FINAL MINUTES

These English minutes are a translation of the minutes originally drawn up in the Dutch language. In case of any discrepancy, the Dutch version will prevail.*

271 shareholders were either represented or physically present at the meeting. In total they represented 231,193,201 ordinary shares and 10,021,495 preference shares A, so that 51.8% of the issued voting capital was present.

I. Opening and announcements

The **chairman** opened the general meeting of shareholders and welcomed the shareholders and other attendees. He also welcomed Messrs Niewold and Van Overmeire and Ms Snaak of EY, the external auditor of Delta Lloyd. He introduced the members of the Executive Board (EB), the members of the Supervisory Board (SB) and the civil-law notary who were sitting with him on the podium. Unfortunately, Ms Clara Streit, member of the SB, was unable to attend due to strike action by the French air traffic controllers. Ms Quispel would draw up the minutes of this meeting in her capacity as secretary to the SB. In line with the Corporate Governance Code, the report on this meeting would be made available within no more than three months after the meeting via the Delta Lloyd website. There would be an opportunity to respond to the report in the subsequent three months. The report would then be adopted by the chairman and the secretary.

The meeting was announced in a press release dated 7 April 2016. The invitation, the agenda and the accompanying documents for this meeting were made available for inspection and posted on the Delta Lloyd website on that same day. The registration date was 21 April 2016, so that all formal requirements for the convocation of this meeting were met. The general meeting was thus authorised to make legally valid decisions. Before the meeting, an opportunity was given to shareholders to give a proxy and voting instruction to an independent third party, namely civil-law notary Leemrijse. This meeting would be conducted in Dutch, with a simultaneous translation into English. An electronic voting system would be used during this meeting. Ms Leemrijse would provide a further explanation of the voting procedure and lead the vote. Both a sound and video recording would be made of this meeting.

Before proceeding to deal with the agenda items, the chairman went into the dispute that Delta Lloyd had had with De Nederlandsche Bank (DNB) about the manner in which Delta Lloyd had limited its interest rate risk hedging in the summer of 2012, shortly before DNB introduced a fixed actuarial interest rate for the measurement of liabilities. Last year, there was an extensive discussion in the shareholders meeting about this despite. In December 2014 the SB asked the court for a ruling on the measures imposed by DNB. After the ruling of the administrative court on 31 July 2015, the SB decided not to appeal and to pay the penalty of over EUR 22 million. The company's CFO, Emiel Roozen, and SB chairman, Jean Frijns, both decided to step down. In addition, the AFM imposed a penalty of EUR 750,000 on Delta Lloyd Asset Management in connection with this case, notably in relation to the internal governance surrounding the transactions performed for Delta Lloyd's balance sheet. All in all, this case had a huge impact on our organisation. The management came under close scrutiny and the company received a lot of negative publicity. Delta Lloyd's reputation was damaged and it cost a vast amount of money.

A great deal of attention was devoted to this dispute in 2013, 2014 and 2015. The SB set up a special committee to investigate what had happened with the aid of external legal and accountancy expertise. This investigation revealed that certain things had not been handled well and remedial measures were taken on the basis of this outcome. Amongst other things, these measures comprise the group-wide reinforcement of the internal risk awareness – compliance and governance – and the appointment of a Chief Risk Officer in the EB. A group-wide target was set for compliance awareness among other things via the variable remuneration. The governance and compliance procedures at asset management are continuously monitored and the SB made use of its discretionary powers not to award a variable remuneration to the EB for 2012.

The SB had an evaluation performed under the supervision of an external adviser. The conclusion was that in the course of this dispute the SB had probably focused too much on the legal dimension while probably giving insufficient consideration to what was socially acceptable and desirable behaviour for a financial institution. That was a hard and clear lesson. With hindsight, more opportunities for reflection should have been built into this prolonged process. It was also evident that the relationship with the regulators had to be properly monitored and maintained. The chairman assured the meeting that the relationship with DNB had improved considerably in the course of 2015.

II. 2015 Annual Report (discussion item)

The **chairman** noted that due to the special circumstances surrounding the rights issue, the annual report 2015 consisted of two parts: an annual report 2015, published on 24 February 2016, and an annual review, published on 23 March 2016. The contents of both reports were briefly explained.

The annual report contains the financial results of Delta Lloyd for 2015, its Solvency II position and the corporate governance. This information was made available and published earlier than usual so that it could be used in the prospectus for the rights issue which was successfully completed on 11 April last.

In addition, an annual review was published comprising a detailed and integrated view on our financial and non-financial results as well as in-depth information on the 'closer to the customer' strategy and how this strategy is being translated into actions in order to make a sustainable difference for society. The annual review contains the elements prescribed in the reporting guidelines of the International Integrated Reporting Council (IIRC). Any references to the sustainability report therefore concern the information contained in the annual review.

The annual report of 2015 can be found on pages 1 to 65 of the annual report and on pages 1 to 70 of the annual review.

Before going into the annual report, Mr **Van der Noordaa** gave the floor to the CFO, Clifford Abrahams, who wanted to say a few words to the shareholders.

Speaking in Dutch, Mr **Abrahams** said he was encouraged to see the shareholders at the meeting. Five months into his job at Delta Lloyd, his Dutch was improving slowly, although fortunately most of his colleagues still spoke English with him. He was enjoying his new role immensely. The team around him was good and substantial progress had been made towards strengthening the capital base and improving the commercial and operational results.

Mr **Van der Noordaa** said that 2015 was very clearly a year of transition for Delta Lloyd, in which a good many challenges needed to be addressed and resolved. The organisation had undergone a far-reaching transformation in a relatively short space of time. Various aspects of this, including Solvency II, had already been discussed in the extraordinary shareholders' meeting of 16 March 2016.

Many of the actions taken had served to reinforce the company. In the course of the year, several former core activities had been divested, such as Delta Lloyd Germany and Delta Lloyd Bank. A major management reshuffle had taken place, including the appointment of a new board chairman, a new CRO and a new CFO. And today, Leon van Riet would be introduced to the shareholders as a new member of the EB. So the senior management of Delta Lloyd had undergone major changes.

Delta Lloyd was vigorously redirecting its operations towards capital-light products, i.e. away from traditional defined benefit and towards defined contribution, PPI and, in the future, also APF. In the current environment of stringent regulation and low interest rates and also in view of the customers' current needs, interest in traditional products was waning and modern capital-light pension products were the future.

In the course of 2015, an intensive review had been conducted with the senior management – comprising about 30 colleagues – to identify the areas where the strategy needed to be tightened up. More would be said about this later. Another very dominant factor in 2015 was the transition to Solvency II. At the start of the summer, Delta Lloyd had gone through a very difficult period with many disappointments in terms of solvency and the company's readiness for Solvency II. In the past year, a great many colleagues had worked extremely hard to set things right. This was explained at length during the EGM.

Crucially, lots of uncertainties concerning Solvency II were addressed in close consultation with the regulator in the past period. Many activities were in progress to strengthen Delta Lloyd's capital position.

The rights issue was implemented with the backing of the shareholders. Apart from the rights issue, a series of management actions were also being successfully undertaken. These actions were now being carried out step by step and were already starting to make a contribution towards a strong capital base.

In addition, the reconstruction of the partial internal model, the risk model used under Solvency II, was underway. The model was scheduled for completion in 2018. In practice, this meant that the model had to be delivered to DNB around this time next year in order to leave sufficient time for the six-month feedback, assessment and approval process.

Capital remained a top priority. The first steps had been made, but there was still much work to be done. Delta Lloyd, like many other parties, was struggling with the low interest rates. Fortunately, Delta Lloyd was able to absorb much of the impact of the extreme interest rate decline in the first three months – 50 basis points – with management actions. Solvency ended Q1 at 127%. Assuming a pro forma impact of the rights issue, Delta Lloyd's solvency ratio would work out at 154%.

Capital and capital management were obviously vital, but the company's strategy was also receiving increasing attention. Looking to the long term, it was very important to map out a clear course that would be successful in the coming years and serve the interests of all shareholders.

Uncertainties were on the rise. One example was the pensions for Delta Lloyd's personal customers, where a shift was taking place from defined benefit to defined contribution. More personal responsibility was expected from customers and there were more uncertainties. How could Delta Lloyd help customers make the right choices? Insurers had their work cut out.

It was important to listen carefully to what your customers and your business partners needed. Delta Lloyd called this ‘excelling in meeting customer needs’. Ultimately, it was the customer who decided whether to stay with Delta Lloyd or buy more products and whether he was satisfied and willing to pay for these products.

Apart from customers, intermediaries were also becoming more demanding regarding how products and services were offered. By continuing to develop its distribution channels (online or face-to-face) and new ways of working, Delta Lloyd was doing everything to integrate the diverse channels in order to help its customers 24/7. Ohra had launched a great new service with WhatsApp to provide customers with fast answers to their questions. This app had gone down really well with customers.

Technology had to be used to its full potential. Technology was extremely important for Delta Lloyd, which was always looking to take advantage of the latest innovations. One good example was Delta Lloyd's use of smart logarithms to trawl the internet in search of stolen goods. Delta Lloyd was doing this together with a cutting-edge software company. In the past months, these searches had helped to recover millions of euro’s worth of watches and cars for customers.

Delta Lloyd was increasingly becoming a knowledge-intensive company. More and more operations were being automated. The added value was in the know-how and expertise of the employees. Unfortunately, as elsewhere in society, the ongoing automation of tasks would lead to gradual job losses in the coming years.

