Notulen

Minutes General Meeting of Shareholders ASR Nederland N.V.

Wednesday 22 may 2018, 09.30 am - 12.30 pm

ASR Nederland N.V.
Archimedeslaan 10, Utrecht

(The minutes are a succinct representation of the contents of the meeting)

a.s.r.
de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

Agenda

Present:

The full Supervisory Board:
Kick van der Pol, chairperson
Cor van den Bos, vice-chairperson of the Supervisory Board and chairperson of the Audit and Risk Committee
Annet Aris, chairperson of the Selection and Appointment Committee and the Remuneration Committee
Herman Hintzen, member of the Supervisory Board
Sonja Barendregt, member of the Supervisory Board

The full Supervisory Board:
Jos Baeten, CEO
Chris Figee, CFO

The secretary to the meeting:
Diane de Groot-de Vries

A delegation from the Works Council:
Headed by Noortje Antonis

On behalf of Stichting Continuïteit ASR Nederland:
Herman Hazewinkel, chairperson

On behalf of EY, the external accountant:
Maarten Koning
Casim Snoeks
Remco Bleijs

The civil-law notary to oversee the correct course of the voting:
Paul van der Bijl, NautaDutilh

The shareholders:
754 shareholders are present or represented; they represent 71.1% of the issued capital.

1. Opening

The chairperson opens the public annual meeting of a.s.r. at 09.30 am. He extends a warm welcome to the shareholders of a.s.r. and emphasises that their connectedness with a.s.r. is very much appreciated.

The full Supervisory Board and the full Executive Board are present on behalf of a.s.r.

Also present is a delegation from the Works Council, headed by chairperson Noortje Antonis. The chairperson also welcomes the senior management, representatives from the media and the chairperson of the Stichting Continuïteit ASR Nederland, Herman Hazewinkel.

Present on behalf of the accountant are Maarten Koning, Casim Snoeks and Remco Bleijs. Diane de Groot acts as secretary to this meeting.

The chairperson states that an audio recording will be made of the meeting for the purpose of drawing up the minutes. After distributing the draft minutes, the minutes will ultimately be adopted and signed by the chairperson and the secretary. Paul van der Bijl, civil-law notary (NautaDutilh) is welcomed and will supervise the correct course of all voting. Agenda items 3, 4, 5, 6, 7 and 8 will be put to a vote. The voting takes place electronically and a practice voting round will be held prior to the first voting. The meeting can also be followed live via a webcast, via the website (both in Dutch and in English).

The chairperson establishes that the meeting has been convened in accordance with the requirements laid down by law and in the articles of association, so as to allow the meeting to adopt legally valid resolutions. Furthermore, the chairperson establishes that shareholders have not submitted any proposals for discussion. Therefore the agenda will be leading. Lastly, a number of announcements are made. The chairperson, having noted that there are no more questions, proceeds to agenda item 2.

2. 2018 Annual Report

a. To be discussed: the 2018 Annual Report

The chairperson states that Mr Baeten, on behalf of the Executive Board, will give an explanation to the annual report. He will also give an explanation to the financial result for 2018 as well as the dividend policy and dividend proposal.

Mr Baeten looks back on 2018, again an interesting year with many important events for a.s.r. Several of these events from 2018 will be reflected on. With the campaigns in the past few years, a.s.r. has strongly underpinned its position in society. If an insurer does not have a robust position in society, it loses its raison d'être in the longer term. In addition, with a.s.r.'s investment policy its contribution to sustainabilisation is becoming more and more visible. Furthermore, with Loyalis, a.s.r. concluded an excellent acquisition in 2018 and a.s.r. achieved good financial results in 2018.

An explanation is given to the financial results for 2018. a.s.r. achieved a good result of € 742 million in operating profit, even exceeding the highest operating profit of the previous year. The operating profit already includes the extra large cost of claims of € 30 million for climate-related damage. Despite the cost of this storm, the Non-life business showed a combined ratio of 96.5%. The combined ratio expresses the relationship between the premiums received versus loss, costs and commissions paid. With a target of 97%, a.s.r. is proud of the Non-life result. The Life business also showed good results. Despite the fact that the individual part of the portfolio is running empty due to a lack of new production, the investment returns on the portfolio are strong, resulting in a solid profit. Also the other business units, the distribution companies, the investment business and the external asset manager, show an attractive increase in operating profit. This has resulted in a.s.r. having a return on equity of 14.2%. This is well above the target announced at the time of the listing. We are therefore very proud of this.

Furthermore, the costs optically increased slightly, due to the acquisition of Generali Nederland. Excluding the acquisition, costs fell by more than 3%. In addition, a.s.r. built up € 372 million in organic capital generation this year. This can be reinvested in the company or distributed to the shareholders. Finally, with 17%, our turnover increased considerably last year. Part of this was due to the acquisition of Generali Nederland. Excluding the acquisition, a growth of 4.7% was achieved in the Non-life business and a growth of 8% in the Life business.

