% of the 2,110,964,090 voting shares as at the registration date of this meeting. As in previous years, shareholders have been actively encouraged to vote at the AGM.

The draft minutes of the AGM of May 21, 2014 have been available for comments at Aegon's office in The Hague and were also published for comments on Aegon's corporate website on August 21, 2014. The final minutes, signed by the Chairman and the Secretary, were available as of November 21, 2014.

2. Presentation on the course of business in 2014

The *Chairman* introduces Alex Wynaendts, Aegon's CEO, who will give a presentation on the course of business and significant events in 2014. The slides of the presentation of Mr. Wynaendts are considered part of these minutes and are published on aegon.com.

Mr. *Wynaendts* starts with the purpose of the Company: 'helping people take responsibility for their financial future'. This is what every employee, every team and every business unit at Aegon is focused on. The only way we can live up to our purpose is to become a truly customer-centric company.

Five key trends have continued to shape our industry in the past year: 1) changing demographics, 2) new technology, 3) low interest rates, 4) increasing regulation, and 5) the EU capital requirements: Solvency II. These all affect the way Aegon is doing business. Mr. Wynaendts discusses the five trends:

- The first trend – changing demographics – is already affecting public policy and customer behavior. By the middle of this century, there will be nearly 1.5 billion people worldwide over the age of 65. Of this total, over a quarter will be over 80. Not enough people are financially prepared for retirement. For the last four years, we have been measuring this level of 'retirement readiness' across the world by interviewing thousands of people in different countries. The 2015 Aegon

Retirement Readiness Survey will be published later this month (see aegon.com), together with the launching of a new center for Longevity and Retirement here in The Hague, which will work closely with the Transamerica Center for Retirement Studies in the US. The survey not only helps inform and educate the public, it also provides data and insights into customer needs.

- The second trend is new technology. An increasing number of our customers prefer to buy life insurance, pensions and other products and services online. Our products must therefore be easy to understand and suitable for online sale. In the Netherlands, the 'MijnAegon' (My Aegon) app has proved very successful, and was one of the most downloaded financial services apps in the country. We have also been recognized for our online innovations in many other countries.
- The third key trend is the drop in interest rates. Low interest rates have a significant impact on our business and we have taken a number of management actions to mitigate the impact. We are shifting our business so that, proportionally, less of our earnings come from spreads on interest rates and more from fees. Products are being reviewed, sales are being reduced or products are being taken off the shelf where low interest rates make them unattractive to either our customers or us.
- The wide range of changes to regulation in our industry is partly a consequence of the financial crisis, with regulators seeking to strengthen consumer protection, particularly through increased capital requirements. We have also seen new laws on tax and data privacy. In some of our markets, the scale of change is unprecedented – for instance in the UK, where barriers are being removed to give savers more choice. Furthermore, we have seen the end of commissions to brokers in certain markets – a big step for the industry considering the traditional reliance on selling through intermediaries. These changes in regulation have a significant effect on our business – on how we price and sell products, on our risk management, and even on how we organize our company.
- The most significant regulatory change in our industry is the implementation of the European Union's new capital rules for insurers – known as Solvency II – which will come into force on January 1, 2016. The aim of Solvency II is to enhance consumer protection. Insurers will have to prove they have enough capital to meet obligations to customers, even under severe stress scenarios. Aegon supports the move to Solvency II because we believe the new rules will enhance risk management and governance. Aegon is on track in terms of Solvency II implementation.

Aegon's strategic framework enables to address both opportunities and risks in our operating environment. The starting point is our purpose, which feeds through into our company values, our strategic objectives and our ambition. Focusing on our ambition – to be a leader in all our chosen markets – is a key reason why we are stronger today than we were only a few years ago. By being "a leader" we do not necessarily mean being the largest; we mean being the most recommended by our customers, our business partners and our intermediaries, and also being the employer of choice. Mr. *Wynaendts* gives an update on where we are regarding each of the four strategic objectives.

- Optimizing our portfolio implies choosing whether to enter or exit a market, sell or discontinue a product, or change the pricing or features of a product. Over the last twelve months, we took a number of important decisions. These included selling our stakes in our partnerships with La Mondiale in France and Caja Badajoz in Spain, as well as our business in Canada. We reinvested part of the proceeds from these divestments in new joint ventures with Santander Totta in Portugal, La Banque Postale in France and BANCOOB – the Cooperative Bank of Brazil – to expand our distribution franchise.

- Our second strategic objective – operational excellence – is about creating a more cost-efficient and more responsive company. We took a number of key steps during the last year. First, we adjusted product offerings to the continued low interest rate environment. Second, we launched new products to meet evolving customer needs, and third, we also established our global enterprise IT strategy framework to help create a culture of innovation and make the very most of technology to improve our customer experience. Through these actions, we have been able to realize cost savings. Another significant step was establishing a Corporate Venture Fund of EUR 100 million to invest in technology-driven start-ups in the financial sector. So far, we have already made investments in six different companies, which are giving us insight into new technological developments – and in turn helping us to be a leader in the digital world.
- Our third strategic objective is to strengthen customer loyalty. Aegon has worked hard over the last year to become a truly customer-centric company. Taking advantage of opportunities that technology offers was an important element of this – such as investing in new business models like Knab, our unique online bank in the Netherlands. We are also focusing on customer service in other ways, such as implementing customer relationship management (CRM) software, and measuring our 'Net Promoter Score', which enables us to learn whether customers would recommend Aegon to others.
- Our fourth strategic objective is to empower employees. This means ensuring that all Aegon employees feel engaged with our strategy and empowered to bring it to life. Our aim – to become the most-preferred employer in our sector – is a big challenge, but we have made real progress through attracting new people with new ideas from different industries, through introducing a new Talent Review Process and promoting workforce diversity. This progress is evidenced by the results of this year's employee survey. Not only have our engagement and enablement scores improved, Aegon has also reached the high-performance standard for both indicators.

Mr. *Wynaendts* then discusses the most important developments in each of Aegon's markets:

- In the US, our largest market, the most significant change in 2014 from a strategic perspective was the merger of two US divisions to create our new Investment & Retirement division. The rationale underlying this was that we want people to continue their relationship with Aegon up to and throughout their retirement. Following the restructuring, we are already seeing tangible benefits in terms of distribution, investment solutions and, above all, better connections with customers.
- In the UK the platform strategy is enabling us to serve customers up to and throughout their retirement, regardless of the distribution channel they want to use – be it through their employer, via an intermediary, or directly online with Aegon. In the first quarter, we upgraded approximately 20,000 customers from our old systems onto the platform, bringing in GBP 500 million in assets, and raising total assets on the platform to GBP 3.8 billion. We expect to upgrade a further 70,000 in the coming months, which should bring in additional assets of GBP 1 billion.
- The Dutch market is moving in the same direction as the markets in the US and the UK. In terms of pensions, the Netherlands is still very much a defined-benefit market. Dutch pension funds hold over EUR 1 trillion in assets for their participants. As the largest pension insurer in the Netherlands, we are well placed to benefit from buy-outs in the market. We do, however, expect this market to remain slow in 2015 as a result of the persistently low interest rates. Going forward, defined-contribution will become increasingly important. Aegon is well positioned for this growth. In the last year, we have become the second largest administrator of pension contracts after winning

over one million new customers, 900,000 of which originate from the industry-wide retail pension fund. In addition, Aegon NL is also the largest provider of PPI-defined contribution contracts.

- In our New Markets, we continue to see significant growth opportunities, and we are focusing our efforts on growing our protection business, expanding our distribution networks, and implementing direct propositions. On protection, we have seen strong growth in our high-net-worth segments in Hong Kong and Singapore, but also in Central and Eastern Europe. On distribution, Aegon Spain has not only developed strong partnerships with banks, including Banco Santander, it is also developing a new professional advisory channel to better meet customers' needs. In terms of our online propositions, one of the highlights is that Mongeral Aegon was Brazil's first online insurer. Its website attracted more than half a million visitors.
- Finally, Aegon Asset Management continues to deliver strong growth due to the expansion of our third-party business, such as the retail funds in China and the UK.