Working with partners and intermediaries is inherent in Delta Lloyd's way of doing business. Only recently, Delta Lloyd announced another excellent example of this, namely the partnership with Voogd & Voogd for retail general insurance products. Voogd & Voogd is a party with a splendid platform. They will basically do the front office side of the services, while Delta Lloyd does the underwriting, the risk management.

Mr Van der Noordaa also mentioned the subject of risk and capital management. The construction of the partial internal model was not just a modelling exercise, but also had to do with the overall control of the risks, the governance and the structure. Delta Lloyd had made good progress in this area in the past year, but more needed to be done to be fully in control under the new Solvency II laws.

Mr Van der Noordaa also pointed to the growing importance of asset management for Delta Lloyd. Due to the movement from defined benefit to defined contribution, the asset manager had an increasingly central role in the revenue model. So there too, Delta Lloyd had to make sure that the appropriate steps were being taken in relation to technology, regulations – which were extremely intensive in the field of asset management – but also products. Asset management would be a clear priority for Delta Lloyd in the coming years.

Mr Van der Noordaa referred to the PowerPoint presentation on the ‘Closer to the customer' strategy. Delta Lloyd wanted to be close to the customer, but with profitable value-adding products. Margin over volume, in other words. Delta Lloyd did not want to grow in products that did not yield a decent return. This also meant that Delta Lloyd would continue to sell less risky and less volatile products, such as defined contribution. For the first time ever, no new defined benefit products had been sold in the first quarter.

Capital-light Life and Pension products were the future. Delta Lloyd also saw scope for improvement in its general insurance operations. This was a competitive market in the Netherlands, but potentially profitable if you were efficient and if your claims handling and pricing were good.

Asset management was going through a transition towards holding assets under management for pensions. Delta Lloyd Bank helped to find good-quality mortgages that were an excellent asset on the insurer's balance sheet.

Mr Van der Noordaa went on to discuss the financial results in 2015. New business showed commendable growth. Delta Lloyd had secured a position at the top of the Dutch pensions landscape. A combined ratio of 96.2 was decent, certainly in the Dutch market. The costs were within plan, but

Delta Lloyd was constantly looking for further efficiency improvements while simultaneously keeping up its investments in any areas where this was necessary.

Mr Van der Noordaa then clarified the commercial results in the various divisions. Delta Lloyd Life had secured a strong position in the pensions landscape and in the Life market. It was a leading party in defined contribution, as well as in the PPI market with BeFrank. In Belgium, Delta Lloyd was continuing to grow in protection products, term life insurance and other products.

At Delta Lloyd General, the premium income had only increased slightly, but the combined ratio was very acceptable. This demanded a continuous focus in view of the competitive pressure in the Dutch market and the need to keep improving. Delta Lloyd was in the last phase of applying for an APF (General Pension Fund) licence. This was an excellent opportunity to secure a promising growth position in the Dutch market. Overall, the Dutch market was not expanding fast, but a realignment was getting underway with commercial players entering markets that were previously closed to them. Delta Lloyd was vigorously pursuing these avenues.

Delta Lloyd Asset Management went through a tough year, with lots of new regulations. There were also some backlogs in terms of IT, compliance and the accounting organisation. The organisation was now busy putting its shop in order, as it was vital for an asset manager to be strong in terms of reputation, reliability and team stability. These issues would therefore continue to receive a lot of attention in the coming period.

The asset manager made several big changes to the investment portfolio. In the first place, there was the withdrawal of almost EUR 14 billion which had been under management for the Belgian bank and German insurer. In addition, much of the property and private equity were divested in line with the Solvency II guidelines.

Delta Lloyd Bank, for its part, was confronted with some operational issues at the end of 2014. All these had been set right. The bank had done an excellent job in terms of mortgage origination for the life insurers. Margin-wise, the result for 2015 was stronger thanks to a higher interest margin.

Mr Van der Noordaa also devoted attention to the non-financial results. These were based on a set of indicators such as customer satisfaction. Delta Lloyd was delighted to be voted the no. 1 by pension advisers in the Netherlands for the fourth successive year. This was extremely important for Delta Lloyd, as these were the partners who advised future and existing customers on pension schemes. Professional intermediaries also voted Delta Lloyd an excellent no. 1 in underwriting and no. 3 in general insurance.

The number of employees was falling. This was partly due to the sale of some activities, but it was also an ongoing trend in financial services. The employee engagement score was around 75%. This score indicated the percentage of employees who feel involved in the company.

Delta Lloyd was 100% compliant with the sustainability criteria and had managed to retain its position in the Dow Jones Sustainable Index.

Regarding customer satisfaction, various steps had been made. Customer satisfaction was of paramount importance for Delta Lloyd and was constantly measured, either by subject or label for Delta Lloyd or Ohra. The scores were between 6.5 and 7.5, whereas Delta Lloyd really wanted everyone to score a 7 or 7.5. Performance was managed to achieve these targets. Customer satisfaction received a great deal of attention in the divisions. Delta Lloyd had set itself the emphatic ambition of being the most customer-centric insurer in all areas in which it was active as a competitive player by 2020. Satisfied customers stay longer, buy more products and also act as ambassadors of the company.

Sustainability was another important area for Delta Lloyd. An initial step had been made towards integrated reporting. EY had issued an assurance report on the sustainability subjects. We also wanted our external auditor to give an opinion on this issue. The proportion of assets under management with ESG screening had been raised to 100%. The share of sustainable assets had also increased further to 1.85%.

Sustainability was not just about what you invest in, but also about how you actively approached your customers and intermediaries. Pensions was a theme that made a good fit with Delta Lloyd. Greater pension awareness was vital, particularly as the value of people's pensions was exposed to more risks than before. How could Delta Lloyd play a proactive role in this connection? By providing information, doing research, improving the quality of our advice and making our investment policy more sustainable. These were all elements that Delta Lloyd could put into practice in its services to customers.

The CO_2 emissions had improved and Delta Lloyd was continuing to work hard to strengthen its position in the Dow Jones Sustainability Index.

Mr Van der Noordaa then turned to the first quarter and gave the key points of the trading update as published the day before the meeting and as also indicated in the PowerPoint presentation. The Solvency ratio had dropped back slightly from 131 to 127 because of the enormous impact of the interest rates on the result. This had been explained at length and, in pro forma terms, Delta Lloyd now had a ratio of 154%. Some of the announced plans still had to be carried out in order to lift Delta Lloyd to the upper side of the 140% to 180% range.

Questions were regularly asked about the cooperation with Fubon. There was nothing new to report at the present moment. The ball was now in Fubon's court and it was up to them to prepare their next move. A review would be carried out shortly to ascertain which aspects offered the best opportunities for cooperation, such as asset management.

Mr Van der Noordaa explained where Delta Lloyd's priorities lay in the coming twelve months. Regarding the financial and capital objectives, Delta Lloyd wanted to raise its solvency ratio to the envisaged level. That was a top priority. Moreover, Delta Lloyd wanted to ensure that its capital generation was in order. The target was the previously indicated EUR 200 to 250 million. Delta Lloyd also wanted to live up to its dividend pledge, as explained in the last meeting, i.e. the EUR 130 million. The partial internal model was very important and a high priority. A very large number of people were working on this to get it ready on time. In operational terms, Delta Lloyd was constantly seeking to make improvements. More would be said about this at the Investor Day. The 'closer to the customer' strategy was continuously under development, also in terms of customer satisfaction. Delta Lloyd was also looking for smart ways to raise its brand profile. The Olympic Games would be used for this purpose. Digital was an ongoing priority. Positive steps had been made to improve the Delta Lloyd websites. The number of customers making active use of these websites was higher than expected. There was one big priority, namely APF (General Pension Fund). Delta Lloyd hoped to obtain the licence soon and could then enter into talks with interested customers. Talent development, raising knowledge and faster responsiveness were important issues for Delta Lloyd. This could only be achieved through smart usage of technology, not just at the back end of the business, but above all at the front end vis-à-vis customers, employees and intermediaries.

These were the matters that the EB, together with senior management, would be focusing on in the coming period.

Mr **Stevense** (SRB) asked about the purpose of the analysts day that was planned for the subsequent week. He also wanted to know Delta Lloyd's opinion about the reduction of the actuarial interest rate, whether Delta Lloyd was lobbying against the increasing regulatory stringency and new solvency requirements, and whether the company shouldn't file for damages. Finally, he asked whether Delta Lloyd had done anything to get Van Lanschot to abolish the depositary receipt structure in order to make the company more attractive.

The **chairman** replied that efforts to exert influence on the regulations and changing solvability requirements were obviously being undertaken through the Association of Insurers.

Mr **Van der Noordaa** added that Delta Lloyd had pointed out to regulators and the Ministry of Finance that there was a limit to what organisations could cope with. Overregulation did not necessarily make a company better. At the same time, the sector had also learned lessons from the issues that had arisen.

An annual Capital Markets Day was very common and had become a tradition and gave the management an opportunity to explain to the market what the company's strategy entailed and how it was being implemented. This gave investors more insight into all the priorities and how they were being pursued. The presentations given on that day would be posted on the Delta Lloyd website. Any new developments regarding Fubon would be made public. Delta Lloyd had been in talks with Van

Lanschot in the past years. In view of the new regulations, it no longer made sense for Delta Lloyd to retain a large shareholding in a company with a fairly low trading frequency. Delta Lloyd wanted to exit the company in a responsible manner. Various options had been studied and the market offering process that had now been started up was the most controlled way for Delta Lloyd to part ways with this shareholding.