Besides the financial results, we also look at the non-financial criteria. Several of these will be discussed. First of all, the way in which the customer views a.s.r. is very important. a.s.r. is therefore proud of the increased appreciation with regard to its services and products. In the past year, our Net Promotor Score (NPS) rose to +40. The intermediaries are positive about a.s.r. and value a.s.r. with an NPS of +54. The way in which a.s.r. can provide a better service to customers with its products is also looked into. There are a number of issues in society where a.s.r., as an insurer, can contribute to finding a solution. With the De Amersfoortse brand, for example, a.s.r. introduced a new product last year, aimed at difficult-to-insure professions, which helps people at a young age and with demanding professions to continue to do their work in a healthy manner, allowing this occupational group to take out insurance until they reach retirement age. Another example is the introduction of the starters mortgage with a forty-year fixed-interest period. Thus a.s.r. is the first insurer in the Netherlands that enables young people to buy a house with fixed monthly charges over a longer period. a.s.r. is also very proud of a new concept that will be brought onto the market in November of this year. a.s.r. has entered into a partnership with a South-African company, Discovery, as part of which a.s.r. helps people to age healthily on the basis of a Vitality programme.

Another non-financial indicator is the sustainabilisation of society. a.s.r. is convinced that a.s.r., being a large financial institution, can make a substantial contribution to this. With our investment policy, a.s.r. puts the focus on making the operations of the businesses a.s.r. invests in, more sustainable. At the same time, this leads to dilemmas for a.s.r. For example its exclusion list containing several companies or sectors which a.s.r. does not want to invest in as an investor. This immediately leads to the question whether this has any consequences for the acceptance policy for insurable companies. Under the supervision of an ethicist, a.s.r. organises workshops at department level to support staff in this. Furthermore, a.s.r. last year was the fastest-growing company among financial institutions in the Dow Jones Sustainability Index (DJSI). a.s.r. now ranks among the top 15, so there is the ambition to get into the top 10. Important is in any event that 100% of the investment portfolio meets the requirements set by a.s.r. to sustainable investments by now.

Now I will get to the acquisitions of Generali Nederland and Loyalis. The integration of Generali Nederland is proceeding very well. Yesterday, Italian ice cream was served to celebrate the final step in the integration of the Individual Life portfolio. The non-life portfolio is currently being integrated into a.s.r.'s Non-life business and this will be completed by the end of the year. Lastly, a.s.r. Pensioenen will complete the integration of Generali Nederland in the first quarter of next year. Loyalis will not be fully integrated within a.s.r. There will remain a strong link to APG. The acquisition of Loyalis will give a.s.r. access to a large new customer group, for this group consists for 85% of public servants and government personnel. If Loyalis were to be fully integrated into a.s.r., the connection with the Loyalis brand would be discontinued, by which an important commercial value would be lost. Therefore we have opted for a structure whereby the occupational disability insurance business of Loyalis continues to operate from Heerlen, while the life portfolio will be integrated within a.s.r. This is expected to be completed by the end of next year.

Now I will briefly discuss the potential opportunities in the market. As you will know, a major insurer is currently for sale. a.s.r.'s core strategy shows a preference of organic growth and making small and medium-sized acquisitions within a well-delineated financial framework. Each possible acquisition is discussed in advance with the Supervisory Board, whereby the financial and operational hurdles to be overcome are explained. At the same time, a.s.r. is of the opinion that we need to seriously look at major, transformational transactions that enter the Dutch market. With the financial requirements set by a.s.r. to any acquisitions, such an opportunity is currently seriously being examined. It is, therefore, not an absolute must for a.s.r., and not a transaction that must be done at all cost. At the same time, a.s.r. is of the opinion that it would be a good idea if the policyholders of this insurer, which has already been put up for sale several times, could end up in a safe haven. a.s.r. believes that it can be such a safe haven, all the more so because a.s.r. has almost 300 years of experience in the Dutch insurance business, puts its customers on its own balance sheet and serves them based on a well-considered Dutch philosophy.

Upon our listing, a number of financial targets were published for the first three years following the listing. In the past year, this period ended. a.s.r. is proud of the fact that all KPIs published upon the listing were achieved. The last thing we can say about this is that the € 50 million cost decrease has also been realised. However, if there are any questions about this, we will be pleased to discuss this in more detail.

Then I will briefly discuss the dividend. a.s.r. now has a history of distributing a slightly increasing dividend over the past few years. In relation to last year, a 6.7% increase is proposed. This is a somewhat higher increase in relation to the operating profit, which was hit by € 30 million due to claims resulting from storm damage. However, with the increase in dividend, the confidence in a.s.r. is demonstrated also in respect of 2019. This means that we propose a dividend of € 1.74 per share. Last year, we already paid out € 0.65, resulting in a final dividend of € 1.09. This brings the dividend distribution to 48% (in a range of 45% to 55%) of the operating profit after deduction of the costs of outstanding loans.