Today, Aegon is more customer-centric, more technologically advanced, and has better distribution networks. We have taken actions to fund and develop new technology and expand our distribution, as well as reduce costs, review products and services, and examine where to focus on our capital. But our strategy has not only delivered operational success in terms of being customer-focused**,** it is also proving effective from a financial perspective. Our strong financial performance and our maintenance of our strong capital position enable us to deliver value to our stakeholders.

Aegon's aim is to grow the dividend in a sustainable way, taking into account both our capital position and our cash flows. For 2014, we paid an interim dividend of 11 eurocents a share, and we are also proposing a final dividend of 12 eurocents a share. This is an increase of more than 5% compared with 2013. And we will continue to offer our investors the choice between a dividend in either cash or shares, with the stated intention to neutralize any dilution from dividends paid in shares. As a result, our pay-out ratio is around 50% of our Operating Free Cash Flows, which we believe is an appropriate level in today's environment, taking into account the interests of all our stakeholders.

Mr. *Wynaendts* concludes that a strong capital position, talented employees and customer trust are crucial to meeting our ambitions. Because of these fundamentals, Aegon can offer an attractive long-term investment, contribute to a wider section of society, and make good on the promises to our millions of customers.

The *Chairman* thanks Mr. Wynaendts for his presentation and gives the opportunity to ask questions.

Mr. *Keyner* (VEB) compliments Aegon's integrated reporting. Given the positive tone of annual reports in general, he asks what management sees as the main challenges, referring to the ambitions and targets on page 22 and 23 of the Annual Review. With regard to operational excellence as one of the ambitions, he sees huge opportunities but no concrete cost-reduction goals. He also refers to the financial targets. Aegon is very transparent on them, but none of them have been met until now. He tends towards concluding that maybe more drastic actions are needed. Concrete goals on operational excellence would help in this respect.

The *Chairman* thanks Mr. Keyner for his compliments on the report. A lot of work has gone into it. The Report paints a positive picture and he thinks it should transmit to the shareholders. Mr. *Wynaendts* adds that the report tries to be balanced, in the sense that we obviously talk about the things we want to improve and the areas where we are making progress. It is clear that we are making very good progress on changing the mindset of the Company into one that is truly customer-centric. Aegon is committed to making significant investments to support that ambition. The report clearly identifies the challenges: low interest rates, regulatory changes, implementation of new capital standards, and consumer protection. These challenges have to be addressed. The report also mentions this.

Mr. *Wynaendts* states that in terms of operational excellence, there is an ambition to do more with less and to do it better. When you have 38 million customers all over the world with complicated products and complicated systems, it is indeed a challenge. The reason we are not giving targets is that it is very difficult to specify a single target. Internally there are many targets that are all related to operational excellence. These relate, for instance, to the speed of response to customers, the number of complaints, expense levels and the level of connectivity with our customers. It would be very difficult to present that in one aggregate target, but each of our businesses has parts of its targets linked to operational excellence. Examples are the Net Promoter Score, customer satisfaction and customer loyalty. The progress we are making on operational excellence is discussed with the Supervisory Board. We recognize that we still have a way to go, but it is important that we have defined a clear ambition.

On the financial targets, Mr. *Wynaendts* reminds the meeting that these are to be achieved by the end of 2015. He agrees that Aegon has not yet reached the 10-12% target for return on equity. The targets were set in 2011 in an environment where interest rates were much higher. The current very low interest rates have had an impact on these targets. Nevertheless, management is committed to doing everything possible to get as close as possible to these targets. In terms of growth in underlying earnings, Aegon is also somewhat below the targets for the end of 2015. The sale of our businesses in Canada and France have had their impact, while changes in legislation in Central and Eastern Europe are having a significant impact on the pension business. So, external factors have had their impact. Operational free cash flow is the third target, which we are very close to achieving. The final target, which has been achieved, relates to the percentage of our business that is fee business. Management is very committed to doing everything it can to achieve all financial targets, but we also have to realize that the world we operate in, particularly the very low interest rates, have had a significant impact. At the end of 2015, our performance will be evaluated against the targets, also in light of the management actions that have been taken to achieve them.

Mr. *Keyner* (VEB) clarifies his earlier question by stating that he would like to hear in what areas Aegon feels it has been lagging behind the objectives as set. They do not necessarily have to be financial, but there must be areas where Aegon believes it should have done better. Mr. *Wynaendts* states that the Company has been very clear about the ambition of being a leader in our chosen markets. Leadership means most recommended by customers, by distributors and by intermediaries, and being employer of choice. Aegon has disclosed the Net Promoter Score. We have achieved top quartile in a number of our segments but in other segments Aegon is still in the second or third quartile. We will continue to work hard towards achieving that objective. The *Chairman* adds that the Management Board and the Supervisory Board are working on the strategy to see where the next years should lead us.

Mr. *Taverne* (VBDO) compliments Aegon on being classified as Silver Class in the Dow Jones Sustainability World and European Indexes, which is quite an achievement. Regarding Aegon's responsible investment policy, which is in their view of high standard, he raises the question of whether this policy applies to all investments of Aegon. As the VBDO is in favor of sustainable business, so going in the direction of a circular economy, the question is whether Aegon is planning to invest more in companies that are active in the circular economy. The same goes for impact investing: is there a target for Aegon to meet higher standards in the asset class of impact investing? Furthermore, climate change could have a large impact on the value of companies. If Aegon is aware of such potential impact, the question is what Aegon is planning to do to invest more in the direction of sustainable energy.

Mr. *Wynaendts* thanks Mr. *Taverne* for his compliment on the Dow Jones Sustainability Index. Aegon is very pleased with it, employees are proud and customers are increasingly aware of the recognition of the Silver Class.

Regarding the ESG assessment (Environment, Social and Governance), Mr. *Wynaendts* states that ESG is embedded in Aegon's asset management organization. We make sure that ESG data are available to all our portfolio managers and to all our analysts. We have an ESG Officer in each of our units and we have already provided training to 160 portfolio managers and analysts from across our asset management operations in the US, the Netherlands, the UK and Central and Eastern Europe. The next step will be the standard inclusion of an ESG rating in 'tier sheets' developed by our own team. It is an important criterion in our decision-making process. However, we have opted for negative screening and specifically for exclusions. This applies to 100% of our general account investments: the investments for which Aegon itself is responsible in all our large markets, so not just in the Netherlands or the UK, but in the US as well. This effectively represents one third of our total revenue-generating assets. This is a significant step that we have made.

The circular economy is an area of great interest. Aegon certainly looks at the potential in terms of investments in circular-economy opportunities since it relates to sustainable growth. We are looking at it more closely and, as a first step, Aegon has joined a Netherlands-based network of companies and other organizations, including the Dutch government, to look at investment opportunities in the circular economy.

On impact investing, Aegon increased the amount of impact investments to EUR 4.6 billion in 2014. There is no target, but there is also no clear definition of impact investing. We have social housing in certain areas, we have wind farms in others. As many of our investment mandates are made on behalf of external customers, we cannot direct these. Aegon can only direct those investments that are under our own control. We also have to make sure that these impact investments meet our risk and return requirements. Therefore, Aegon thinks the best way forward in terms of impact investing is to continue to encourage our portfolio managers to look at opportunities. In the Netherlands, Aegon has set up a group within Asset Management that looks at infrastructure-related opportunities, such as the green bond portfolio, affordable housing and microfinance. So, Aegon is active in impact investing in many areas, but we are not going to set a target because we believe that we should encourage and look at the different opportunities and make sure that they meet the various requirements.

On climate change, Mr. *Wynaendts* states that Aegon is following the developments. Aegon has started to invest greater amounts in renewable energy. Page 37 of the Annual Review shows that we have now invested EUR 167 million. Many of these investments are not very 'liquid'. Aegon is building capabilities, but it will take time before we have a more significant portfolio. An example is the investment in a solar energy farm in North Carolina. There is also a tax credit structure, which makes these investments more attractive. So, we are clearly active in this area, but it will take time.