Mr **Keyner** (Association of Stockholders/VEB) complimented Mr Abrahams with his update in Dutch. He wanted to know how Delta Lloyd was going to earn money in the future. To what extent were legacy issues – i.e. the existing structure – impeding Delta Lloyd from doing what it wanted to do. If Delta Lloyd could be built from scratch, how different would it look? Regarding the competitors, he noted that many insurers intended to focus on fee-based business and capital light products. How was Delta Lloyd going to stand out from the most obvious competitors?

Mr **Van der Noordaa** replied that, fortunately, the old Delta Lloyd also had many assets. It was a strong brand, had a strong relationship with the intermediary and good customer satisfaction ratings in the Dutch insurance market. The trick was to combine Delta Lloyd's strengths and its employees' knowledge and expertise with new initiatives. Ways of improving Delta Lloyd's performance were being explored on all fronts. General Insurance, for instance, was looking at its pricing, claims handling and efficiency in the various product lines. Delta Lloyd was earning money with General Insurance. Several parties were more or less withdrawing from the market. The key was not to focus on market share, but on margin and to choose your products accordingly. Earning money in the Life business depended on several components. Regarding the closed book, the primary issues were efficiency and capital reduction and releasing capital step by step. That was a slow, but also irreversible, development. The better and more efficiently you ran that process, the more value you would be able to extract. Mr Van der Noordaa thought that many still underestimated the new developments surrounding APF (General Pension Fund/GPF). The commercial players were now allowed to enter a playing field that was once closed to them. This was a very big market in the Netherlands. But it also entailed a different revenue model. Efficiency and making effective use of the existing infrastructure were crucial. If Delta Lloyd's asset manager currently had a fund worth EUR 1 billion, he could in future do that same fund with EUR 2 billion or EUR 3 billion at very limited extra costs. The shift in the market was creating new opportunities. Clearly, Delta Lloyd's competitors would be going after that market too, but only four or five had the skills to pose a serious challenge. The Dutch market was a competitive market, but also a lucrative one. Delta Lloyd held the no. 1 position among independent intermediaries. The commercial clout that Delta Lloyd had built up in that area should not be underestimated. Mr Van der Noordaa noted that Delta Lloyd had an extremely strong position in terms of commercial strategy, implementation and distribution. Delta Lloyd saw the opportunities that were out there and would seize these.

Mr **Keyner** (VEB) wanted to know how relevant PPI was really going to be for the bottom-line profitability for the shareholders compared to the potential profitability of a GPF.

Mr **Van der Noordaa** replied that the offering consisted of a variety of products. The DC scheme was currently being sold to lots of customers. These were also assets under management. The PPI was a slightly different format that certain employers found attractive. And soon there would also be the GPF option. The size of the pensions market was not hundreds of millions but billions. If the existing infrastructure could be used more efficiently, there was definitely money to be made. But it would be a hard fight, because the revenue model was different from the old DB model, which incidentally required maintaining an extremely large amount of capital. It was good to know that the commercial insurers in the Netherlands currently served less than 20% or 25% of the pensions market.

Ms **Te Winkel** (Jones Day on behalf of Highfields Capital) noted that, further to the events during the EGM and, subsequently, as from 16 March, Highfields had sent Delta Lloyd letters with various questions about the cooperation with Fubon. These letters had been answered, but Highfields still wanted more specific answers to its two most pressing questions. Highfields wanted to know how this cooperation fitted in with Delta Lloyd's long-term strategic policy. Highfields also wanted to know whether alternatives had been explored and, if so, which ones. If Fubon purchased a large block of shares, this would make a sale and public bid for Delta Lloyd a lot more difficult, which could have considerable consequences for shareholders.

Mr **Van der Noordaa** referred to slide 10 of his recent presentation. This showed the pillars of Delta Lloyd's success, including cooperation and partnerships. Fubon was a good example of this. The first talks started a year earlier in March to see what Delta Lloyd and Fubon had to offer each other. It was not an overnight decision. Due to the developments surrounding the Delta Lloyd share price, it had been a tough period, but Delta Lloyd and Fubon continued their dialogue because both parties believed they had something to offer one another in terms of cooperation, knowledge and expertise. Fubon was a financial institution with life insurance, general insurance, asset management, but also banking activities. Asset management could offer interesting opportunities. A leading asset manager in Asia, such as Fubon, could be an attractive party in enabling Delta Lloyd to offer attractive Asian funds. Vice versa, Fubon could act as a distributor of Delta Lloyd funds of Delta Lloyd Asset Management. Reinsurance was another potentially interesting theme, as was the exchange of knowledge and expertise. In the longer term, certain projects could possibly be developed together. Clearly, alternatives were always on the radar, but when an interesting option came along, where you could complement one another, and were not active in the same markets, but could strengthen each other, that was a good position to be in. Doing business in Asia took time. It was all about mutual trust. Delta Lloyd was delighted to announce this further cooperation after that difficult period. It made an excellent fit with the pillars of Delta Lloyd's success. Delta Lloyd had to engage in smart partnerships with other parties to do well for its shareholders, customers and employees.

As noted, Delta Lloyd was constantly looking at alternatives, at what was happening in its own market, at how the shareholder structure could be reinforced and at opportunities for cooperation. Delta Lloyd worked together with a great many parties. Voogd & Voogd had already been mentioned. Delta Lloyd also worked with intermediaries and with Triodos Bank for sustainable funds; collaboration was in Delta Lloyd's DNA. The partnership with Fubon was a strategic alliance with a party with a strong reputation. Delta Lloyd thought it was in the shareholders' interest to have such a strong party behind you.

Mr Van der Noordaa did not agree with Ms Te Winkel that a 15% interest could block other options. That left 85% in the hands of other shareholders who had their own opinion. Nor was it Fubon's intention to impose its will on Delta Lloyd. It was a constructive partnership.

Ms **Te Winkel** (Jones Day) asked what Delta Lloyd's long-term strategic policy was. She also asked whether Fubon's initial intention to grow to 20% had been adjusted to 15%.

The **chairman** replied that the parties had consistently spoken of ‘15% to 20%’. And the percentage today was still between 15% and 20%, though the reality was still below 10%.

Mr **Van der Noordaa** said that he had already pointed to the long-term opportunities that Delta Lloyd sees in asset management, reinsurance, knowledge sharing, distribution and technology. These were all fairly big issues that were of great importance to Delta Lloyd and areas where Fubon said it could learn from Delta Lloyd. The European market was more advanced when it came to risk management and Solvency II; Fubon saw it as an interesting training ground for its people.

Mr **Taverne** (Dutch Association of Investors for Sustainable Development/VBDO) complimented Delta Lloyd with its disclosure on the tax payments. He also praised the diversity within the SB and the EB. His questions were about the climate and the related issue of sustainable investing. He referred to the article in the FD about the connection between sustainable investing and value-protected pensions (“Zonder duurzaam beleggen geen waardevast pensioen”). Wasn't a company that engaged in non-sustainable investing effectively breaching and undermining its fiduciary duty? Didn't the objectives of a pension insurer imply a long-term investment policy that would require Delta Lloyd to withdraw from certain sectors? And shouldn't the company target its investments more at sectors that offered sustainable future value?

Ms **De Graaf** indicated that Delta Lloyd was most definitely committed to that fiduciary responsibility, and that its investment policy was therefore no longer purely driven by financial indicators, but also by sustainability indicators. In fact, Delta Lloyd didn't just want to be sustainable in its investments, but in its core business too. More specifically, Ms De Graaf referred to Delta Lloyd's role as a major pension insurer in the Netherlands as well as to the contribution that Delta Lloyd could make to alternative energy by providing wind farm insurance, for instance. As for investing, it was Delta Lloyd's opinion that the entire Delta Lloyd Group, including Delta Lloyd Asset Management, had a key role to play in supporting the transition in Dutch society and beyond. Delta Lloyd gave careful thought to the companies it invests in. If there were any companies that could not stand up to ethical scrutiny, Delta Lloyd would not hesitate to withdraw its investments.

Ms De Graaf also said that Delta Lloyd had a separate ESG committee to prepare a dedicated policy for this theme together with members of senior management and to ensure this policy was complied with. Furthermore, the aim was to continuously manage the investments on the basis of financial and non-financial KPIs and to incorporate these into a kind of value dashboard.

Mr **Van der Noordaa** added that Delta Lloyd's mission was to offer its customers convenient and sustainable solutions. It was all about 'sustainable' in the broadest sense of the word. Delta Lloyd had a continuous duty of care regarding its advice to customers, and all investments received careful consideration with a view to the future.

Mr **Vreeken** (WeConnectYou) complimented Mr Van der Noordaa and Delta Lloyd on the positive stance that Delta Lloyd had taken on the changing regulations in the past quarter. He mentioned certain developments that he found worrying. He said that the VBDO and Dutch companies were doing lots of good things in the field of sustainability. He noted the rather poor air quality in Amsterdam which he blamed on Nuon's coal-fired power station. He was curious to hear how many solar panels Delta Lloyd had on its roofs. He mentioned electric cars and the upfall shower. Wouldn't it be good, he said, if Delta Lloyd were to ask UPS to only use electric vans for deliveries to its offices and if the company only used electric taxis.