Finally, a.s.r. experienced another highlight in the past year. This was the first Capital Markets Day (CMD) on 10 October 2018, when a.s.r. hosted analysts from all over the world and the targets for the next three years were announced. A number of targets have remained unchanged. A few important targets are highlighted. During the IPO, a Return on Equity (RoE) of 'up to 12%' was issued as a target. This target has been adjusted to an RoE of 12 to 14% and indicates the confidence in the future. The organic capital generation is a reflection of the amount of capital that has been created and the room for manoeuvre for both dividend distributions and investments. The organic capital generation for 2021 stands at € 430 million plus € 35 million for the expected contribution to organic capital generation following the integration of Loyalis. Furthermore, financial leverage has increased slightly, but this is mainly due to the way in which it has been calculated. At 35%, this is about the same as the 30% for most other insurers.

This is followed by an explanation of the business targets. The Life business has a shrinking portfolio, nevertheless the operating profit from the Life business is expected to remain at least stable in the coming years. At the same time, the shrinking portfolio is forcing us to reduce costs further, and while last year's costs amounted to 56 basis points of the reserves, the target for the coming years was lowered to 45 to 55 basis points. In addition, it is expected that Non-life will achieve a combined ratio of between 94 and 96% in the coming period. In addition, an organic growth target of 3 to 5% has been set. This expresses an ambition to grow faster than what the market will naturally do. We are currently facing a shrinking market, with a gross national product that, at 1 to 1.5%, hardly shows any growth. The most recent business target that was presented at the CMD was that the distribution companies and asset manager should contribute at least € 40 million in 2021, with an annual growth of at least 5%. As already mentioned, a.s.r. also focuses on a number of non-financial metrics. For example, the target for customer satisfaction has been increased to an NPS of 44. In addition, through our investment portfolio, a.s.r. seeks to make other companies more sustainable. The target set for this is that, by 2021, at least 95% of the entire investment portfolio can be accounted for in terms of the CO2 footprint and that a further reduction in this footprint will be achieved. At present, the investment portfolio has an approximately 30% lower footprint on parts that are comparable to other portfolios. Also important is a.s.r.'s target of € 1.2 billion for investments in social impact funds. Among other things, a.s.r. is partnering with Triodos, in order to be able to make a number of long-term investments.

Lastly, it is important that staff make an extra contribution towards making our Dutch society more sustainable. By providing education, our employees contribute to the financial self-sufficiency of Dutch families. Every year, a.s.r. wants to contribute 5% more towards this goal.

Mr Baeten lastly expresses his pride with regard to the results for 2018 and thanks the employees for their efforts.

The chairperson thanks Mr Baeten for his clear explanation and states that there is an opportunity to put questions to the Executive Board. First of all, Mrs Van Heck from VBDO is given the floor.

Mrs Van Heck thanks the chairperson and states that she is representing the VBDO today. The VBDO would like to put three questions about sustainability to a.s.r. The first question concerns the climate. Last year, a.s.r. actively contributed to the Carbon Accounting Financials Platform (PCAF). This is very positive. Last year, the VBDO asked a.s.r. about its science-based CO2 reduction goals, which were also referred to in Mr Baeten's introduction. The VBDO would therefore like to ask a.s.r. whether it is possible to share the outcome of the portfolio, which has been measured for 95%. The VBDO would also like to know when a.s.r. expects to publish its CO2 reduction goals for the emissions of the portfolio for one, two and three in line with the Paris climate agreement. The second question is about the consequences of climate change, such as for example drought, flooding, and other extreme weather conditions. The VBDO is of the opinion that this a risk both for the insurer and the investor. The Task Force for Climate-Related Financial Disclosures (TCFD) advises financial institutions to, among other things, investigate these physical risks of climate change and prepare scenario analyses for them. VBDO is curious to know whether a.s.r. has investigated these risks and possible opportunities both as an insurer and as an investor and whether the results are shared. The VBDO would also like to know when a.s.r. expects to report in accordance with the guidelines of the TCFD. The last question is about the Sustainable Development Goals (SDGs), as also stated in the Annual Report. The VBDO considers it a positive development that a.s.r. takes into account the SDGs 14 (life on land) and 15 (life on water). The VBDO would like to know how the impact on these SDGs is measured both positively and negatively and whether a.s.r. can also formulate the goals that contribute towards achieving the SDGs in line, also, with the goals formulated by the UN in this respect.

Mr Baeten addresses the second question concerning the insurance portfolio. The Dutch daily newspaper the *Volkskrant* coincidentally had a major article on this subject, in which a.s.r. was also mentioned. First of all, a.s.r. has a fairly clear picture of the bigger climate risks of the portfolio. These are twofold; the increased loss due to weather (such as storm, hail, etc.) and flooding. a.s.r. actively points the customer to the risks regarding loss due to weather and helps the customer to put in place preventive measures. With the increased data on weather development, this is increasingly becoming more easy and the customer can be warned in advance if, for example, hail is on its way. Prevention helps to avoid damage and keep premiums low. The biggest climate risks in terms of claims are flooding. This is a difficult, complex problem, which is a topic of discussion between the government and the sector. In collaboration with the government, part of the risk could be insurable under certain conditions. One of the conditions could be, for example, that all residents of the Netherlands contribute a small part to the insurance premium in order to bear the loss in areas where the risk of flooding is greater. a.s.r. is actively taking part in the debate on this subject and how it can make a contribution. Without measures being put in place, an increase in climate-related claims may lead to 15 to 30% higher premiums in the coming decades.