Regarding the circular economy, the *Chairman* states that this is an important area. It is still in its infancy, but it is certainly something that Aegon as an investor in companies needs to continue to follow. As more companies come onboard, it is going to be important to keep an eye on them. In terms of the climate change promises, companies like Shell have the cash and the power to develop new sources of energy, so we need to continue to support them.

Mr. *Van Diepen* asks about the sustainability of the business model of Aegon, referring to the lower net profit in the first quarter of 2015 and the lower return on equity. How successful is Aegon in changing the business from interest-based to fee-based? Mr. *Wynaendts* states that the first quarter results have been impacted by a very high level of mortality in the US. But this is not related to Aegon's earnings model and it has nothing to do with interest rates. The first quarter has actually been very strong in terms of sales and capital position. In Aegon's business model, profit emerges over the lifetime of a product, so it is difficult to correlate the sales figures with the profitability of a specific quarter. In the first quarter of 2015, our new business profit was EUR 140 million, which is a very strong performance in a low interest rate environment. Obviously, margins drop in such an environment, which is why Aegon is focusing more on fee business. That actually has been very much the right strategy in this environment. We have achieved our objective of over one third of our business coming from fee business.

Mr. *Vreeken* (We Connect You Public Affairs and Investor Relations) compliments Aegon on its efforts in the area of sustainability. He also mentions cybercrime as an important area of attention and the trend towards a "jobless society" and its impact on the pension and life insurance business. Mr. *Wynaendts* thanks Mr. Vreeken for the compliments. He states that cybercrime is clearly one of the biggest risks for our industry. Aegon invests a great deal of resources and knowledge to protect the Company as much as possible against cybercrime, also using external expertise. This is a very high priority. Mr. Wynaendts does not see a jobless society as a realistic future model. There will be a more flexible workforce. The fact that people have to take responsibility for themselves is exactly what supports Aegon's strategy: helping people to understand their needs, trying to provide them with solutions so that once they retire, they can do so with peace of mind.

Mr. *Van der Krans* (MN Services) speaks on behalf of APG, PGGM and Menzis Beleggingen. He compliments management on their openness and willingness to have a dialogue with institutional investors. He asks for an update on where Aegon stands in changing the culture to make the Company more customer-centric and to attract a new type of professional – perhaps more agile, more innovative employees – to be able to cope with the challenges of 2020 and beyond. Mr. *Wynaendts* refers to his presentation that started with the purpose of the Company. We share a common purpose where we want to help customers take responsibility for their financial future. We spend much more time making sure that every single employee around the world not only understands this purpose, but is also proud of it. Our employees need to understand what they can do to help move the Company towards that purpose. That is where the big cultural shift is taking place. Aegon was a manufacturer of products and it needs to shift towards being a company that focuses on its purpose. The employee survey shows that an overwhelming majority of our employees recognize that the Company is changing into a company that is becoming truly customer-centric. In that light, Aegon is attracting people from outside the financial sector, so we get different influences, different cultures and different skills. This will help change the Company, adjusting to the new reality of technology.

Mr. *Heinemann* warns against 'conventional wisdoms'. The first one is that one should not invest in oil and gas. However, if we all invest everything in solar energy, wind farms and so on and nothing in fossil fuels, there will be a shortage of fossil fuels and they will be very expensive. The second one is the interest rate insurance companies must have. They must follow the market rate, which nowadays is very low, but which has improved substantially in recent weeks. It is still under 1% but soon we will have surpassed this level. One should not forget that the market rate was 12% in 1978 and perhaps the former system, where there was a nominal interest rate ('rekenrente') of 4%, was far better because now we may be running a risk that Aegon will be unable to perform its future obligations. He is strongly in favor of the nominal interest rate.

The *Chairman* agrees that it is obvious that oil and gas are still needed in this world. It would be physically impossible to convert completely to renewable power in the next ten to twenty years. The global capacity is not there and it is unaffordable. Mr. *Wynaendts* refers to the question of whether we, as an insurance company, should not continue to assume a 4% interest rate in the pricing of our products and hope that interest rates go up again at some point in the future. The reality is that, with interest rates at the level they are at now, it would be unwise and very detrimental to assume that they will go up to 4% in the future. If they do not reach that level – and nobody really knows what will happen – it would put the Company in a very dangerous position.

Mr. *Knaap* states that page 61 of the Annual Review states that fraud-related incidents have decreased by 40%, but he doubts whether this is an accurate reflection of reality. Is Aegon being aggressive about reducing these figures further? Mr. *Wynaendts* explains that prevention of fraud is a key part of our operational risk management. We have significant risk management – and particularly operational risk management – organizations to deal with fraud in all of the countries in which we operate. Aegon has taken many measures to prevent fraud. Preventing cybercrime has a high priority, as already stated. Aegon has an integrated operational risk management organization which can quickly communicate and share experiences, ensuring that the same fraud cannot take place in another market. Up to now, we have been reasonably successful. In a number of cases, Aegon has been successful in detecting fraud at an early stage. Aegon's independent internal audit organization performs deep audits, including with regard to factors such as management behavior and business culture. We make sure we have the right people at the top. Management is the first line of defense, the second is operational risk management and the third is internal audit.

In reply to a question from Mr. *Spanjer* on the online business in Brazil, Mr. *Wynaendts* explains that Aegon is the first company to offer customers life insurance products online. It is too early to say anything about our success, but having 500,000 visitors on the website is a good start towards generating business.

Regarding the question from Mr. *Spanjer* on the court cases regarding unit-linked policies in the Netherlands, Mr. *Wynaendts* states that this is an ongoing discussion. The Nationale-Nederlanden case that was brought before the European Court of Justice ('ECJ') did not provide a lot of direction. The ECJ referred the decision to the Dutch court on a case-by-case basis.

Regarding the question from Mr. *Spanjer* on litigation in the US, Mr. *Wynaendts* answers that Aegon is involved in litigation in the ordinary course of business. They are reported in the Annual Report under legal and arbitration proceedings, regulatory investigations and actions.

Mr. *Van der Lely* compliments the 2014 results. He asks why Aegon is selling its Canadian business. Another question is what the impact of online shopping will be and how Aegon is responding to this development. He also asks about how Aegon prices its products. Furthermore, he asks how Aegon deals with fraud and the role of the Audit Committee in this respect.

On Canada, Mr. *Wynaendts* states that Aegon wants to be in markets where we can achieve a leading position and where we can be most recommended by customers, intermediaries and our employees. That requires a certain degree of scale. For Canada, we have come to the conclusion that we will not achieve our ambition of being the most recommended company also because the business there is too small. Aegon has announced the sale and hopes to be able to complete the transaction soon.

Regarding the impact of online shopping and new players in the market, Aegon is very much aware of the need to move quickly. That is one of the reasons why Aegon is investing in start-up companies in financial technology. We believe that having a share in these companies will help us follow developments more closely. Aegon has taken several steps in the meantime. Knab is a good example in the Netherlands. In the UK and in the US we have other examples of innovations.

Mr. *Wynaendts* states that pricing is done in such a way that it meets the requirements of customers, taking low interest rates into account where applicable.

Regarding fraud, Mr. *Van der Veer* states that the Audit Committee and Risk Committee – as one can read on page 95 of the Annual Report – look at operational risk management and specifically at fraud and general compliance issues. In addition to what Mr. Wynaendts said about all efforts to deal with cybercrime, Mr. Van der Veer states that the overall control environment of Aegon is strong, but nobody can give full assurance that there will be no fraud. Aegon does everything it can to prevent fraud, but one cannot give any guarantees in a rapidly changing digital environment. Aegon has a sound culture and internal procedures that help avoid and detect fraud, such as a whistleblower procedure.

As there are no further questions, the *Chairman* moves to the next agenda item.

3.1 Annual Report 2014

The *Chairman* introduces Darryl Button, Aegon's CFO, who will give a presentation on the full-year 2014 results and the highlights of the 2015 Q1 results, the latter as published on May 13. The presentation slides of Mr. Button are considered part of these minutes and are available on aegon.com.