Ms **De Graaf** indicated what Delta Lloyd was doing in the field of sustainability. Mr Vreeken had already mentioned certain important areas where Delta Lloyd was also trying to do its bit. Ms De Graaf specifically pointed to the reduction of Delta Lloyd's carbon footprint. Delta Lloyd was relentlessly pressing ahead with the placement of rooftop solar panels. 312 solar panels were now in place. The majority of Teslas driving in the Netherlands were insured by Delta Lloyd. There were roughly 5,000 Teslas in total in the Netherlands, of which over 3,000 were insured by Delta Lloyd. An important step was made last year towards encouraging the use of electric cars in the company's own fleet. So that too was going in the right direction.

Mr **Tiemstra** wanted to know what Delta Lloyd considered more important: a sustainable profit or sustainability in the wider sense that had just been spoken about. Much had been said today about the satisfaction of agents, intermediaries and customers. The shareholders also had to be satisfied, he stressed. He also asked whether an abridged annual report, including the figures per share, could be drawn up in Dutch.

Mr **Van der Noordaa** replied that in his opinion sustainability and shareholder profit could be easily combined. Because it meant managing the company in a sustainable manner for the long term, instead of on a quarterly basis. Delta Lloyd had no intention of becoming the Triodos Bank of the insurers; it is a company that takes responsibility for wider issues in society and communities. If you failed to become sustainable, you could cause enormous damage to your shareholders. Sustainability was much broader than measuring your CO_2 footprint, paying attention to your emissions or driving in green cars. It had to do with the company's long-term perspective. It was not a trade-off. Research showed that companies that get this balance right were also the companies that delivered the best results for shareholders, because they weighed up both the short and long term interests. The task for Delta Lloyd's management was to find that balance, so that the interests of all stakeholders were served. Shareholders were obviously a very important stakeholder group. But if you focused too much on one stakeholder, you knew you were creating a problem further down the line.

In the previous meeting, the impact of Solvency II on Delta Lloyd's operations was explained at length. The amount of capital you needed to maintain was determined by the risks you run with the investments you had. This had had an enormous impact for Delta Lloyd, and also on the share price. That was really painful and upsetting, but Delta Lloyd had no option but to comply with the new regulations.

In the past period, the management had constantly indicated how committed they were to generating capital and passing part of that capital on to shareholders. Mr Van der Noordaa also noted that an abridged annual report in Dutch was available on the website.

Mr **Spanjer** wanted to know how many mortgages of Delta Lloyd were under water. He also asked for the percentages of residential and commercial mortgages. Regarding Delta Lloyd's pension system, he wanted to know whether people, now that they had to work for two years longer, were also insured for two years longer. Furthermore, he referred to the annual report in which he had read that customers wanted to be treated with more empathy when contacting Delta Lloyd about a claim after a traumatic event such as a car accident, burglary or fire. He asked whether the rules for the intermediaries stipulated a customer-friendly approach and, if so, how did Delta Lloyd test this.

Mr **Van der Noordaa** did not a have a specific number for the underwater mortgages. But he did say that the mortgage portfolio had done very well in risk terms. The number of actual write-downs was very limited. Delta Lloyd had a high percentage of NHG-guaranteed mortgages. Delta Lloyd entered into pension contracts with employers. They made arrangements with Delta Lloyd about their pension scheme. Mr Spanjer's example concerned something that the employer arranged with Delta Lloyd. People could of course take personal responsibility and save for a pension in other ways. They were not obliged to do this via their employer's pension scheme. Customers could also use alternative bank products to accrue a pension. It was a theme that Delta Lloyd was going to highlight more, because customers needed to realise that the shift to Defined Contribution entailed that, unlike before, the value of their pension was no longer guaranteed. People needed to carefully review their pension from time to time to make sure it was still in line with their expectations. That was not just important for Delta Lloyd but for the entire market, not just for the commercial insurers but for the pension funds too. Communication about pensions was an extremely important subject for Delta Lloyd.

Ms **De Graaf** answered Mr Spanjer's question about the customer friendliness of intermediaries. Delta Lloyd did indeed use mystery shoppers. Supervisors listened back to calls in all contact centres and customers were asked for feedback on how he or she had experienced their contact with Delta Lloyd.

Customer satisfaction ratings were just about the most important indicator for managing staff performance at Delta Lloyd. If the ratings weren't good enough, action was taken without question.

Mr **Stevense** (SRB) asked whether Delta Lloyd participated in FinTech companies. He also wanted to know more about margin over volume. In addition, he asked for more details on the reduction of the actuarial interest rate.

Mr **Van der Noordaa** indicated that Delta Lloyd had no intention of setting up its own fund to invest in all sorts of companies such as in FinTech. However, Delta Lloyd would deploy technology to improve its operational efficiency. Referring to his earlier example about using smart technology to trace stolen goods, Mr Van der Noordaa said that Delta Lloyd would not call this FinTech but it could be regarded as such. Use was made of extremely smart search algorithms to trawl the internet for stolen goods, cars or jewellery. This was all about making innovative use of technology to run your business better. Delta Lloyd would continue taking such initiatives.

The crux with margin over volume was to monitor the pricing of your products on all fronts in order to generate a profit. That was something everyone in the company understood. Volume was only worthwhile if it was profitable. Volume was not an end in itself.

Ms **Mijer** answered Mr Stevense's question about the actuarial interest rate. The current UFR (Ultimate Forward Rate) was 4.2. This was the UFR that was used to measure the liabilities on the balance sheet. EIOPA had suggested lowering the UFR to 3.7%, but in a series of steps of no more than 0.2%. That proposal was now on the table for consultation and Delta Lloyd would respond to this via the Association of Insurers and, of course, would also engage in talks with the regulator.

Mr **Tiemstra** was interested to hear what had been said about the actuarial interest rate. But the central question for him was what the interest rate was now and what it would be in ten years' time. He feared that the UFR might slide to 0.5%. What would Delta Lloyd's future be in that case?

Ms **Mijer** answered that the company was moving over to a different type of product, the defined contribution product, where less long-term guarantees were given. The book of outstanding liabilities that Delta Lloyd had sold in the past ('liggende boek') contained payment guarantees and pledges – particularly in relation to the pension liabilities – over a long period of time. That did not concern the interest rates now and ten years from now, but the interest rates in 50 or 60 years' time. The ultimate forward rate was a level that you reached after 60 or 70 years, as it was an extrapolation of the current interest rate. Delta Lloyd would meet its obligations. Delta Lloyd would look at an overall combination of all possible assets to see how the profile of payments to customers could best be matched with Delta Lloyd's liabilities and then search for the most suitable assets to achieve the best match, whilst naturally ensuring that Delta Lloyd remained solvent under the Solvency II rules at all times, both now and in the future.

Mr **Taverne** (VBDO) recommended using the annual reports of ING and ABN AMRO as an example. In his opinion, these were currently the most integrated reports, notably because they were based on the model of IIRC, the international committee that is preparing the standards for the 2020s. In these integrated reports, both organisations had done a good job outlining their integrated thinking and strategy. He also suggested defining a set of relevant sustainability KPIs, including objectives and to ensure that the reports did not just show the results in numerical terms, but also how these numbers related to the objectives previously set for that year.

The **chairman** thanked Mr Taverne for his suggestions and said that these would definitely be taken on board.

Mr **De Vos** said that Delta Lloyd still had an outstanding loan at 9% interest. He wondered whether it wouldn't be better to repay this loan.

Mr **Abrahams** replied that the current loans formed an important part of the solvency position. If, at any time in the future, Delta Lloyd could afford to maintain less of that capital because it had expanded its capital buffers, the company would certainly look into repaying debts. Capital was necessary and that was the reason for the rights issue. He assured Mr Vos that the finance strategy, including loans, received the management's full attention and that the aim was to optimise this strategy and not to pay too much.

III. Implementation of remuneration policy 2015 (discussion item)

In his capacity as former chairman of the Remuneration Committee, the **chairman** gave a short explanation of the remuneration policy. The remuneration structure had remained largely unchanged compared to the 2014 financial year. The variable remuneration was the statutory maximum of 20%. So once again there had been no standard increase in the salaries and the total remuneration remained at or below the median of both peer groups. The set performance criteria and objectives stemmed directly from the operational and strategic agenda of Delta Lloyd, taking account of the payments of various stakeholders, including customers, employees and shareholders. By linking the performance targets to the long-term remunerations of Delta Lloyd, the remuneration policy contributed towards the achievement of Delta Lloyd's strategy.

2015 was an eventful year. Due to the solvency developments and the ensuing impact on Delta Lloyd's share price in 2015, the SB, acting on the recommendation of de Remuneration Committee, decided in its meeting of 17 December 2015 to use its discretionary powers not to award a variable remuneration for 2015 to the members of the EB. The EB fully endorsed this policy.

Mr **Cook** had a question about the payment of the termination benefit of EUR 800,000 to Mr Hoek. He referred to the ruling of the court of Rotterdam of 16 March 2015. He quoted the ruling: 'Hoek disputes that he was effectively involved in the events at Delta Lloyd surrounding the introduction of the UFR. In the court's provisional opinion, Hoek was wrong to deny involvement. Exhibits 1 to 3 as submitted by DNB show that in the period from 27 to 29 June, Hoek did not merely receive emails passively as the addressee, but also actively looked for information and by subsequently sharing this information within Delta Lloyd was involved in the decision-making within Delta Lloyd about the transactions.' Mr Cook concluded that Mr Hoek had actively participated in the disputed transactions and that he had denied this – had lied about this - to the regulator. He asked how this squared with the termination benefit of EUR 800,000 that was awarded to Mr Hoek.