Mr Figee enters into the investment-related questions. In its Spitsbergen ambition, a.s.r. endorsed that a.s.r. is working on formulating science-based targets in order to further strengthen a.s.r.'s own targets and also to be able to meet the goals of the Paris Agreement. This will be published in 2020 at the latest. The carbon footprint of the investment portfolio is currently being measured by a.s.r. On the fixed-interest side, this has been fully mapped out. The equity portfolio has also been fully mapped out. It takes a little more time to zoom in on the investments in funds, about a quarter of which have been mapped out. a.s.r. is also primarily engaged in analysing the carbon footprint of the mortgages extended and the property portfolio. The first impression is that, of the segments being measured, the carbon footprint of the a.s.r. portfolios has fallen by 30 to 40% over the past few years and that a.s.r. credits and equities are approximately 30% below a comparable benchmark portfolio. The expectation is that, by 2020, a.s.r. can set more concrete, hard targets in line with the plans that have been announced in this respect. a.s.r. is also participating in the Ortec project, together with a number of pension funds and universities, to assess the impact of the climate scenario on the investments in the form of an Asset Liability Management study. The study shows that a.s.r. is reasonably resilient and stubborn, with the portfolio being considered for European investment in large companies. Small businesses and emerging market investments are particularly vulnerable to negative climate scenarios. This is gradually becoming an increasingly important part of the asset allocation. For the time being, this is a back test that is carried out for control and completion. It is expected that, in the coming years, the climate scenarios will really be playing a prominent role in a.s.r.'s investment policy. Furthermore, specifically for the property portfolio, it is indicated that geographical analysis is used to try to identify the sensitivities and risks of, for example, flooding or water scenarios, water damage, with a view to the investments. It is expected that, at some point in the annual reporting, a.s.r. will provide an explanation of the development of the portfolio under various climate risks in line with the TCFD guidelines. In terms of measuring the exact impact on the SDGs, unfortunately, there is as yet no uniform global metric. What a.s.r. will do next is to opt for exclusions and positive action, which is also described in the Annual Report. By this, a.s.r. follows on the current developments and, as soon as unique metrics are available, a.s.r. will follow these.

Mr Jansen indicates that he is speaking on behalf of the Association of Stockholders (the *Vereniging van Effectenbezitters*), the VEB. The VEB compliments a.s.r. on its clear, coherent Annual Report. The VEB has a number questions about the ambition of the new goals and about VIVAT. The VEB has received all kinds of news about the bidding process; what is particularly striking is that private equity firms seem to have a fairly prominent role in the bids. Private equity firms are probably able to de-risk and thus invest more aggressively. Therefore private equity firms may offer considerable more than the established parties, including a.s.r. The VEB would like to know whether a.s.r. can promise the meeting to stick to the minimum return requirement of 12% on acquisitions, by stating that it would actually be fair to require a slightly higher return for this in view of the integration risks and balance sheet risks. The second question is whether a.s.r. would be willing to consider selling the Life portfolio to a private equity party. Subsequently, the VEB has a number of questions about the new strategy and targets. The first concerns the area of tension in the Non-life business between the 3-5% growth in combination with the combined ratio. Therefore the VEB is curious to know whether it would be logical to express a growth target with specific figures in a situation in which value is actually much more important than growth. The second question is about the Life book. The expectation is that the income from the Life book will remain stable over the next three years. However, the VEB would like to know what the long-term horizon of the shrinking portfolio is. Furthermore, the RoE target has been increased but in the past few years a.s.r. nearly always scored well above 14%. Therefore the VEB wonders whether the higher target is an 'under promise' and 'over deliver', or a change in the insurance market as a result of which the returns would actually be somewhat lower than in the previous years. Lastly, a question about the banking activities. The Annual Report shows that these activities were placed at non-core. The VEB is curious to know whether these can simply be hived off without consequences for the remaining a.s.r. activities and whether there are no strategic and/or other reasons to hold on to the banking activities.

Mr Baeten addresses the questions concerning the bidding process and fellow bidders. Time will tell how aggressive this process is. The answer to the question whether a.s.r. adheres to its financial discipline is outright affirmative. a.s.r. is very proud of the strict financial discipline that it applies to acquisitions. In talks with investors, the hurdle rate of 12% for a takeover is discussed at all times, as well as the financial and operational risks of a takeover. If it concerns a large risk, an increase of this hurdle will be considered. If a.s.r. eventually becomes the buyer, at that point it will also be clear how a.s.r. has looked at the risks and how these will be translated into the requirements for the transaction. a.s.r. as a whole will in any event not be put at risk in such a transaction.