Mr. *Button* states that 2014 was a good year for the Company, although the progress we made was not fully reflected in our underlying earnings, which declined by 5% to EUR 1.9 billion. Net income was, nevertheless, up strongly. Our expense level was relatively stable – with operating expenses increasing by 1% in 2014 to EUR 3.3 billion – while Aegon's sales increased by an impressive 20% to EUR 8.6 billion. This was a result of higher gross deposits, new life sales and production of Accident & Health and general insurance. We are also pleased that our revenue-generating assets increased significantly, exceeding the EUR 500 billion mark for the first time in Aegon's history in August 2014, and now standing at over EUR 600 billion.

In recent years, we have improved our profitability by reducing costs, being disciplined with our pricing, and directing more of our capital to areas we believe offer the best returns and the strongest growth. These achievements did not mean, however, that 2014 was without its challenges. The changes to our assumptions and updates to our actuarial models in the third quarter had a negative impact on underlying earnings, as did continued market volatility, and in particular, low interest rates – more than offsetting the benefit of business growth and favorable equity markets. As a result, Aegon's underlying earnings before tax in 2014 decreased by 5% to EUR 1.865 million compared with 2013. Net income, on the other hand, increased strongly by 38% to EUR 1,186 million compared with 2013. This was mainly driven by lower losses from fair value items, higher realized gains and lower impairments.

The strong sales numbers are a clear reflection of the trust that customers are placing in us. The strong increase in gross deposits was driven by pensions, variable annuities and mutual funds in the US, by production from Knab, our innovative online bank in the Netherlands, and by Aegon Asset Management. Net deposits increased by 5% to almost EUR 9 billion compared with 2013. Moreover, new life sales increased 7% compared with 2013, passing the EUR 2.0 billion mark for the first time – mostly driven by higher universal life production in the United States and Asia, and higher pension production in the Netherlands. Furthermore, Accident & Health and general insurance sales exceeded EUR 1 billion, mainly thanks to the successful expansion of our distribution in the US.

The capital position of the group and the individual country units remain solid. A strong capital position is a key element of our strategy, as we provide long-term commitments to our clients. The Group IGD ratio was strong at 208% at the end of 2014, supported by solid Operational Free Cash Flows. Holding excess capital stood at EUR 1.2 billion. Return on equity was lower due to model changes and assumption updates, but management actions – such as the sale of our Canadian business, running off non-core businesses and focus on profitable sales – should all contribute to higher returns going forward.

Profitable new business growth, together with reducing the capital intensity of our business, will contribute to growth in the Operational Free Cash Flow from our business units. Operational Free Cash Flow, excluding one-time items, was lower due to the impact of low interest rates and investments in our business. At the same time, we reduced our holding expenses through cost savings and deleveraging. Free Cash Flow was up 4%, supporting dividends to shareholders. Aegon received EUR 900 million in dividends from its business units during 2014, almost all of which came from the Americas. These were used to fund dividends to shareholders and coupons on debt. The main driver behind the lower excess capital number was the significant deleveraging undertaken during 2014.

We ended 2014 with a gross financial leverage ratio of 28.7%, well within our target range of 26% to 30%. Fixed charge coverage improved significantly to 6.5 times, also within our target range. This improvement was mostly driven by a reduction in outstanding debt of over EUR 2 billion, including EUR 1 billion in 2014 alone. We also took advantage of current market conditions to refinance leverage at lower interest rates going forward. The steps we took to reduce leverage and increase our fixed charge coverage strengthened our balance sheet and provided us with greater financial flexibility.

Subsequently, Mr. *Button* discusses Aegon's 2015 Q1 results. These were clearly mixed, with disappointing underlying earnings contrasting with very strong life sales and deposits. The most significant impact was the adverse claims experience in our US business, with additional impacts due to a further decline in interest rates, particularly in the US. At the same time, there were record sales, which show how our customers are responding to our attractive products and services.

Aside from announcing our financial results, Mr. *Button* states that Aegon also provided an update to the market on the preparations for Solvency II. The implementation of this new capital framework is a significant undertaking not just for Aegon, but for the entire industry in Europe. Many colleagues across the business are working very hard to ensure that we are fully prepared by January 2016, and we are gaining greater insights into the implementation process of Solvency II as the implementation date approaches. A number of key items remain uncertain, however, and these will need to be resolved before the end of the year. In particular, we will be submitting our internal models for regulatory approval for our Dutch and UK businesses before the end of 2015 Q2. We are also assuming equivalence for our US business, while the conversion of the life insurance companies' RBC ratios is still under discussion with DNB. Taking into account not only these uncertainties but also the progress made so far, we can reaffirm that we expect our Group Solvency II ratio to remain within the range of 150% to 200%. There has been significant speculation on where group ratios in the industry will land. Aegon's view, however, is that the local ratios will be more important, because these ratios will ultimately drive cash flows to the holding.

In summary, Mr. *Button* states that Aegon is pleased with both the financial results for 2014 and the progress towards becoming a leader in our chosen markets. There are a number of challenges. Despite the gradual increase, Aegon expects interest rates to remain low and more regulation – both of which can have a significant impact on our business. Looking ahead, management is confident that, thanks to the strong financial position and the continued execution of our strategy, Aegon is well positioned to take advantage of the opportunities in our markets and to create value for both our customers and shareholders alike. This will enable Aegon not only to help millions of people across the world secure their financial future, but also to deliver attractive value to our shareholders.

The *Chairman* thanks Mr. Button for his presentation and states that questions can be posed after the presentation on the Remuneration Report and the statement by the external auditor under agenda items 3.2 and 3.3.

3.2 Remuneration Report 2014

The *Chairman* introduces Leo van Wijk, chairman of the Supervisory Board Compensation Committee, who will give a presentation on the Remuneration Report. Mr. Van Wijk's presentation slides are considered part of these minutes and are available on aegon.com.

Mr. *Van Wijk* discusses the highlights of the Remuneration Report (see Annual Report pages 100 – 106). The Executive Board remuneration is embedded in the Aegon Global Remuneration Framework. The framework applies to all staff throughout the Group, in particular 'Identified Staff', also called 'material risk takers'. The framework is based on Dutch regulation on sound remuneration and provides strict rules and guidelines. The Executive Board Remuneration Policy has not been changed since 2011. The remuneration paid in 2014 to the EB members comprises two elements.

The first element is the fixed compensation:

- Mr. Wynaendts: EUR 1,154,071, which is 10% higher than 2013 (2013: EUR 1,049,156).
- Mr. Button: EUR 752,559 , no change compared with 2013 (= USD 1,000,000).

After the increase, the Executive Board's total compensation is still below the 25th percentile of our peer groups, even though the policy allows for a total compensation at median level.

The second element in the remuneration consists of the deferred compensation elements from prior years that vested in 2014:

- Mr. Wynaendts: gross cash EUR 389,890 + gross number of 91,820 shares.

- Mr. Button: gross cash EUR 93,533 + gross number of 19,146 shares. This relates to 2013 only and reflects the starting date of May 15, 2013 as appointed CFO.

The conditional variable compensation over 2014 is only to be paid out from 2015 onwards:
- Based on the outcome on Group performance measures and individual performance measures, Mr. Wynaendts achieved an overall score of 79.1% and Mr. Button 79.8%.

In 2015, 40% of variable compensation related to performance year 2014 is payable directly. The remaining part (60%) of conditional variable compensation for performance year 2014 is to be paid out in future years, subject to ex-post assessments that may result in downward adjustments, and subject to additional conditions having been met. In each of the years 2016, 2017 and 2018, 20% of the total conditional variable compensation related to 2014 may be made available. Any payout will be split 50/50 in a cash payment and a number of shares (vesting). After vesting, a retention (holding) period is applicable to the shares for a further three years.

Variable compensation measures are a mix of financial and non-financial performance indicators. For the 2014 performance period, an on-target/good score for non-financial targets was achieved. Short-term financial targets scored slightly below target. The Strategy/Sustainability targets are a) Relative position on the Dow Jones Sustainability Index, and b) Employee engagement scores (as measured through the annual Employee Survey). Aegon aims for longer-term consistency and dependability by keeping this set of measures stable over a number of years. The metrics (targets) for these measures are of course updated annually.