The **chairman** indicated that the contract with Mr Hoek had been entered into much earlier and also that this EUR 800,000 was paid into Mr Hoek's pension. Mr Hoek had an indefinite contract and, in view of his years of service, his departure could have been a lot more expensive for the company. All things considered, the SB was of the opinion that the negotiated outcome struck the right balance between what was socially acceptable and the maximum amount to which he was entitled, which was significantly higher than the sum mentioned here.

Mr **Keyner** (VEB) said that the VEB was still not happy about the welcome bonus for the new CFO, no matter how good he might be. That too was over EUR 800,000. He had no problem paying people what they were worth. The company could, for instance, have agreed to pay the new CFO EUR 2 million if he succeeded in getting full or partial approval for Delta Lloyd's internal model within two years. That was an enormous sum of money, but he would have had far fewer problems with that solution than awarding EUR 800,000 to someone merely for remaining alive and staying on the payroll. The VEB continued to object to the practice of awarding people extra money without receiving anything in return. He went on to compliment the SB for exercising its discretionary powers not to award a variable remuneration.

Mr Keyner indicated that investors did not know whether Niek Hoek was a hero or a disaster. The conclusion was that the incumbent management had had to pull out all the stops to reset the organisation and remedy or reverse lots of things that had gone wrong. He asked what had happened in the past ten years, and not just in relation to the conflict with DNB, but also regarding the company's strategy and its preparations for Solvency II. If he was right to conclude that a massive amount of repair work was necessary in the past one and a half years, what did the SB think of the fact that the person responsible received EUR 800,000 in his pocket or his pension pot, was allowed to remain on the payroll for a further six months and walked away with a total payout of EUR 1.6 million?

The **chairman** observed that Delta Lloyd had started to ready itself for Solvency II in the course of last year. Even at the end of last year, the consequences of Solvency II were still not entirely clear. Delta Lloyd had landed in an entirely new world, which the former management did not have to live with. The true extent of that impact only transpired at the end of 2015. And some things even remained unclear until the start of 2016. So we were looking at two entirely different worlds. One was an IGD world and now we had the Solvency II world. Delta Lloyd was quick to disclose the consequences of this. The implications, and the extent of the change compared to the past, could now be seen more broadly in the sector. He preferred to leave it at that.

Mr **Keyner** (VEB) acknowledged the many uncertainties that had surrounded Solvency II. Nobody knew what the exact impact would be. That said, an insurer like Nationale-Nederlanden had passed the test effortlessly and so had most of the competitors in the Netherlands. No one had suffered as much pain as Delta Lloyd. No one had been forced into a large rights issue and no one had seen its share price almost decimated. The least you could conclude, in his opinion, was that the former board may have done a great job under the old rules, but the company then suffered a rude awakening because of the board's failure to prepare in time for the new world. Surely, one of the board's responsibilities was to look beyond the rules of today.

The **chairman** said he had clearly heard what Mr Keyner had said and wanted to leave it at that.

Mr **Vreeken** (WeConnectYou) said that investing was a game and advised everyone to diversify their risks, which meant not only investing in Delta Lloyd, but also in Shell, ING and so forth. He was delighted that no bonus had been paid out to members of the EB. Regarding the bonus for Mr Clifford Abrahams, he thinks the Dutch were too eager to get things on the cheap. Football players earned more than top executives. If you wanted to keep up, you had to pay the going market rate.

Mr **Tiemstra** would have liked to see Mr Hoek in person at the meeting. He noted that the shareholders' remuneration was increasingly lagging behind the remuneration: of the SB and the EB. He thought that the variable remuneration should be linked to the dividend payment. If you had bought Delta Lloyd ten years ago, you would be left with a heavy loss today. Admittedly, dividend had been paid out, but some shareholders also had to pay tax on that. The dividend was too high, which was why the company had ended up in trouble. The share price was now in the region of 4 euros. The central policy should be to lift the share price to a higher level in the future.

The **chairman** said that everyone was working very hard to make Delta Lloyd perform as well as possible, so that the shareholders could benefit from this. Linking the variable remuneration to the dividend was problematic, he thought. The higher the dividend, the higher the variable remuneration. That struck him as a very dangerous connection.

IV. Financial statements for the 2015 financial year (voting and discussion item)

a. Proposal to adopt the financial statements for the 2015 financial year
b. Profit appropriation for the 2015 financial year

4.a. Proposal to adopt the financial statements for the 2015 financial year

The **chairman** reported that the financial statements for 2015 had been approved by the SB on 23 February 2016. The financial statements and the other information could be found, starting from page 65 in the annual report for 2015. The financial statements were audited by the auditor, whose report was included on pages 222 to 230.

Mr **Niewold** (EY) introduced himself and said he had been Delta Lloyd's statutory auditor since 2015. He wanted to take advantage of this opportunity to report to the shareholders on the work carried out by EY. He had been released from his duty of confidentiality. He had performed the work together with a large and good team, including Lex Overmeire and Anke Snaak.

He went into the scope of the work as performed by EY. The annual audit was the central focus. This involved looking at the annual report: did it meet all statutory requirements and did it contain all necessary information? At the same time, they also checked for any discrepancies between the information received during the annual audit and the contents of the financial statements.

Mr Niewold explained that there was a materiality threshold of EUR 42 million. If a misstatement of EUR 42 million were found, EY would not issue an unqualified opinion for these financial statements. However, it was not just errors of EUR 42 million or higher that were communicated. A reporting threshold of EUR 2 million had been agreed with the SB for misstatements. Nor did the figure of EUR 42 million apply to all aspects. The cash in hand, for instance, had to be absolutely correct. Qualitative factors were examined.

The EY audit was risk-based, top-down. Some might draw an analogy with an iceberg with the tip above water and the rest submerged. He preferred the image of scanning a company from a helicopter to identify the larger risk areas and ascertain what you as the auditor had to focus on, also remembering that you could not scrutinise every euro. One thing you definitely needed to take on board was: what did Delta Lloyd do itself in terms of control? Delta Lloyd had to ensure that effective and sufficient controls were in place.

Complex and non-routine transactions were checked in full by EY itself. Mr Van der Noordaa had already given some examples himself. Typical examples of such transactions were the sale of the bank in Belgium and the division in Germany, but also the sale of the private equity portfolio. These were transactions in themselves and EY also examined them as such. The EY team was specifically selected to deal with the identified risk areas. EY had a separate team in Brussels for the Belgian operations.

The key audit matters were mentioned in EY's report. One of these was DNB's investigation. Another area that EY looked at very carefully concerned the estimates. Mortgages were already mentioned in the meeting. These were also based on measurement models. These models were more difficult to test against the market, so you needed to look carefully at how these models had been constructed, the governance surrounding this process and how this could be tested. On the credit side, you needed to look at the provisions for insurance liabilities. Future cash flows were discounted there using an interest rate curve. EY checked whether this was done in the proper manner. The same applied to parameters such as mortality.

The unit-linked exposure was something that EY watched closely on a sector-wide basis. The regulator's and legislator's stance on this issue was something else that EY took on board in its opinion. EY also looked at Solvency I versus Solvency II. Formally, Solvency II did not yet have any impact on 2015, but it would be highly unusual for an auditor to disregard something that had such a big impact as Solvency II. This was not part of the audit, however. Nor was that EY's task for 2015. But EY did keep a close eye on how Solvency II was handled.

Apart from all the conversations with the audit committee, supervisory board, various management levels and other parts of the company, there were three moments of formal communication between EY and DL. First of all, EY presented its audit plan at the start of the audit. Secondly, EY presented its management letter in the autumn. This contained the findings in relation to the internal controls. Finally, EY had a closing meeting about the financial statements. This was when the audit report was presented.

The relationship between EY and Delta Lloyd was positive, constructive but also critical. Mr Niewold had the impression that EY's comments received due attention and that everything was being done to make the company better wherever possible.

EY's conclusion was that the financial statements presented a true and fair view. There were no outstanding uncorrected audit differences. The annual report also met all requirements as far as EY was concerned. There were no material misstatements.

Mr **De Heul** asked the auditor what his advice was following the report to Delta Lloyd. What improvements had the auditor indicated?

Mr **Niewold** (EY) replied that recommendations were in the first instance given to the management. The matters that EY had discussed with the Audit Committee were set out in the annual report. EY's role was to issue the audit opinion. EY basically made a snapshot of Delta Lloyd as a going concern. That snapshot was presented in the management letter and in the audit report. EY handed that snapshot over to the management and the SB. What they did with it was up to them.

Mr **Tiemstra** wanted to know what Delta Lloyd's equity per share was at year-end.

The **chairman** referred Mr Tiemstra to the financial statements for the profit figures per share.

Mr **Stevense** (SRB) asked the auditor to what extent all entities had been audited.

The **chairman** noted that the most important information was shown in the presented sheets, namely that no uncorrected audit differences had been found. The auditor had looked in sufficient detail at the applicable thresholds for these differences. Mr Niewold had also said this himself.