Then the second question, about the willingness to sell the Life book. First of all, a.s.r. is of the opinion that it is important that a Dutch insurer, in a shrinking market, with a Life portfolio that is slowly being phased out, also meets the obligations towards the last policyholder. The aim of a.s.r. has always been to first look at the liability structure, both in terms of amount and duration, and to ensure that the investment structure and risk management are geared to this. The extra bit of margin on top of this is attractive and also necessary to be able to survive. It is a.s.r.'s task to ensure that the liabilities vis-a-vis the policyholders can be met. In the event a.s.r. were to consider a sale of the portfolio, this will be a leading principle at all times. However, the chance of a.s.r. ending up in such a transaction is considered very small. It was stated at the CMD that a.s.r. as a Dutch insurer is considered as one of the natural consolidators in the Dutch Life market. From this perspective it would therefore not be logical to say that a.s.r. is considering the sale of its own Life book.

Mr Jansen indicates he has yet another question about the bidding process and the prominent role of private equity firms. The VEB wonders how the regulator looks upon this.

Mr Baeten indicates that the regulator itself is best able to answer this question and that he does not feel called upon to speak here on behalf of the regulator. From a.s.r.'s own perspective, the way in which a Dutch insurer is to be managed is looked at, and this, of course, is discussed with the regulator.

Conclusion with regard to the questions about the targets. First of all the growth in combination with a combined ratio. The all-prevailing principle at a.s.r. is value-over-volume. At the CMD, it was made clear that there is a sequence in these goals. First and foremost, achieving a sound return; a.s.r. is further of the opinion that it is well-suited to develop a healthy growth by providing a good service to customers by offering excellent products. If this can go hand in hand, the growth objective has preference. The moment this growth would be at the expense of the return, the brakes would be pulled immediately. The second question is about the Life book. At the IPO of a.s.r. the maturity schedule of the Life book was shown and it was indicated that over the first ten years following the IPO the Life book will be approximately halved. In particular the production related to mortgage is going at a faster speed, given the government's policy to speed up the repayment of high-value mortgages. And so we see a movement in the choice to surrender Life policies and use the surrender to repay the mortgage. For now, a.s.r. is assuming that the expiry schedule will be close to halving in the coming years and may be reached by the ninth year. Nevertheless, a.s.r. believes that the results can be maintained in the coming period. An old portion of the portfolio in the Life book comprises 4% guarantees. This portion will naturally expire first. This means that the expiry of the 4% in guarantees partly compensate the profitability, because the younger book only has 3% in guarantees. This means that despite the nominally smaller pot used for investment, the level remains reasonably stable.

Mr Figee supplements the answers to the first questions about the investments. On the basis of the portfolio, a.s.r. looks at the liabilities and looks for investments that fit in with them. This means that we therefore do not look at what the most profitable investments are and whether they coincidentally fit in with the liabilities. A higher return is also associated with a higher risk. We have now reached the end or final phase of the economic cycle. Therefore it is questionable whether this is the phase in which a great deal of risk should be taken.

Furthermore, a.s.r. has a very clear, sustainable investment profile. Several high-yield options are possible for a Life investment portfolio, such as buying drug royalties, investing in avocado plantations in the USA or buying distressed mortgages in the UK. However, the water consumption for avocado plantations in the USA is incredibly high and it is questionable whether it is appropriate to purchase drug royalties in view of the discussion about the profits of the pharmaceutical sector, and whether distressed mortgages are in line with a sustainable investment policy. Therefore, a.s.r. looks at responsible, sound investments from the perspective of its liabilities and its own profile. As for the question about the RoE target, it should be noted that it is lower than or in line with what has been achieved in previous years. The RoE relates to equity earnings. Any pressure on the RoE is not the result of a reduced performance, but rather the result of the slow rise of the equity.

Mr Baeten indicates that it has recently been announced that a.s.r. has sold the largest part of a.s.r. Bank to Achmea. The requirements that DNB imposes on a bank are different from those imposed on an insurer. Although an integration on accounting processes has taken place, the bank was already a stand-alone entity. Therefore, no major disintegration problems are foreseen when the savings bank is transferred to Achmea. It is expected that things will go according to plan and that the transfer will be completed by the end of the year.

Mr Stevense of Stichting Rechtsbescherming Beleggers (SRB) would like to congratulate a.s.r. on the results achieved. The SRB has a question about the conversion of shares into residential property and the distribution of the allocation in this context. The SRB would also like a more detailed explanation of the CO2 footprint and the investment obligations. Mr Stevense also stated that the tier of management below VIVAT's Executive Board has a preference for selling to a private equity party. The SRB wonders whether a.s.r. might give an explanation of the financing mix (and to limiting the dilution of rights) for the possible acquisition. The SRB has also noticed that the net IFRS result is lower. Mr Stevense asked for an explanation of the reason for this.