Mr. *Van Wijk* states that a change for 2015 as compared with 2014 is the introduction of a fifth indicator, this being Operational Free Cash Flows, on a normalized basis. Given the Budget/MTP targets, this is a crucial element in Aegon’s plans and must therefore be reinforced by making it one of the Group Performance indicators. The same Group performance measures are used for part of the target-setting purposes for all Identified Staff and other senior managers, to enhance singularity of purpose and more general alignment across the Group.

Since 2013, agreements between a Dutch listed company and an Executive Director no longer qualify as employment contracts. The new Board agreement has to be a service agreement. Mr. Button signed such a service agreement when he was appointed. Mr. Wynaendts’ contract will be converted into such a service agreement as well. Clauses from the previous employment contract that are no longer suitable or otherwise need updating will be amended, e.g. the change-of-control clause offering three times the base salary will eliminated, and the pre-retirement (non-activity) arrangement from age 60 to 62 will be eliminated and replaced with a pension at age 60, which is a less generous arrangement. New clauses will be included, e.g. severance payment in case of early termination limited to a maximum of one year annual salary in cash, which is in line with the Dutch Corporate Governance Code.

Regarding the remuneration policy in general, Aegon strives for a balance between global consistency and local competitiveness. The Supervisory Board recognizes that Executive Remuneration in the financial sector, and in particular variable compensation, continues to be subject to public discussion. Given Aegon’s very international character, we have to deal with a vast array of opinions and perceptions on these issues. Aegon must remain competitive in all the labor markets in which it operates. As a consequence, there is no one right answer to the debate on variable compensation.

Prior to 1 January 2015, selected senior staff were eligible for variable compensation exceeding the new maximums. Starting on 1 January 2015 (start of the performance period), variable compensation levels of selected roles at senior levels have been adjusted downwards to match the applicable new maximum under Dutch law. For Aegon-NL this means a 20% maximum on average for senior management. Variable compensation for staff covered by the Collective Labor Agreement has been abolished. Fixed compensation has been raised to (partially) compensate staff for this. A specific clause applies to Aegon N.V. (holding of the Group in NL). This means that Corporate Centre continues to apply the present maximum of 100%, e.g. for the Executive Board. Variable compensation below EB level has been decreased though, also to keep alignment with Aegon-NL. For Aegon companies in Europe, excluding the Netherlands, the maximum has now become 100%. Outside Europe, the new maximum has become 200%.

We have to realize that all of these adjustments and limitations – which are driven by Dutch regulation – are impacting Aegon's competitive position, certainly outside the Netherlands, because our competitors in the markets abroad are not bound by them. This is an area of concern to us, particularly in the UK and the US. Going forward, we will have to deal with it.

The *Chairman* thanks Mr. Van Wijk for his presentation and states that questions can be posed after the statement by the external auditor under item 3.3.

3.3 Annual Accounts 2014: Proposal to adopt the Annual Accounts 2014

The *Chairman* invites Mr. Ruud Dekkers from PwC, the independent auditor, to comment on their audit work with regard to the 2014 Annual Accounts. The Chairman adds that Aegon has released PwC from the obligation to observe confidentiality to allow them to comment on the audit of, and the report on, the financial statements of Aegon N.V.

Mr. *Dekkers* states that he is happy to give some explanation of PwC's audit of Aegon's 2014 financial statements and to answer questions on their audit. The extended audit report from PwC can be found on the pages 301 through 309 of the Annual Report. This year, for the first time, the Audit Report is based on new international standards and shows the materiality levels used, the audit scope and the key audit matters. Materiality determines the scope and depth of PwC's audit work. The materiality is determined on the basis of what is relevant to stakeholders. PwC has set the materiality level at EUR 70 million, being approximately 5% of the three-year average of income before tax of Aegon. PwC audits also include certain items relevant to stakeholders with a much lower materiality, such as the remuneration of the Executive Board and Supervisory Board. PwC has agreed with the Audit Committee that PwC reports unadjusted misstatements above EUR 4 million. The audit scope is based on the way Aegon is organized. PwC has performed audit work in all significant locations where Aegon has operations, including the Americas, the Netherlands, the UK, Central and Eastern Europe, and Spain. In the Americas, the Netherlands and the UK, due to their relative size, PwC performed full-scope audits based on the overall materiality level, while they performed specific procedures in CEE, Spain and in Asset Management.

Mr. *Dekkers* further states that in addition to the Audit Opinion on the year-end Annual Report, PwC issued a controls opinion in the Annual Report as included on page 114. PwC also issued review reports for the interim financial statements for the first, second and third quarters, and an assurance report on Aegon's corporate responsibility reporting in the Aegon 2014 Review (CR reporting). It should be noted that issuance of a controls opinion is not standard practice in the Netherlands. PwC's approach consisted of review procedures on these quarterly financial statements, the annual audit of the financial statements and controls, and a combination of audit and review procedures on Aegon's CR reporting. Furthermore, audit teams around the globe are directed through detailed written instructions, regular calls and visits by senior team members of PwC's group team. Mr. Dekkers states that he personally visited the US, the Netherlands and the UK operations. He was also present at the local audit committee meetings at those locations.

Mr. *Dekkers* further states that Key audit matters are the most important matters PwC has identified in the audit plan and in the audit work during the year. PwC identified six key audit matters, which Mr. Dekkers comments on briefly:

- One is the valuation of insurer contracts. This is the most significant liability on an insurance Company's balance sheet and it involves significant judgment to determine the right amount. PwC used their own actuaries to assist in auditing these balances. The calculations and judgments made by Aegon were assessed to determine the reasonableness of the recorded liabilities.
- The second key audit matter is about deferred policy acquisition cost. These are upfront costs associated with writing an insurance contract, which are capitalized and expensed over the lifetime of that insurance contract. This asset requires significant judgment with regard to its recoverability. PwC's own actuaries were used to assess the recoverability and judgment made by Aegon.
- The third key audit matter is the fair value of financial instruments. This matter is related to investments that are illiquid and thus require significant judgment from Aegon management in its valuation. PwC uses their own valuation specialists to assist in auditing the calculations and assessing the judgments made by Aegon to determine the right amount.
- The fourth key audit matter is the uncertainties in policyholder claims and litigation. The insurance industry is seeing increasing consumer activism and regulatory scrutiny relating to product design and selling practices. The Company has encountered claims and litigation in this respect and we have assessed the Company's position on these matters, including any needed liability and the disclosures, which are quite extensive in the annual accounts.
- The fifth key audit matter is very specific: the sale of the Canadian business. PwC made sure that the sale of the Canadian business was correctly treated in the 2014 annual accounts.
- The sixth is specific to PwC: that is the fact this was the first year that PwC acted as Aegon's auditor. Mr. Dekkers explains that the transition actually started in August 2013. PwC performed many procedures to ensure that their understanding of Aegon was sufficient for them to fulfill their professional responsibility. These procedures included, but were not limited to, close interaction with EY as the previous auditor, active knowledge-sharing with Aegon management and staff, attendance at formal clearance meetings, evaluation of key accounting positions and audit matters from prior years, review of management controls documentation and meetings with the Dutch Central Bank.

Mr. *Dekkers* finally remarks that there is also other information in the Annual Report. That information essentially consists of the business overview, the Report of the Supervisory Board, the Remuneration Report, the Corporate Governance paragraph and the Risk Report. PwC reviews that information to see if it is consistent with the information in the annual accounts. This is not merely a marginal review; PwC reviews this in detail to see if it is correct and consistent with what we know about it. Where necessary, PwC asks for changes to be made. PwC uses its own corporate governance, remuneration and corporate responsibility specialists for the review.

The *Chairman* thanks Mr. Dekkers for his explanation and opens the floor to questions on agenda items 3.1, 3.2 and 3.3.