Mr **Niewold** (EY) confirmed the chairman's answer. The section of the audit report headed 'the scope of the audit' set out exactly what EY had done and what percentages of, respectively, the profit before tax and the total shareholders' funds had been audited. Both were well above 90%

Mr **Keyner** (VEB) said that the VEB had voted against EY's reappointment last year because EY had been unwilling to give meaningful answers, at least to the questions from the VEB. An auditor didn't just check the calculations from a helicopter to see whether everything more or less added up and the calculations were roughly correct. He referred to DNB's findings, which Delta Lloyd had in fact acknowledged in the past year. Among other things, DNB had said that Delta Lloyd needed to make significant improvements on risk control, governance and so forth. That was also why Delta Lloyd now had a Chief Risk Officer.

DNB had said that significant advances were necessary in terms of control mechanisms and risk management. Did EY see its role differently now compared to one or two years ago?

The **chairman** reminded Mr Keyner that the DNB statement he was referring to concerned a situation in 2012. Remedial measures had already been taken last year and also in the previous year. Delta Lloyd was constantly improving its organisation and had indeed needed to bring its risk management up to scratch. The risk management function had been significantly tightened up in the past two years, and this was still a work in progress. The fact that the risk management was being expanded had not led to errors in the financial statements.

Last year, Mr **Keyner** (VEB) did not get an answer to his question whether EY agreed with DNB and whether EY had given Delta Lloyd a warning in this connection. He had hoped to get more clarity from EY today.

The **chairman** was not sure this was an entirely fair question for EY, as it was up to Delta Lloyd to ensure that the risk management was fit for purpose. The auditor focused more on the representation of what had happened and he thought that this representation was accurate and gives, gave and had given a true and fair view of the past years.

Mr **Niewold** (EY) replied that he had taken over the audit of Delta Lloyd from his colleague Maarten Koning. He had looked at Delta Lloyd's file and would have done the same in his colleague's position. He thought Mr Koning and his team had done an excellent audit. EY did not provide insight into what was reported to the management. That was up to the management. The audit report explained what

EY had done regarding the DNB and AFM issue. EY had looked at the outcomes. EY had also tested the improvements and changes and a sample had been taken. In other words, EY had performed the relevant tests.

Mr **Keyner** (VEB) said that he wanted to draw a line under the past, even though this answer was of little use to him. The VEB had nothing against EY in itself; EY was an excellent auditing firm and the discussion simply hadn't gone well in the past year. He would like to hear what the impact would be on Delta Lloyd if the long-term liabilities had to be discounted at a much lower interest rate. What were the implications for the balance sheet and for the new products that needed to be sold on the market?

Ms **Mijer** explained that the price for a new product was determined without UFR. So the assumption that interest rates would rise to 4.2% in the long term did not exist for new products. Most new products were defined contribution, so these no longer contained long-term guarantees of 4%.

One frequently raised subject was the solvency of the liabilities that Delta Lloyd had on its balance sheet. Typical percentages mentioned were 130% or 154%. This meant that you already had a fairly large margin, namely 54%, above the solvency you needed to meet the current liabilities. What Delta Lloyd said in principle was: we need to have sufficient solvency in case the UFR is adjusted. Clearly, it would always be a challenge if the interest rate dropped to 0% or turned negative. In that case, Delta Lloyd would have to continuously monitor the liabilities that are currently in the books and ensure that it always had sufficient corresponding assets, both at that specific time and in the future, to continue making the payments. Under the Solvency I criteria, shares were good assets, because you were not required to maintain capital to cover a sudden depreciation in the value of these shares. So all you needed to do was look at the returns that these shares generated. If you had a 10% return versus a 4% guarantee, you earned money every day. Solvency II ensured that you could meet your long-term liabilities, but also that you remained solvent in the short term and did not suddenly go bankrupt. The balance that Solvency II creates is a very logical one. The fact that this discouraged shares in a certain manner or ensured in all events that companies had the capital they needed to continue bearing the risk, both in the short and long run, was a good development in itself..

Mr **Keyner** (VEB) thought that if interest rates remained dramatically low or sank even lower, the company would have an unsolvable problem on its hands. That was clearly a concern for investors. If shares were not the solution, what was?

Ms **Mijer** thought there was no single solution: be it shares or another type of investment. By combining different types of investments, analysing potential scenarios and assembling the right mix of assets, including shares, you could find the right match between the diverse cash flows to continue making your payments into the future. Another option was hedging. This meant buying derivatives and arranging the following with your counterparty: I pay you a certain amount now and, if the interest rate moves in a certain direction, you pay me a certain amount at that time. That was possible in the current market, as there were enough counterparties with different risks who were prepared to do such a deal with you. Clearly, you had to buy your hedges and interest rate derivatives at the right time, because if the interest rate was below 0%, you could no longer buy derivatives that paid out at a higher level, as these would have become too expensive. Delta Lloyd had already acted on this in the past and already had a large number of derivatives in its portfolio. These were only used for hedging purposes, they were not speculative derivatives.

The **chairman** added that this did not take away from the fact that Delta Lloyd was always looking for all sorts of asset categories to invest in. Residential properties were one good example. Delta Lloyd was fairly active in rented housing. These yielded a fairly good return.

Mr **Spanjer** wanted to know what the auditor's activities were for the prospectus. He had read that the obsolete IT system had been cleaned up and that an open source system was now in place. He wanted to know what the findings of the auditor or his specialists were in this regard.

The **chairman** said that Delta Lloyd had been busy clearing up old systems for several years now and that enormous progress was being made in this respect. Delta Lloyd wanted new systems that were more in line with the needs of today.

Mr **Van der Noordaa** noted that what had remained unmentioned so far was that Delta Lloyd's internal audit department looked much deeper than the accounting organisation alone. They carried out checks and audits, which resulted in very clear findings. EY's role was not the same as that of the internal audit department. EY focused fully on the financial statements and the true and fair presentation of the figures. The internal audit department reported to the EB and to the Audit Committee and played an extremely important role as the third line. The first line was the management, the business divisions, the second line was the risk organisation which looked at financial and non-financial risks, and there was a third line that independently performed a great many audits in all sorts of fields and reported on whether the situation was good, weak or alarming and what the management should do to resolve any issues. There was a comprehensive reporting system, where the risks were cut into pieces: high risk, middle risk and low risk. Arrangements were made with the management regarding when these findings had to be resolved. With all due respect for the auditor, this was a much more important instrument for Delta Lloyd to gain an accurate picture of the quality of the accounting organisation and the risks. Delta Lloyd did not report on this, but it did receive a great deal of attention in the business divisions and in the EB in order to improve the quality of the organisation.

Mr **Stevense** (SRB) thought there was no better asset than land. Money invested in agricultural land could only appreciate in value. All those assets like shares and bonds were wonderful of course, but the potential of agricultural land was often overlooked.

The **chairman** indicated that the EB would give this due consideration insofar as it was seen to be a realistic option.

Mr **Cook** expressed his appreciation on the annual accounts and the work done by the accountant.

Mr **Tiemstra** wanted to know how much attention the auditor devoted to the actuarial interest rate.

The **chairman** replied that the auditor looked at the interaction between all sorts of aspects relating to the valuation of the assets and liabilities. This was governed by regulations. And the auditor also had to adhere to these regulations.

Mr **Niewold** (EY) added that EY checked whether the correct assumptions had been applied. Page 225 of the annual report contained a detailed account of what EY had done. The presentation sketched how the interest rate curve was used to make the estimates for the technical provisions.

The **chairman** informed the meeting that civil-law notary Leemrijse had received a number of electronic proxies for the various decisions via ABN AMRO e-voting, alongside other proxies and voting instructions. These votes had already been entered into the electronic voting system and represented a total of 236,525,858 shares, which was about 50.8% of the voting capital.

Ms **Leemrijse** explained the voting procedure to the shareholders.

The vote was held and Ms Leemrijse concluded that 241,046,262 of the votes were in favour of the proposal, 30,825 against and 17,502 abstentions; this meant that 99,99% was in favour of the proposal to adopt the annual accounts.

4.b Profit appropriation for the 2015 financial year

The **chairman** noted that, in response to the entry into force of Solvency II on 1 January 2016, Delta Lloyd had decided to adjust its dividend policy. In conformity with the Corporate Governance Code, the adjusted reserves and dividend policy had been entered as a separate agenda item and explained in the EGM held on 16 March 2016. For further details about the reserves and dividend policy, he referred to the notes to the EGM agenda and to page 31 of the annual report for 2015. The total dividend for 2015 was equal to the interim dividend of EUR 0.42 per ordinary share that was paid out in September 2015. No final dividend would be made payable for 2015 in addition to the aforementioned interim dividend. For further details about the appropriation of the profit for the 2015 financial year, he referred to the notes to the agenda and to page 221 of the 2015 financial statements.

Mr **Tiemstra** asked whether it wouldn't be better to cancel the interim dividend.

The chairman said that this would be taken into consideration.

V. Granting of discharge (voting item)

a. Proposal to discharge the members of the Executive Board from liability
b. Proposal to discharge the members of the Supervisory Board from liability

5.a. Proposal to discharge the members of the Executive Board from liability

It was proposed to the meeting to discharge the members of the EB from liability, more specifically all persons who were members of the EB in 2015. This concerned the discharge from liability in respect of information that was evident from the financial statements and/or or was otherwise made public prior to the General Meeting.

Mr **Keyner** (VEB) referred to the Annual Review which stated that the management of uncertainty is Delta Lloyd's mission and that risk management forms an integral part of its daily operations. Wasn't it rather painful and sad that a company which claimed that “this is precisely what we stand for” had had so many problems of its own dealing with uncertainty and risk management in 2015? He also asked whether, in the chairman's opinion, it had been the wrong decision to grant the former EB discharge from liability.