Mr Baeten addresses the questions concerning VIVAT. Experience has shown that such rumours should be dealt with carefully. When a.s.r. takes over a company, the works councils of both companies are always involved in the process on an ongoing basis. At the same time, from a legal perspective such an acquisition means that there will be a so-called Transfer of Undertaking (Dutch acronym: 'OVO'). An OVO has consequences for both companies and a.s.r. is very much aware of this. The second question concerns the financing of the possible acquisition. From the outset, a.s.r. has been crystal clear in this respect. This is an acquisition such that shareholders must be given the opportunity to be heard about it. This means that a special shareholders' meeting will be announced at which the various aspects to the acquisition will be presented. The purchase price and financing structure will also be made clear at that point. The assumption is that the acquisition will be fully financed by issuing additional shares. This means that, next year, a.s.r. will need to come up with strong arguments in order to raise shareholder interest in taking part in the additional share issue.

Mr Figee addresses the questions about the change in the asset mix and the allocation in the asset classes. Investors are experiencing a healthy Dutch housing market. It is more difficult for buyers and tenants, but owners and landlords of dwellings are experiencing very attractive investments. a.s.r. mainly invests in the rental mid-segment (rents varying from € 700 to € 1,200 per month). There is a lot of demand for these rental properties, which means low vacancy rates. There is a clear increase in value as seen in the return on the property portfolio. It was therefore decided to change the investment portfolio from equities to more (residential) property simply from a risk/return perspective. Rental properties are an attractive investment for an insurer with long-term commitments.

Then Mr Figee addresses the question about IFRS. IFRS 17 has not been included in the figures for the 2017 financial year. IFRS 17 will only really begin in 2021/22. The net IFRS result includes the price gains and losses. a.s.r. has more impairments compared to the previous year. Therefore, the price declines at the end of the fourth quarter will have to be recognised in the figures at some point. The main explanatory factor is the one-off price gain in 2017 on the shareholding in Unilever; this profit is not seen this year. This explains much of the difference. The third point is that, last year, a.s.r. incurred more social planning costs as a result of the integration of Generali Nederland and the redundancies of staff.

Mr Vreeken stated that he was speaking on behalf of We Connect You Public Affairs and Investor Relations. Mr Vreeken advises the most senior levels of government and of the trade and industry in the field of financial sustainability, finance and good causes and, in particular, the scaling up of Dutch sustainable innovations. Mr Vreeken is pleased with the good results and surprised by the hospitality. Mr Vreeken complimented a.s.r. on the accessibility of the chairpersons. One million plant and animal species will soon disappear. This means that no climate transformation is involved, but a climate crisis because the entire balance will be completely upset. It is a positive development that a.s.r. is investing in Taxi Electric, a great company with many older employees. Taxi Electric has Tesla's that have a 600-kilogram battery. The battery turns out to be the most polluting part of the model. Mr Vreeken therefore advises a.s.r. to scale up further to light electric vehicles. a.s.r. was the first in Amsterdam to include the Urbees, electric rental bikes, in the plan. An advantage of the Urbee is that the battery only weighs five kilograms. A Tesla is a hundred times more polluting, so this is an easy and quick win. Moreover, a parking space of one Tesla can accommodate 10 electric bicycles. So it saves a lot of asphalt and concrete in parking spaces. Waka Waka (lighting facilities and the circular shower) is also briefly discussed. The circular shower saves 80% on water and gas, which saves at least 10 to 20% in CO2 emissions in the Netherlands. The top 10 of most polluting ships in the world pollute more than all the cars in the world. Mr Vreeken is therefore curious to know whether next year, together with other top companies, a.s.r. will ask the supplier to replace the polluting fuel with, for example, LNG or green gas. Moreover, the Organisation for Economic Cooperation and Development (OECD) predicts a new economic crisis. In combination with the climate crisis, the trade war between China and America and the Boeing crisis in the field of aircraft, things seem to be going in the wrong direction. Mr Vreeken is therefore curious to see how this is viewed by a.s.r. in the short and long term.

Mr Baeten addresses a number of things Mr Vreeken reflected upon. First of all, a.s.r.'s investment policy is explicitly aimed at making the company more sustainable and, after a prior dialogue with a number of companies, it has withdrawn from these companies as an investor. At the same time, we must also realise that the world cannot be changed overnight. As to what a.s.r. itself can do, it goes one step further: a.s.r. has a garden with beehives and wild flowers where a small ecosystem has been created. In this way, nature is preserved right in centre of the city. Second, the a.s.r. building is one of the most sustainable buildings in the Netherlands despite the fact that it was built in 1974. Later in this quarter, the gas supply will be discontinued, so that a.s.r. will no longer be dependent on gas heating. After this step, a.s.r. will be completely self-sufficient and completely green, either as a result of green wind or as a result of the large amount of solar panels. It is indicated that there is not yet complete satisfaction with a.s.r.'s commuting traffic. Because a number of companies have merged, explicit steps are being taken in this area as well. Soon a new plan will be announced in which considerable investments will be made to encourage employees to come to work by bicycle or public transport. a.s.r. will also put in place a policy for making the lease plan more sustainable. a.s.r. is aware of the fact that all kinds of batteries are still very harmful to the environment. At the moment, this is the only option in the event of long journeys and where public transport is inadequate. a.s.r. therefore shares the concerns in this area. Through its investment portfolio a.s.r. expresses what it does in this respect and the way in which a contribution is made. It is therefore good to see that more and more companies are taking explicit steps to contribute to CO2 reduction in order to leave this earth behind in a good way for future generations.