Mr. *Van der Lely* does not believe it is useful for the external auditor to make a statement during the AGM, because all of the information could be included in the annual report. He further asks why a service agreement will be concluded with the CEO rather than an employee contract. Mr. *Van Wijk* explains that, by law, companies are no longer allowed to have employment contracts with members of the Executive Board that are appointed in accordance with their articles of association. They are now party to a service agreement, which gives them a different status. In the past, if they were dismissed as members of the Executive Board, they were still bound to the Company by an employment contract.

Mr. *Keyner* (VEB) raises a question on the assumptions regarding expected returns on Aegon bonds (page 155 of the Annual Report). Since interest rates have been dropping significantly, one would expect assumptions to be dropping accordingly. Page 155 of the Annual Report states that the long-term assumption for 10-year US Treasury yields remains at 4.25% and the uniform grading period is 10 years, while Aegon's assumed returns for US separate account bond funds remain at 4% over the next 10 years and 6% thereafter. As these assumptions have a big impact on the valuation of the insurance business in the US and the US is by far the most important part of our company, he questions whether this is a prudent way of valuing the bond portfolio.

Mr. *Keyner's* second question concerns the potential claims of customers, especially in the Netherlands. This is one of the key audit matters that the external auditor has been referring to, the so-called *Woekerpolissen* (unit-linked policies). It is very important not only that the auditor looks at them from a purely financial point of view, but also that he gets feedback or input from legal specialists that help him to decide how much we should make and even get some provisions in the numbers. His question to the auditor is what kind of legal expertise he has sought.

His third question has to do with the very fortunate settlement Aegon made with Stichting OPTAS, the harbor laborers, in 2014. Mr. *Keyner* states that he was surprised that Aegon made a provision, while one would have expected provisions to have been made years earlier.

In reply to the first question, Mr. *Button* explains that the assumption setting is appropriate. The 6% as mentioned is for the bond fund behind our variable annuity product, for instance. It is a total-return assumption. Aegon does assume that it is a depressed assumption over the first ten years because of the rising interest rate environment after which we return to a long-term risk premium over a long-term risk-free rate. Given this, we feel very comfortable with those assumptions, which are discussed in audit committees and with the external auditor. Aegon also does a great deal of external benchmarking regarding those assumptions. Mr. *Dekkers* (PwC) confirms this approach, including the benchmarking.

Regarding the assessment of the financial impact of legal risks. Mr. *Button* explains that Aegon uses outside counsel on certain litigation matters. It is ultimately management's responsibility to make sure that we are posting the adequate provisions for any legal risk that we assess. Any provision is discussed with the external auditors and the audit committee. It is a combination of external advice and independent oversight, but it is definitely an internal assumption.

On the financial side of the OPTAS settlement, Mr. *Button* points out that from an accounting perspective, Aegon could not take a provision on the balance sheet until there was a final settlement.

Mr. *Dekkers* (PwC) adds that IFRS requires that there be a legal or constructive obligation and the amount needs to be able to be reasonably determined. If that is not the case, the Company has to disclose the problem in the financial statements. That is the reason why you find a number of pages of disclosure notes in the Annual Report, explaining all the litigation and case statuses. The OPTAS claim was quite complicated and the outcome was unpredictable. In such cases, the Company is not allowed to take a provision. Even when the amount was known and parties had reached an agreement, it still had to be approved by the court. So, for a number of quarters, the OPTAS claim was disclosed but no provision was taken. The court gave its final approval just before year-end 2014 and then the amount could be taken as a provision.

Mr. *Keyner* (VEB) asks what the logic is of claims if no provisions can be taken until there is full certainty. Mr. *Dekkers* (PwC) replies that the Annual Report needs to give a full picture to the reader of the situation of the Company. The auditor wants to be sure that the disclosures are complete, that provisions are taken at the right level and at the right time, and also that the reader is aware of any issues.

Mr. *Keyner* (VEB) states in reply to the earlier explanation by Mr. Button that he does not understand why 4% for a 10-year bond is reasonable. Mr. *Button* states that the 10-year US Treasury bonds are used as a reference for the valuation of our long-term products that we offer in the marketplace. The markets are in a very low interest rate cycle now, but we do not expect that to last. This is forcing us to make an assumption to go through the cycle when we unlock our DACs and project our profit through the cycles. However, we do not use those assumptions for new business pricing. We take a look at where we are in the cycle and we put hedges in place to make sure that we lock ourselves in. Those hedges create some volatility in our fair value results, but that is the nature of managing the business through long-term cycles.

Mr. *Heinemann* refers to the remark by Mr. Button that the results of Aegon have been negatively influenced by the low interest rates. Mostly, low interest rates go hand in hand with a booming stock market. The stock market has done enormously well in the past month. The question is what the result of both developments will be. A related question is in what kind of shares Aegon does invest.

With regard to the general account part of the business, which is where the Company offers long-term guarantees, Mr. *Button* explains that Aegon does not hold any substantial amount of equity exposure for the backing of those liabilities. As a result, Aegon does not participate in the upside of equity markets as it relates to guaranteed business. It is also that same guaranteed business where the low interest rate environment causes more headwinds to our earnings. That varies by market, but that is where it has been difficult to find assets with durations long enough to fully match the liabilities and where, as a result, Aegon does have some mismatch. The low interest rate environment has caused the bigger of the two effects there. Regarding the separate account business, which is where Aegon invests policyholder money on their behalf, the policyholder chooses the investments. He bears the risk of those investments, while Aegon earns a fee. In many cases, fee income will increase as the policyholder's assets grow. Aegon does participate in some of the equity market upside with regard to some of our pension and variable products. From a pure earnings perspective, the interest rate tends, and has tended, to dominate over the equity, particularly since we started to do more and more equity hedging to protect our capital base to make sure that we protect the downside and the upside.

Mr. *Heinemann* asks whether Aegon also takes into account the ageing of the population. Mr. *Button* explains that understanding mortality is a core part of the business. Aegon does have some natural hedges in place in that the Company has a number of businesses, particularly in the US, which are mortality-driven and offsetting longevity businesses, which are important here in the Netherlands but in the US as well. The economics of those different products vary depending on whether or not people live longer. Aegon's mortality assumptions for all of our business and products always use take into account the Company's best estimate of future mortality improvements. That is built into the reserves, accounting and hedging.

Mr. *Taverne* (VBDO) states that the VBDO is happy with the CR reporting but would be even happier if the non-financial elements met the same assurance standards as the financial data. The VBDO is also happy with the breakdown of the tax paid as reported in the Annual Review on page 64. No tax is paid in the Netherlands, but a huge amount – over EUR 180 million – is paid by the tax office to Aegon, while the income statement on page 55 shows that income tax amounts to EUR 262 million. He asks for an explanation.

Mr. *Button* states that he appreciates the comments on the integrated report. Aegon is proud of it and it is something that we certainly do not consider an end-product, particularly with regard to the non-financial KPIs that are mentioned. As we have those shaped and prepared for external communication, Aegon will continue to expand disclosure in this area. That includes additional assurance work over time on the metrics that we think are subject to external disclosure.

Regarding the tax question, Mr. *Button* remarks that it will never be possible to fully reconcile cash tax paid in any jurisdiction versus IFRS tax financials, also because the Company is constantly opening and closing new tax years and has to deal with tax issues that go back several years. As we close those off, we often have adjustments in any year, which could drive a lot of volatility in the cash tax situation. Regarding the Netherlands, Aegon has been working with the Dutch tax authorities to get some improvements in the tax laws relating to how our hedge instruments are treated. There was a mismatch in the tax rules between the way that hedges were treated and the way liabilities were treated, so it was giving us very distorted answers. We were able to clear up some rulings on that last year and that allowed us to true up the position from prior years. There were many prior-year adjustments that came into the 2014 Dutch cash tax situation. The IFRS numbers will give a better representation of the accrued profits made and the accrued taxes, but on a deferred and not a cash basis.

