

**Minutes EGM 2014**

*Extraordinary  
General Meeting  
of Shareholders*

**12 November 2014**

**Wednesday 12 November 2014**

**Start 10.00 a.m.**

**Delta Lloyd Auditorium**

**Spaklerweg 4**

**Amsterdam**

## I Opening and announcements

Mr Frijns, **chairman** of the Supervisory Board of Delta Lloyd NV, opened the Extraordinary General Meeting of Shareholders at 10:00 am and welcomed the shareholders and other interested parties. With the exception of Clara Streit and Rob Ruijter, all members of the Supervisory Board and the full Executive Board were present at the meeting.

The chairman noted that all statutory regulations and provisions in the articles of association regarding the convocation and holding of this Extraordinary General Meeting of Shareholders had been observed. The meeting was announced in a press release of 16 September 2014. The notice calling the meeting, the agenda and all related documents were posted on the same day on the Delta Lloyd website. The record date was 15 October 2014. The agenda, including Mr Van der Noordaa's curriculum vitae, was made available on Delta Lloyd's website. The chairman indicated that all formal requirements for convening the meeting had thus been satisfied. Pursuant to the Corporate Governance Code, the report of the meeting will be posted on Delta Lloyd's website within three months and will subsequently be adopted after a three-month response period starting on the date of posting.

This Extraordinary General Meeting of Shareholders was attended by fifteen shareholders or proxy holders, representing 10,140,391 shares or 4.87% of the outstanding capital (including the preference shares).

## II Notification of proposed appointment of member of the Executive Board

The chairman explained that the purpose of the Extraordinary General Meeting of Shareholders was to give formal notice of the intention to appoint Hans van der Noordaa as a member of the Executive Board of Delta Lloyd NV. The actual appointment by the Supervisory Board of Mr Van der Noordaa as a member and subsequently as chairman of the Executive Board would take place after the close of this meeting. Hans van der Noordaa is the successor of Niek Hoek and will be appointed for a four-year period effective from 1 January 2015 until the Annual General Meeting in 2019. Mr Hoek will resign as chairman of the Executive Board effective from 1 January 2015 and will hand over his duties in the period thereafter. He will retire on 30 June 2015. The chairman noted that Mr Van der Noordaa was present at this meeting and briefly introduced him.

Before answering any questions, the chairman highlighted the most main reasons for the proposed appointment of Mr Van der Noordaa. First of all, he fits the profile for chairman of the Executive Board of Delta Lloyd NV as drawn up by the Supervisory Board in consultation with the Works Council in April 2014. Following a careful process comprising interviews with

both internal and external candidates, Hans van der Noordaa was found to be the most suitable candidate. Mr Van der Noordaa is a highly experienced executive director in the financial sector and was a member of the Executive Board of ING Bank until October 2014. Within ING he held numerous responsibilities in such fields as insurance, banking and asset management. Alongside extensive management expertise in the Netherlands, Mr Van der Noordaa also has many years of relevant international experience. Based on his expertise, well-balanced personality, structured approach to problems and direct leadership style, the Supervisory Board regarded him as the best candidate to succeed Mr Hoek. For a more detailed description of Mr Van der Noordaa's background, the chairman referred the meeting to the curriculum vitae enclosed with the agenda. The chairman added that the Works Council had made a positive recommendation and that the Netherlands Authority for the Financial Markets (AFM) and the Dutch Central Bank (DNB) had approved the proposed appointment. After this explanation, the chairman invited the shareholders to respond to the notice of the appointment of Hans van der Noordaa as a member of the Executive Board of Delta Lloyd NV.

Mr **Keyner** (Association of Stockholders – VEB) noted that there appeared to be sufficient internal talent and asked whether the choice for an external candidate had anything to do with and/or would lead to a refinement or review of the strategy. The **chairman** said that a profile had been defined for Mr Hoek's succession and that a careful search had been carried out to find the most suitable person within this profile. Both internal and external candidates were considered, the Supervisory Board did not look specifically for an external candidate. Regarding Delta Lloyd's strategy, the chairman noted that Delta Lloyd has both a medium-term strategy and a long-term strategy. The focus of the medium-term strategy is on Solvency II, its impact on the capital position and the risk profiles of both the investments and the products. The chairman emphasised the customer-centric approach within the strategy. These strategic guiding principles would continue to apply in the future. The long-term growth strategy depends on market trends and other developments during the coming years. Looking to both the medium and long term, Delta Lloyd would continue to rely on and expand its outstanding execution capability. The chairman concluded that the current strategy was expected to be continued to a large degree.