Mr Tse is curious to know whether a.s.r. has considered the form of the share issue in the event of a takeover of VIVAT. Mr Tse indicates that he has a preference for an issue with a pre-emptive right for the existing shareholders. Mr Tse also wants to know about the commercial retail property portfolio.

Mr Baeten indicates that he has, of course, thought about the form of the issue. However, the final decision on this will of course only be taken once it is known that a.s.r. is the prospective buyer. a.s.r.'s current view is that no pre-emptive rights will be issued, but that it will be a rights issue that will be expressly offered to the existing shareholders.

Mr Figee replies to the question about the retail portfolio. a.s.r. currently has a retail fund, the Dutch Prime Retail Fund, with a size of approximately € 1.7 billion. This is a highly focused retail portfolio, opting for key shopping streets in the key cities. The investable part of the retail sector in the Netherlands is approximately 10% of the total. The key streets in the major cities are still performing nicely. The problem in the retail sector is much more the periphery in the small, regional shopping centres. Regionally, the fund is active in supermarkets of the well-known supermarket brands, which do not involve any major risks. The retail portfolio is performing well and is very stable. In the event of bankruptcy, tenants are often eager, because the premises are in good locations. The adage of location, location, location is therefore very important in the retail portfolio. a.s.r. has an interest of approximately 45% in the fund. So a.s.r. has invested approximately € 8 to 9 million through the fund in these high street retail locations.

Mr Stevense had an additional question concerning older employees and the automation of operations. The SRB is curious to see how we will deal with this. Mr Stevense also wondered why it was decided to work with a South African party in the field of sustainable employability. In addition, the SRB would like to receive further information on possible risks associated with bank fraud. Lastly, Mr Stevense has a question about the investment portfolio. The SRB is curious to know whether a.s.r. is also investing in warehouses.

Mr Baeten responds to the first question regarding older employees. a.s.r. invests heavily in all its employees. a.s.r. has a programme that deals with sustainable employability, where the employees are helped to think about their own future and possible extra training. Sometimes this leads to employees finding a new job within the organisation or living a completely different passion elsewhere. There are also employees who have retired, but then apply again and return to a.s.r. The second question concerned the cooperation with a South African company in the field of vitality. Extensive research has been carried out into the type of services and the product that will be brought to the Dutch market in cooperation with Discovery. Discovery has over 25 years of experience in the field of vitality and is now active in 17 countries. There are no comparable parties with such knowledge and experience. The Vitality programme is a highly developed concept with many partnerships. The essence of the concept is that people are rewarded for good behaviour, for leading a healthy life. A network of international and national partners is needed for the implementation of this reward. Furthermore, a system is needed to offer the concept to the customer via an app, which has already been developed by Discovery. a.s.r. is therefore convinced that this is the best party for a partnership. In addition, an explanation is given to the question concerning bank fraud and the recent media attention on money laundering practices and the related fines. a.s.r. is extremely active in mitigating such risks. Although money laundering via an insurance product is more difficult than via all kinds of bank accounts, as an insurer a.s.r. also has to deal with legislation in this field. a.s.r. has invested a great deal in this area in the past few years and, for example, with each new customer it is checked who the Ultimate Beneficial Owner (UBO) is. a.s.r. has a so-called 'zero tolerance policy' in the event that a customer cannot be traced. In such a case, we take leave from the customer. A customer is also taken leave from if there is no response to a request to that end or if there is no willingness to submit the so-called UBO. It is indicated that the number of hits on possible suspicious transactions is relatively low within a.s.r.

Mr Figee states that a.s.r. invests in real estate such as residential property, retail and offices and not in logistic distribution centres in the Netherlands (warehouses). This has to do with a simple risk/return assessment in relation to other investment categories. Recently, the initiative was taken to set up a fund that invests in science parks, i.e. offices and housing on or near university premises.

Mr Jansen has a final question about a.s.r.'s buy-backs, which have worked out well in the past and created value. The VEB therefore wonders to what extent a.s.r. will take the valuation of the share into account to determine whether a return on a buy-back would be sufficiently attractive to do a buy-back and whether this is compared to the organic and inorganic growth possibilities.