Regarding the remuneration policy, Mr. *Keyner* (VEB) remarks that it is surprising to see that Total Shareholder Return does not have a central place in the long-term variable pay for executives. Secondly, he states that he understands many of the remuneration challenges that Aegon has as a global Company, especially with such a strong US dominance where people look differently at variable pay than at least in the western part of Europe. However, comparing remuneration with the US is not always the best answer. You might get people who will be motivated for the wrong reasons, which is not in the interest of shareholders and other stakeholders.

Regarding the remuneration targets, Mr. *Van Wijk* explains that Total Shareholder Return (TSR) was used in the past but it certainly did not sufficiently reflect the most important performance drivers. The current system is a much better way of directing management towards the priorities as the Board sees them. The experience at many companies is that the use of TSR does not always ensure the right way of managing the Company in the preferred direction and setting the right priorities. Aegon does not use an

Anglo-Saxon basis for its remuneration policy. Executive remuneration is compared with a European financial peer group and there is a second check with the Dutch AEX companies, since Aegon is a Netherlands-based company and operates with a large number of people in the European environment, certainly in corporate headquarters. US peers have a totally different way of looking at remuneration. Generally speaking, US companies have a lower fixed component and a higher variable component. Aegon places different limits on variable compensation in order to be effective in the markets where it operates.

Mr. *Keyner* (VEB) remarks that we are better off without people who are motivated by having 200% or 500% variable pay. We have seen those people within Aegon in the past and it was not a huge success, not for the Company or for the customers, and certainly not for the shareholders. Mr. *Van Wijk* states in general that Aegon has 80% of its business outside the Netherlands, so one cannot apply exclusively Dutch standards to the remuneration. We cannot attract senior executives from abroad to the Netherlands and breed them to top levels with Dutch-style salaries. It is difficult to explain to people in all parts of Aegon that there is a company-wide remuneration policy that cannot reflect all local elements. The *Chairman* adds that many of Aegon's executives stay because of loyalty, despite the pay constraints, but that their loyalty might be exhausted at some point. The second point is that we are already experiencing problems in getting people in because we cannot pay them enough or in the same way as our peers in the US or the UK. Eventually, this is going to have an impact on the Company's performance.

Mr. *Heinemann* remarks that there are indeed significant differences between employment in the United States and in Europe, also in terms of employment protection. Aegon could position European employees on a temporary basis outside Europe to learn from the business culture in other countries. Using such an approach would avoid having to pay the high salaries they pay in the United States. The *Chairman* responds that he doubts whether such an approach would work. Regarding the fact that US employees have much less protection than European employees, Mr. *Van Wijk* remarks that the service agreements now applicable to EB members also offer less protection.

Mr. *Van Diepen* refers to the success of Ageas in Belgium and asks if Aegon could learn from their business model. Referring to the cash flow statement on page 56 of the Annual Review, he asks why the item 'Remeasurements of defined benefit plans' shows a negative amount of EUR 1.2 billion. Furthermore, he refers to the Annual Results of Aegon UK on page 54, where the net income increased by 134%, but underlying earnings before tax by 32%, which requires some explanation. Regarding CEE and New Markets, Mr. *Van Diepen* asks whether there is still a focus on non-life insurance business as being more profitable given the continuing low interest rates.

Regarding the question on the business model, Mr. *Wynaendts* explains that Aegon is shifting the focus in CEE to protection products. That means moving away from pure savings products, which by the way in many cases were unit-linked rather than being directly linked to low interest rates. Aegon CEE is seeking a better balance between unit-linked life products and protection products. In many CEE countries, over one third of our business now comes from pure protection business, which is more dependent on the level of mortality and longevity than on interest rates.

Referring to Mr. Van Diepen's statement on the success of Ageas, Mr. *Wynaendts* responds that it is always good to look at peers and see what we can learn from them. That also applies to Ageas. Aegon's dividend policy is different. Aegon pays out 50% of the operational free cash flow, which Aegon believes is a prudent and appropriate level in an uncertain environment in which we still have to implement Solvency II. This 50% is considered an attractive yield to shareholders.

Regarding Aegon UK, Mr. *Button* states that there are positive earnings, but there are some declines in terms of sales on a year-over-year basis. In 2013, the UK market underwent the retail distribution review, which actually brought through some extraordinary production and revenues in 2013. That settled back down in 2014. The primary strategy in the UK is to build the new platform and to move flows and customers on to the platform. In other words, the UK business model is in transition.

The *Chairman* establishes that there are no further comments or questions on the Annual Report, Remuneration Report and Annual Accounts.

Following an electronic vote showing 1,454,162,303 (99.98%) votes in favor, 362,117 (0.02%) against and 5,541,918 abstentions; the *Chairman* establishes that the General Meeting of Shareholders has adopted the Annual Accounts for 2014.

4. Proposal to approve the final dividend 2014

The *Chairman* states that Aegon's dividend policy aims to pay out a sustainable dividend to allow equity investors to share in the Company's performance, which dividend can grow over time if the Company's performance permits. In normal circumstances, Aegon would expect to declare an interim dividend when announcing the second quarter results and to propose a final dividend at the Annual General Meeting of Shareholders for approval. Aegon proposes a final dividend for 2014 of EUR 0.12 per common share and EUR 0.003 per common share B. This results in a total dividend for the financial year 2014 of EUR 0.23 per common share and EUR 0.00575 per common share B, taking into account the interim dividend of EUR 0.11 per common share and EUR 0.00275 per common share B, paid in September 2014. The final dividend will be paid fully in cash or stock, at the option of the shareholder. The value of the stock dividend will be approximately equal to the cash dividend.

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

Following an electronic vote showing 1,450,387,789 (99.71%) votes in favor, 4,277,272 (0.29%) against and 5,413,086 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has approved the final dividend for 2014.

5. Proposal to release the members of the Executive Board from liability for their duties

The *Chairman* puts forward the proposal to release the members of Aegon's Executive Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2014 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2014 Annual Accounts.

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

Following an electronic vote showing 1,431,412,765 (98.92%) votes in favor, 15,634,053 (1.08%) against and 13,032,529 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has released the members of the Company's Executive Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2014 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2014 Annual Accounts.

6. Proposal to release the members of the Supervisory Board from liability for their duties

The *Chairman* puts forward the proposal to release the members of Aegon's Supervisory Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2014 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2014 Annual Accounts.

The *Chairman* establishes that there are no comments or questions on this proposal.
Following an electronic vote showing 1,431,394,372 (98.92%) votes in favor, 15,643,128 (1.08%) against and 13,041,847 abstentions; the *Chairman* establishes that the General Meeting of Shareholders has released the members of the Company's Supervisory Board from liability for their duties, in so far as the exercise of these duties is reflected in the 2014 Annual Report or has otherwise been disclosed to shareholders prior to the adoption of the 2014 Annual Accounts.

7. Proposal to reappoint Mr. Alex R. Wynaendts to the Executive Board

The *Chairman* puts forward the proposal to reappoint Mr. Alex R. Wynaendts as a member of Aegon's Executive Board for a term of four years from May 20, 2015 (i.e. until the end of the AGM to be held in 2019). The Supervisory Board proposes reappointing Alex Wynaendts in view of his broad international and financial services experience, his leadership and vision, and his performance as CEO. The Supervisory Board has full confidence that with Alex Wynaendts as CEO, Aegon is very well positioned for future growth to entrust the financial future of existing and new customers. Information regarding Mr. Wynaendts is available in the agenda and in the explanatory notes on page 5 and in Annexes 1A and 1B.

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

Following an electronic vote showing 1,437,230,783 (98.87%) votes in favor, 16,463,600 (1.13%) against and 6,379,507 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has reappointed Mr. Wynaendts as an Executive Board member for a four-year term as of May 20, 2015.

8. Proposal to appoint Mr. Ben J. Noteboom to the Supervisory Board

The *Chairman* puts forward a proposal to appoint Mr. Ben J. Noteboom as a member of Aegon's Supervisory Board for a term of four years from May 20, 2015. Information regarding Mr. Noteboom is available in the agenda and in the explanatory notes on page 5 and in Annex 2. He is present here today. The Supervisory Board has full confidence that Mr. Noteboom will be a valuable member of Aegon's Supervisory Board. The intent is that Ben will succeed Leo van Wijk as chairman of the Remuneration Committee.