A second question from Mr **Keyner** (VEB) was: what could Delta Lloyd learn from ING? **Van der Noordaa** said that Delta Lloyd and ING were difficult to compare, but that his 25 years of knowledge and experience in such areas as customers, distribution, supervision, HR, shareholders and the current market would make a valuable contribution within the Executive Board of Delta Lloyd. Mr Van der Noordaa noted that he would initially focus extensively on getting to know the customers, shareholders, employees and other stakeholders. Based on

this input, he and his colleagues would work to refine the strategy if necessary. Mr Van der Noordaa added that he expected no major strategic changes and had confidence in the current strategy and its continuation.

Mr **Anink** (Amsterdam) observed that the explanatory notes to the appointment made no explicit mention of a possible internal successor for Mr Hoek and asked the chairman to clarify this. The **chairman** indicated that there had been no preference for an internal or external candidate. The defined profile had been the guiding document and Mr Van der Noordaa had been selected, after careful consideration, as the preferred candidate on the basis of this profile.

Next, Mr **Anink** (Amsterdam) also asked for a more extensive clarification of the long-term strategy. The **chairman** indicated that the purpose of this Extraordinary General Meeting was to give notice of, and discuss, the proposed appointment. The long-term strategy would be discussed at greater length in the 2015 Annual General Meeting led by the new chairman. Mr **Hoek** added that the focus in the past years had been on the Dutch and Belgian markets, notably life insurance and pensions, but also general insurance and banking. One priority had been to put in place an efficient and successful customer-centric business model. By adopting an efficient multichannel strategy, Delta Lloyd adapted its operations to an environment characterised by increasing customer value expectations and higher capital requirements. Delta Lloyd now has one of the most competitive and sustainable business models in the Netherlands and the Benelux, and is well-placed to explore and exploit long-term opportunities.

Mr **Spanjer** (Amsterdam) asked for more details on Mr Van der Noordaa's contract and remuneration. The **chairman** said that the contract was in line with the shareholder-adopted remuneration policy. In anticipation of statutory regulations, the fixed salary had been set at a larger percentage compared with the variable remuneration. The total remuneration package was below the peer group median. The chairman added that the contract of employment was in line with normal practice and included standard severance arrangements.

Mr **Spanjer** (Amsterdam) also asked whether the choice of Mr Van der Noordaa would lead to a change in the banking strategy. The **chairman** noted that Mr Van der Noordaa had not been selected for this reason; a change in the banking strategy was not on the agenda. Mr **Hoek** confirmed this and added that the current banking activities in the Netherlands, which are primarily aimed at mortgages and *banksparen*, make a good fit with Delta Lloyd's core activities. No changes in the banking strategy are planned. The Annual General Meeting would be a good opportunity to put this question to the new chairman again.

Mr **Tse** (Amsterdam) asked the chairman how many candidates fitted the selection profile and how many of these candidates made it to the final round. Given the risk that a possible internal candidate might feel dissatisfied and/or passed over, he also asked whether any internal candidates had been considered in this final round. The **chairman** indicated that he would answer this question with due care and discretion regarding the persons in question and explained the process that had been followed. Based on the defined profile, a long list of possible candidates had been compiled. The nomination committee discussed this long list together with Mr Hoek in order to narrow it down to a short list. The members of the Supervisory Board spoke with the candidates on this short list. Based on these interviews and the extent to which the candidate's profile corresponded with the defined profile, the Supervisory Board arrived at a nomination. The Executive Board members also spoke with possible candidates in the course of the selection procedure. After the nomination of the preferred candidate, the references were checked and an integrity check was performed. The Works Council was also consulted and the regulators carried out a screening process. The chairman noted that no names of candidates and no numbers would be mentioned as a careful process was the first priority.

The **chairman** noted that there were no further questions among the shareholders about the notice of the proposed appointment and invited the shareholders to ask other questions during the discussion of any other business. The chairman indicated that, after the close of the Extraordinary General Meeting, the Supervisory Board would appoint Mr Van der Noordaa as a member and subsequently as chairman of the Executive Board of Delta Lloyd NV.