The **chairman** did not think that this was the case. The shareholders had discharged the EB from liability on the basis of the information available at that time.

Mr **Keyner** (VEB) indicated that, as chairman of the Supervisory Board, the chairman of the meeting had more information than the shareholders. A great deal had happened in the past one and a half years. Some would call it “repair work”, others were a lot more sceptical and more negative about the current board. He wanted to know how he perceived the decision of the current and previous shareholders to discharge the former board members from liability in the light of what he knew now.

The **chairman** indicated that in his opinion the discharge from liability had been the right decision. Clearly, there was always repair work to be done and adjustments were always necessary when entirely new regulations were introduced. Looking at the financial statements for 2010 or 2005, it was hard to decide now whether, in the light of Solvency II and the current low interest rates, it had been right or wrong to grant discharge from liability for these financial statements. You were constantly learning and receiving new information and trying to do things for the best. In that light, in his judgement, discharge from liability had been correctly granted for the past two years that he had been with the company.

Mr **Tiemstra** asked whether, when it came to discharge from liability, a distinction shouldn't be made between the old EB and the new EB.

The **chairman** said that his short answer was 'no' and, having concluded that there were no further questions, proceeded to the vote.

The **chairman** concluded after the vote that there were 193,567,684 votes in favour of the proposal to grant discharge from liability, 44,584,742 against and 2,943,062 abstentions, this meant that 81.28% was in favour, so that the proposal had been adopted.

5.b. Proposal to discharge the members of the Supervisory Board from liability

It was proposed to the meeting to discharge the members of the SB from liability for the performance of their duties during the 2015 financial year, insofar as the performance of these duties was evident from the financial statements or from any other information that was made known prior to the meeting.

Mr **Keyner** (VEB) said that the members of the SB had bent their heads in humility at the start of the meeting. And rightly so. The SB had confirmed that it had viewed the conflict with DNB too much from a strictly legal perspective. He also thought that the conflict with DNB was not the only thing that had happened. Crucially, the strategy had been overhauled. And an entirely new Executive Board, an entirely new management team, had been appointed. Severe dilution had occurred via the rights issue, the share price had been pulverised. There was a new chairman of the Executive Board. And a new chairman of the Supervisory Board. Seeing a man of Jean Frijns's stature step down was not something to be dismissed lightly. According to Mr Keyner, the SB had done a good job repairing the damage, but unfortunately it hadn't been able to prevent the mess from happening in the first place. He asked whether this was a good summary.

The **chairman** said that this summary was Mr Keyner's personal version of events. The SB had also done its best in 2015 to navigate this company through the changing landscape. He left it at that.

Mr **Cook** went back to a ruling of the court of Rotterdam of 31 July 2015. In consideration no. 6.3 it is claimed at a certain point that the situation was out of control at management level. He read the passage out loud: "Moreover, the court takes into consideration that DNB's criticisms do not relate to an arbitrary employee, but to the actions of leading executives, namely Hoek and Roozen, who were the de facto policymakers at Delta Lloyd Life, and to the fact that other policymakers and employees of DL Life did not challenge these actions at any point in the relevant period." According to the court, the company was out of control and the supervision was also out of control. Mr Cook found it odd that several members of the SB had opted to resign, whereas the members of the specially set-up committee had not drawn similar conclusions. Mr Cook disagreed with the fact that the EB had been largely replaced and the SB had remained largely in place.

The **chairman** proceeded with the the vote and then concluded that there were 193,547,902 votes in favour of the proposal to grant discharge from liability, 44,586,764 against and 2,945,823 abstentions, this meant that 81.28% was in favour, so that the proposal had been adopted.

VI. Notification of proposed appointment of Executive Board member (for discussion)

The **chairman** announced on behalf of the SB the intention to appoint Mr Leon van Riet effective from 19 May 2016 as a member of the EB for a four-year term, ending after the annual general meeting in 2020.

In this role, he would succeed Mr Onno Verstegen who resigned effective from 1 February 2016. The Works Council had confirmed its support for this nomination. The formal notification of the SB's intention to make this appointment would take place in this meeting. Mr Van Riet's CV could be found in Appendix 1 to the agenda of this meeting. Mr Van Riet was recruited from Delta Lloyd's own ranks and was present at today's meeting.

Mr **Van Riet** introduced himself and was delighted to have been offered this opportunity to join the EB of Delta Lloyd. He had been with Delta Lloyd for 17 years and had spent the past 6 years in the role of Managing Director of the Life Business. In that period, he had made a contribution to the further development of the strategy, more specifically to improving customer services and customer focus and growing the portfolio. Previously, he spent 10 years as IT Director, of which the last five years as CIO, IT Director for the entire group. In that period he had gained an intimate knowledge of the entire business from an IT perspective and had serviced all business divisions. He had also made a contribution to the removal of legacy systems as well as the application of new technologies. His key areas of responsibility in the EB were to be the Life Business in the Netherlands and Belgium and IT. The contribution he wanted to make involved the continuation of the initiated strategy for the Life Business, both in the Netherlands and in Belgium, while also drawing on his IT background and extensive experience in Life to assist the company's transition, more specifically the transition towards digitisation and online, which was just around the corner for the entire financial sector.

The **chairman** observed that there were no questions and noted that the SB would appoint Mr Leon van Riet as a member of the EB after this meeting. He took this opportunity to thank Mr Verstegen, also on behalf of the shareholders, for his years of hard work for Delta Lloyd. Mr Verstegen had been with the company since 1995 and a member of the EB since 2011. In the past period, Mr Verstegen had made a major contribution to the commercial and operational successes of Delta Lloyd, notably the incorporation of the premium pension institution BeFrank, in various roles, including as Chief Commercial Officer at ABN AMRO Insurance, as division chairman of Delta Lloyd Insurance, and of course as a member of the EB. The SB was grateful to Mr Verstegen for his valuable contribution to Delta Lloyd.

VII. Composition of the Supervisory Board (discussion and voting item)

a. Announcement about the vacancies to be filled (discussion item)

b. Opportunity to make recommendations for the appointment of new members of the Supervisory Board (discussion item)

c. Notification of the nominations of the Supervisory Board for the vacancies to be filled (discussion item)

d. Proposal to appoint Mr John Lister as a member of the Supervisory Board (voting item)

e. Proposal to appoint Mr P.W. (Paul) Nijhof as a member of the Supervisory Board (voting item)

f. Announcement about the vacancies arising in 2017 (discussion item)

7.a Announcement about the vacancies to be filled

The **chairman** noted that Mr Regan had resigned from the Supervisory Board in 2014 and, as announced in August 2015, Mr Jean Frijns had resigned from this Board effective from 1 October 2015. He extended a warm word of thanks to Mr Frijns for his contribution as chairman and member of the SB. He was a member of the Nomination Committee and the Risk Committee. The fact that he had always fulfilled his role as chairman of the SB in the interests of all stakeholders was appreciated. These resignations had given rise to vacancies in the Supervisory Board. The vacancies must be filled in accordance with the existing profile for the SB. The candidate had to possess specific types of knowledge, expertise and experience. More specifically, the candidates were required to have extensive knowledge and experience in the field of financial services and insurance and of IT and technology in general. The General Meeting was offered an opportunity to recommend candidates for this vacancy. The Works Council had an enhanced right of recommendation for one of the vacancies.

7.b Opportunity to make recommendations for the appointment of new members of the Supervisory Board

The **chairman** noted that no one wished to make use of the opportunity to make recommendations.

7.c Notification of the nominations of the Supervisory Board for the vacancies to be filled

Suitable candidates had been sought, both in the Netherlands and internationally, on the basis of the SB profile mentioned under agenda item 7.a and with due regard to the SB's current composition as a collective body. The outcome was that two new members of the SB would be proposed for appointment to the General Meeting today. The Works Council had decided not to exercise its right to speak here.

7.d. Proposal to appoint Mr John Lister as a member of the Supervisory Board

The SB nominated Mr John Lister for appointment as a member of the Supervisory Board for a four-year term, ending after the annual general meeting in 2020. The Works Council did not have an enhanced right of recommendation for this vacancy. The EB and the Works Council supported this nomination. With this nomination, the SB wanted to fill the vacancy arising due to Mr Regan's departure. Mr Lister has extensive experience in the insurance sector. As the CFO of Aviva UK Life, he gained considerable experience in an executive capacity at a large UK insurance company. In addition, as a former Group Chief Risk Officer at Aviva PLC, he has wide-ranging and relevant experience in Risk Management. The proposed appointment of Mr Lister had been approved by DNB and AFM. The statutory information about Mr Lister could be found in Appendix 2 to the agenda of this meeting.

Mr **Lister** introduced himself and informed the meeting of his extensive track record in the insurance business. He is an actuary by profession. He was looking forward to assisting Delta Lloyd's transition together with the Executive Board and the management team.

7.e Proposal to appoint Mr P.W. (Paul) Nijhof as a member of the Supervisory Board

The Supervisory Board also wanted to fill the vacancy arising from the departure of Mr Frijns. The Works Council had indicated that it would exercise its enhanced right of recommendation and recommended Mr Nijhof. The SB therefore nominated Mr Nijhof for appointment as a member of the Supervisory Board for a four-year term, ending after the annual general meeting in 2020. The EB supported this nomination. Mr Nijhof had extensive knowledge and experience with IT, the internet, new market entry strategies and omnichannel distribution. He has wide-ranging experience in managing large-scale consumer operations with a strong focus on online, e-commerce, digital marketing and big data. The proposed appointment had been approved by DNB and AFM. The statutory information about Mr Nijhof could be found in Appendix 3 to the agenda of this meeting.