In reply to questions from Mr. *Beil (MN Services)*, the *Chairman* adds that Mr. Noteboom will also join the Audit Committee, which is a good way to get familiar with the Company.

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

Following an electronic vote showing 1,432,722.834 (98.56%) votes in favor, 20,942,509 (1.44%) against and 6,420,022 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has appointed Mr. Noteboom as a member of the Supervisory Board for a four-year term as of May 20, 2015.

9. Proposal to authorize the Executive Board to issue common shares

The *Chairman* establishes that the full text of the proposed resolution to authorize the Executive Board to issue common shares has been included in the explanatory notes to the agenda. In accordance with Dutch law, shareholders are asked to give the Executive Board authority to issue common shares or grant rights to subscribe for common shares for a period of eighteen months, starting on May 20, 2015, subject to prior approval by the Supervisory Board. The purpose of this proposal is to enable the Executive Board to react quickly, without having to wait for prior approval from shareholders, to circumstances that may require an issue of common shares. Under the terms of the resolution, this authorization will be limited to 10% of Aegon's issued capital, plus an additional 10% in the event of an acquisition. This '10 plus 10' formula is common among companies in the Netherlands. The *Chairman* remarks that this authorization is exactly the same as last year. Upon adoption, this Resolution will replace the authorization granted in 2014.

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

Following an electronic vote showing 1,378,717,583 (94.79%) votes in favor, 75,828,700 (5.21%) against and 5,529,055 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2015, to issue common shares or rights to acquire common shares, subject to the approval of the Supervisory Board.

10. Proposal to authorize the Executive Board to restrict or exclude pre-emptive rights upon issuing common shares

The *Chairman* establishes that the full text of the proposed resolution to authorize the Executive Board to restrict or exclude pre-emptive rights upon issuing common shares has been included in the explanatory notes to the agenda. In accordance with Dutch law, shareholders are asked to give the Executive Board authority, for a period of eighteen months, starting on May 20, 2015, to restrict or exclude shareholders' pre-emptive rights when issuing common shares or granting rights to subscribe for common shares, subject to Supervisory Board approval. This authority, together with that for agenda item 9, will give the Executive Board the opportunity to react quickly, without having to wait for prior approval from shareholders, to circumstances that may require an issue of common shares with or without restricted pre-emptive rights. This authorization is also limited to 10% of Aegon's issued capital, plus a further 10% in the event of an acquisition. This authorization is exactly the same as last year. Upon adoption, this Resolution will replace the authorization granted in 2014.

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

Following an electronic vote showing 1,288,687,457 (88,61%) votes in favor, 165,724,380 (11.39%) against and 45,663,501 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2015, to restrict or exclude pre-emptive rights of existing shareholders following an issue of common shares or the granting of rights to subscribe for common shares, subject to the approval of the Supervisory Board.

11. Proposal to authorize the Executive Board to issue common shares under incentive plans

The *Chairman* established that the full text of the proposed resolution to authorize the Executive Board for a period of eighteen months, starting on May 20, 2015, to issue common shares and/or to grant rights to subscribe for common shares to employees and/or management on the basis of the Aegon Group Global Remuneration Framework and the Executive Board Remuneration Policy has been included in the explanatory notes to the agenda. Variable compensation for senior management and the Executive Board members is usually paid out in cash and shares over multiple years and is subject to specific conditions being fulfilled. This authorization shall be limited annually to 1% of the total nominal amount of the common shares issued at the time that this authorization is used for the first time in any calendar year. The authorization may be withdrawn only by the General Meeting of Shareholders on a proposal of the Executive Board that has been previously approved by the Supervisory Board. Upon adoption, this authorization will replace the one granted in May 2014.

In reply to the suggestion of Mr. *Spanjer* to buy the required shares on the stock market, the *Chairman* states that the proposal reflects the existing procedure that works well.

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

Following an electronic vote showing 1,439,575,096 (98.98%) votes in favor, 14,880,713 (1.02%) against and 5,629,515 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2015, to issue common shares and/or to grant rights to subscribe for common shares to employees and/or management of Aegon N.V. and all of the companies with which Aegon N.V. forms a group, as part of either a group-wide incentive plan or the remuneration policy of the Executive Board.

12. Proposal to authorize the Executive Board to acquire shares in the Company

The *Chairman* establishes that the full text of the proposed authorization to the Executive Board to acquire shares in the Company has been included in the explanatory notes to the agenda. This authorization for a period of eighteen months, starting on May 20, 2015, to acquire shares in Aegon N.V. is similar to the ones granted in previous years. Although Dutch law limits a repurchase of shares a maximum of 50% of Aegon's total issued capital, it is proposed to limit this authorization to 10%. This authorization will allow the Executive Board to be flexible and to react quickly to circumstances necessitating a repurchase of Aegon N.V. shares and can be used for any and all purposes. Upon adoption, this Resolution will replace the authorization granted in 2014.

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

Following an electronic vote showing 1,449,510,275 (99.76%) votes in favor, 3,555,932 (0.24%) against and 7,007,646 abstentions, the *Chairman* establishes that the General Meeting of Shareholders has authorized the Executive Board, for a period of eighteen (18) months, effective May 20, 2015, to acquire, for a consideration, shares in Aegon's own capital. The number of shares that may be so acquired shall not exceed 10% of Aegon N.V.'s total issued capital. Common shares and common shares B may only be acquired at a price no higher than 10% over the actual local market value of the shares immediately prior to the acquisition.

13. Any other business

The *Chairman* congratulates Mr. Wynaendts on his reappointment as member of the Executive Board and Mr. Noteboom on his appointment as member of the Supervisory Board. He also expresses the gratitude of the Supervisory Board to Mr. Van Wijk who will retire from the Supervisory Board as per today. The Board has greatly benefited from his knowledge and experience as a member of the Supervisory Board since 2003, and in particular as a member and chairman of the Compensation Committee. He was also a valuable member of the Nominating Committee.

The *Chairman* also thanks management and all Aegon employees around the world for their continued dedication to helping our customers take responsibility for their financial future.

In reply to a question of Mr. *Spanjer* on the perspective for Aegon Spain, Mr. *Wynaendts* responds that the improvement of the Spanish economy is having a positive impact on Aegon Spain, while the extended strategic partnership with Banco Santander has become more successful following the exit of some former joint ventures.

Mr. *Keyner* (VEB) remarks that Aegon's performance on the Net Performance Score is still weak. He asks if there is any kind of target where we can expect Aegon to be a leader in this sector. The *Chairman* responds that, in general, this will take several years. Mr. *Wynaendts* adds that Aegon is doing pretty well compared with companies in the same areas, but that Aegon wants to be the most recommended Company, also in comparison with smaller specialized companies, which will take longer.

Mr. *Huisman* asks for Aegon's view on developing countries as insurance markets. Mr. *Wynaendts* explains that Aegon has already a strong presence in Central and Eastern Europe as well as in Asia and Latin America (Brazil and Mexico). These markets have strong growth opportunities but the overall risk profile is much higher than in established markets. If you look at the growth in recent years, the biggest majority has come from the established markets in the US, the UK and the Netherlands. Aegon is trying to achieve the right balance between growth in established markets and growth in developing markets, focusing on certain segments of the markets.

With regard to an additional question of Mr. *Huisman* on online business in growth markets like Brazil, Mr. *Wynaendts* states that Aegon has a 50% stake in Mongeral, which is selling through brokers and agents, but increasingly through the internet.

14. Close of the meeting

There being no other business, the *Chairman* thanks everybody present for attending and participating in the meeting, noting that members of the Supervisory Board and Management Board, as well as Investor Relations officers, will be available for questions. The meeting is closed at 13:20 CEST.

Drawn up in The Hague on August 20, 2015, to be adopted and signed on November 20, 2015.

/s/ Rob. J. Routs	/s/ Anne-Marie Roth-Verweij
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Rob J. Routs, Chairman	Anne-Marie Roth-Verweij, Secretary