### III Any other business and close of meeting

Mr **Keyner** (VEB) asked the chairman about the profitability of the medium-term strategy and wanted to know whether Delta Lloyd was striving in the short term for a minimum solvency ratio of 200% so that it could then venture into riskier investments. Mr Keyner mentioned a temporary dividend reduction as a short cut towards this goal and noted that riskier assets could generate higher returns, which could translate into more dividend for investors in the longer term. Mr Keyner asked the chairman to respond to this assumption and to outline its impact on profitability. The **chairman** referred Mr Keyner to the Investor Day of 21 November 2014 and said that extensive attention would be devoted to questions about the financial strategy at that event. Mr **Hoek** added that the recent interim management statement addressed some of these issues. Delta Lloyd had already indicated at an earlier stage that it was migrating to Solvency II, the 200% limit was less relevant in this connection. Delta Lloyd's aim to reduce the scrip dividend from 4% to 2% had also been communicated. More

details on Delta Lloyd's position under Solvency II, including information on the internal model and the longer-term strategy, would be given during the Investor Day. Delta Lloyd had announced that shareholders could count for the time being on an annual dividend of € 1.03. Delta Lloyd was thus seeking to minimise uncertainty and keep its dividend policy as stable as possible, whilst moving gradually towards more cash dividend instead of scrip dividend. Other matters would be discussed during the Investor Day. Mr **Keyner** said that he regretted this and was of the opinion that in adopting this stance Delta Lloyd passed up an opportunity to increase the relevance of this meeting for the shareholders.

Mr **Keyner** subsequently observed that Delta Lloyd had indicated that it did not wish to take over the Reaal insurance portfolio and asked the chairman to explain whether the quality of this portfolio was so much inferior to Delta Lloyd's own portfolio. He also asked the chairman whether a merger between Delta Lloyd and ASR was conceivable. Mr **Hoek** noted that Delta Lloyd was not in the habit of speaking about competitors. He mentioned the uniqueness of Delta Lloyd's multi-channel strategy in the Netherlands. The model, comprising the Delta Lloyd, OHRA and ABN AMRO Insurance brands, was operating well and delivered a good service to customers. This was visible in the field of life insurance and pensions. For many years now, Delta Lloyd had been market leader in these areas without having the largest portfolio. Delta Lloyd was efficient, had relatively low costs and good products that customers were pleased to purchase. Mr Hoek discussed the various considerations made in deciding whether to take over an existing portfolio, including the existing challenges, from a competitor or to pursue organic growth with the current model. Delta Lloyd's preference was for an organic growth model that delivered good services to customers and generated a good profit without exposing shareholders to unnecessary risks. Mr Hoek added that the statistics of previous mergers could not rival the results that Delta Lloyd achieved independently in recent years.

One of the shareholders asked Mr Hoek to give a similar explanation regarding the decision not to sell Delta Lloyd Bank Belgium. Mr **Hoek** explained that this was a mid-sized bank serving both the commercial and retail markets. Over the past years the bank had become more efficient, with a stronger focus on preferred and private banking. However, Delta Lloyd Bank Belgium did not form part of Delta Lloyd's core strategy and lacked scale, which was why the bank had been put up for sale. But it was not in the interests of the shareholders or the company to divest Delta Lloyd Bank Belgium at too low a price. This was the reason for discontinuing the sales process. Delta Lloyd Bank Belgium is a healthy bank that is capable of operating independently; whether Delta Lloyd is the most appropriate shareholder would be reviewed in the future.

Mr **Spanjer** (Amsterdam) referred to the small turnout of shareholders and proxy holders and asked whether the rest of the audience consisted of Delta Lloyd employees. He also asked how Delta Lloyd proposed to increase shareholder attendance. The **chairman** explained that the auditorium was partly filled with Delta Lloyd Directors, Works Council delegates and members of the secretariat of the Executive Board and Supervisory Board. Also present at this Extraordinary General Meeting of Shareholders were two civil-law notaries; Ms Leemrijse (Allen & Overy) would take over this role from Mr Visser. The chairman indicated that no voting would take place during this meeting, but that voting would be held at the Annual General Meeting and that the attendance on that occasion was expected to be many times larger. Furthermore, the Annual General Meeting would be held with the purpose of discussing Delta Lloyd's policy and strategy. The sole purpose of this smaller Extraordinary General Meeting was to give notice of the proposed appointment.

The chairman noted that the shareholders had no further questions and devoted a few words to the imminent departure of the current board chairman Mr Hoek, adding that he would be given a fitting farewell.

The chairman thanked everyone present and closed the meeting.