Mr **Nijhof** introduced himself and informed the meeting that he had spent the past 15 years in retail, more specifically in mail order/online retail. He had been active in the transformation of business models from mail order into pure internet players. In practice this entailed a transformation from the slowest retail model, i.e. mail order, to the fastest retail model, i.e. the internet. This was a complex operation involving many aspects, including customer approach, customer focus and digitisation. Last but not least, it obviously also required a major culture change process. He hoped and expected to make a contribution on all these aspects. In addition, he had also been engaged in financial services, more specifically in the field of consumer loans. After a period at Wehkamp where he was long active as director and, in the last six years, as CEO, he spent two years at Otto Group, working both in

Germany and France. He was currently working two days a week advising a German retailer that was also going through a transition from a mail order positioning to a pure online company.

The outcome of the vote was 241,041,642 votes in favour of the proposal to appoint Mr Lister, 38,001 against and 102 abstentions; this meant that 99.98% was in favour. Mr John Lister was thus appointed by the meeting as a member of the Supervisory Board of Delta Lloyd.

The outcome of the vote was 241,048,942 votes in favour of the proposal to appoint Mr Nijhof, 947 against and 601 abstentions; this meant that 100% was in favour. Mr Paul Nijhof was thus appointed by the meeting as a member of the Supervisory Board of Delta Lloyd.

The **chairman** congratulated Messrs Lister and Nijhof on their appointment.

7.f Announcement about the vacancies arising in 2017

The **chairman** informed the meeting that Ms Streit would reach the end of her current four-year term at the close of the General Meeting of Shareholders in 2017. Ms Streit's availability for reappointment would be discussed in the course of this year with the Supervisory Board and in 2017 with the General Meeting of Shareholders.

VIII. Notification of the change of the Supervisory Board profile (for discussion)

The **chairman** announced the amendment of the profile on behalf of the SB. The amended profile could be found in Appendix 4 to the agenda. The amendment was prompted by the wish to update the SB profile and to incorporate the renewed strategy of Delta Lloyd into the SB profile. Delta Lloyd's renewed strategy is described in section 1 of the SB profile. The “Closer to the customer” strategy is designed to create value for our customers through a customer-driven integrated approach which offers convenient and sustainable solutions so that they are better able to deal with uncertainty. Delta Lloyd did this, for instance, by engaging in multichannel interaction with intermediaries and customers, by offering a comprehensive insurance package and by deploying technology, focused on the front office for customers and business partners. In view of Solvency II, Delta Lloyd had also changed its mix of activities, including a shift in the new Life business from direct defined benefit to defined contribution as well as a shift towards products that were less risky and less volatile in order to lower the required capital. The amended description of the desired expertise and background of the individual members of the SB in section 3 of the profile was now in line with Delta Lloyd's recently mentioned renewed strategy. The chairman noted that there were no questions.

IX. Renewal of the authorities of the Executive Board (voting item)

a. Proposal to renew the designation of the Executive Board as the body authorised to issue ordinary shares (voting item)

b. Proposal to renew the designation of the Executive Board as the body authorised to restrict or exclude pre-emptive rights on the issue of ordinary shares (voting item) IX Renewal of the authorities of the Executive Board (voting item)

9.a. Proposal to renew the designation of the Executive Board as the body authorised to issue ordinary shares

On 21 May 2015 the General Meeting renewed the designation of the EB as the body authorised to decide to issue ordinary shares for an 18-month term. This authorisation also concerned the granting of subscription rights to these ordinary shares. On this date it was also decided to renew the designation of the EB as the body authorised to restrict or exclude pre-emptive rights on the issue of ordinary shares. This authorisation also extended to the granting of subscription rights to these ordinary shares. Unless renewed, these authorities would expire on 21 November 2016. The company considered it desirable to renew the above-mentioned authorities for an 18-month term. The renewal made it possible to respond to circumstances demanding the issuance of shares. If such circumstances occurred, the EB could issue ordinary shares within the limits of the granted authorities without needing to call an Extraordinary Meeting of Shareholders. A decision of the EB to issue shares or to restrict or exclude pre-emptive rights on the issuance of shares must be approved by the SB.

In view of among other things, the shares already issued for the rights issue, Delta Lloyd shall observe great restraint in exercising these powers. For further details, the chairman referred the meeting to the notes to the agenda.

It was proposed to renew the designation of the EB as the body authorised to decide to issue ordinary shares, including the granting of subscription rights to ordinary shares, for a period of 18 months, starting from the day of this General Meeting until 19 November 2017. The powers of the EB in relation to the issuance of ordinary shares would be restricted to the maximum mentioned in the notes to the agenda.

Mr **Van Leeuwen** was of the opinion that this permission should not be granted. He regarded the U-turn with Fubon as a vindictive move and thought that the entire meeting should vote against.

Mr **Tiemstra** agreed with Mr Van Leeuwen's viewpoint. He found that the current price of around EUR 4 was not an appropriate level for the issuance of more shares.

After the vote, the civil-law notary **Leemrijse** (Allen & Overy) indicated that there were 185,407,096 votes in favour of the proposal, 55,650,932 against, and 22,060 abstentions, so that 76.91% was in favour.

The **chairman** concluded that the meeting had renewed the designation of the EB as the body authorised to issue ordinary shares in accordance with the proposal.

9.b Proposal to renew the designation of the Executive Board as the body authorised to restrict or exclude pre-emptive rights on the issue of ordinary shares

It was proposed to renew the designation of the EB as the body authorised to restrict or exclude the pre-emptive rights to which the shareholders were entitled for the same period of 18 months. This authorisation was limited to the number of ordinary shares that the EB was allowed to issue on the grounds of the designation described under IX.A.

After the vote, the civil-law notary **Leemrijse** (Allen & Overy) indicated that there were 181,166,234 votes in favour of the proposal, 59,892,947 against, and 20,563 abstentions, so that 75.15% was in favour.

The **chairman** concluded that the meeting had renewed the designation of the EB as the body authorised to restrict or exclude pre-emptive rights on the issuance of ordinary shares in accordance with the proposal.

X. Proposal to authorise the Executive Board to acquire ordinary shares and depositary receipts in the company's own capital (voting item)

On 21 May 2015 the General Meeting authorised the EB to acquire ordinary shares or depositary receipts in the company's own capital up to no more than 10% of the issued capital during a period of 18 months. This authorisation would end on 21 November 2016. It was proposed to renew the authorisation of the EB to acquire ordinary shares or depositary receipts in the company's own capital, either on the stock exchange or elsewhere, during a period of 18 months, starting on the day of this General Meeting until19 November 2017. The authorisation was limited to 10% of the issued capital. This authorisation replaced the authorisation granted on 21 May 2015. For further details, the chairman referred the meeting to the notes to the agenda.

Mr **Spanjer** (Amsterdam) wanted to know how many shares had been acquired in that period.

The **chairman** replied that the company had not acquired any shares during this period and proceeded to the vote on this agenda item.

After the vote, the civil-law notary **Leemrijse** (Allen & Overy) indicated that there were 240,345,610 votes in favour of the proposal, 167,983 against, and 566,994 abstentions, so that 99.93% was in favour.

The **chairman** concluded that the meeting had granted the authorisation in accordance with the proposal.

XI Any other business and close of meeting

Mr **Stevense** (SRB) referred to the schedule of retirement and observed that five of the eight SB members were due to retire in 2018. He was concerned that this might pose a continuity risk. He also found the financial calendar extremely short.

The **chairman** said that, according to the schedule of retirement, two members would not be available for reappointment in two years' time. This was being taken into account. Clearly, the appointment timelines would be set according to who was leaving when in order to safeguard the continuity. The chairman also said that the financial calendar would be looked at.

Mr **Rob Lemoine** noted that the cooperation with Fubon had taken him by complete surprise. Many people had not expected this. This was followed by speculation about Fubon's shareholding. It was reportedly 15% or 20%, which was an expansion of the existing stake. He said he was following the AFM register, but that he had not seen any notification of new shares. He wanted to know the situation regarding Fubon.

The **chairman** replied that Fubon still held just under 8% of the shares. The arrangement was that Fubon was allowed to grow to between 15% and 20% and that if they had more than 15%, they were entitled to a member on the Supervisory Board, with certain strings attached as explained in March.

Mr **Van der Noordaa** said that if you went above 10% in the Netherlands, you needed a declaration of no objection from DNB. This was governed by a detailed procedure and application process with timelines, and the ECB also had a say in the matter. Fubon would need to make careful preparations before making this step. It was up to Fubon to take that initiative.

Mr **Cook** said he had noticed that last year's tumultuous proceedings had received scant mention in the draft minutes. He had corresponded about this with the chairman. In general, whatever the company said was set out at great length, whereas what speakers said was presented in the briefest terms possible. He thought the minutes were drawn up in a tendentious manner. The correction that had been made at his request could have been a bit more extensive in his opinion. He asked the chairman to deliver the draft report of the meeting more quickly and also to ensure that the report gave a more realistic account of the actual discussion.

The **chairman** thanked Mr Cook for his suggestions and said that he would see what he could do.

The **chairman** then observed that there were no further questions, thanked those present for their contribution and closed the meeting at 17.30.