Mr Figee puts the question in a broader context. At the CMD, reference was indeed made to a return of capital if there was no other use for it. A return of capital is measured on the basis of solvency. At the CMD, it was indicated that when the solvency comes close to 200%, a very large amount of capital is present. This is not necessary in an organic situation. In an organic situation, the capital is needed to do acquisitions. A possible return of capital depends on the way in which the solvency was established, the quality of the solvency and developments in the economic market. As soon as a discussion about the return of capital starts, a.s.r. is indifferent as to whether it is a special dividend or a share buy-back. The question is then wat the preference of the shareholders is, and that is what a.s.r. will be entering into a discussion about. The assumption is that a special dividend yields a return of about 10%. As far as the return on a share buy-back is concerned, a.s.r.'s operating profit is divided by the market value of its equity. The highest return of the two options will probably be the preferred route.

b. For discussion: Report of the Supervisory Board

The chairperson indicates that he wishes to move on to the report of the Supervisory Board, as included in chapter 6.2 of the Annual Report, which contains a detailed account of the items on the agenda for the past year. A number of these items are highlighted. The Supervisory Board formally met on 13 occasions, focusing in particular on the acquisition of Generali Nederland and the decision-making process surrounding Loyalis. In addition, extensive consideration has been given to the adjustment of the governance model and the remuneration issue of the Executive Board, which will be discussed later under agenda items 2.c and 3.a. Much attention has been paid to the portfolio strategy of the organisation, solvency and capital. The framework within which M&A transactions can take place and the developments in the field of IT and innovation were also discussed at length. The reports of the Audit and Risk Committee, the Selection and Appointment Committee and the Remuneration Committee can also be found in chapter 6 of the Annual Report.

Mr Jansen of the VEB thanks the chairperson for the clear and comprehensive report of the Supervisory Board. VEB states that it would like to receive a more detailed explanation to the accountant's comments with regard to the internal control of the Non-life business of Generali Nederland and its proper functioning. Furthermore, the Annual Report indicates that some parts of the organisation are understaffed. The VEB is curious to know which parts of the organisation this concerns and whether this is a structural problem.

The chairperson indicates that both questions in terms of implementation and content fall within the remit of the Executive Board. During the meetings of the Supervisory Board, the progress of the integration of Generali Nederland has been discussed on an ongoing basis. The accountant did indeed make a comment on this issue. This was continuously monitored by the Audit and Risk Committee and efforts were also made to find a solution to the issue. In the event of a takeover, it cannot be assumed that the acquired party meets the high standard requirements of a.s.r.'s internal control from day one. The integration plan has therefore paid a great deal of attention to this and the pace at which this is dealt with is very fast. The Annual Report therefore shows that most of the issues concerning Generali Nederland were resolved in 2019. The chairperson indicates that the labour market is a highly diverse issue. In recent years, a.s.r. has attracted many people with ambitions in the financial sector and who, because of a.s.r.'s social nature, are attracted to the DNA of the organisation. However, a.s.r. has to do with the same labour market as its competitors. When it comes to data analysts or model-based climate experts, for example, it turns out that all organisations are looking for the same scarce group of people. Nevertheless, there is a strong belief that as an employer, a.s.r. can take an advantage over its competitors by being the type of company that a.s.r. wants to be. The chairperson notes that there are no more questions and closes the agenda item.

c. For discussion: Corporate Governance

The chairperson explains the changes that have been carried through. In 2018, together with the former Executive Board the governance model has been extensively looked into. In the past, a.s.r. was faced with a number of operational issues in connection with the implementation of policy intentions. As a result, the governance model model was adjusted at the time so as to ensure that the Executive Board monitored the implementation of policy more closely. The COOs in particular were severely burdened by the Executive Board with managing operational issues. a.s.r. has always had the ambition to invest this responsibility lower in the organisation. In recent years, the Executive Board has considerably invested in the renewal and development of the management levels below the Executive Board, also attracting external talent. As a result, the operational management of the organisation could increasingly take place at the level below the Executive Board. The Supervisory Board therefore came to the conclusion, in close consultation, that in order to remain successful in implementing the strategy and achieving the goals in the further future, the management structure of a.s.r. had to be adjusted. This was done with enormous gratitude for the role of the COOs, both in putting the operational management in order and in selecting and training the management, which in effect made them superfluous. The Supervisory Board is therefore pleased to see that Mr Verwoest is present today as a shareholder. Since 1 February 2019, the Executive Board consists of three members: the CEO, the CFO and a new member to be appointed. a.s.r. is about to complete the recruiting of the third member. The shareholders will be informed as soon as possible. Additionally, a Business Executive Committee has been formed which will to a large extent implement the operational management of the organisation. The Business Executive Committee consists of the members of the Executive Board, the Chief Risk Officer and senior managers who represent a number of focus areas: Service Books (Individueel Leven & Uitvaart) (Individual Life & Funeral), AOV (occupational disability insurance) & Zorg (Care), Non-life, Mortgages, Pensions, Asset management and Innovation & Digital. The Business Executive Committee sees to it that the knowledge and skills of senior management in the specific focus areas can be directly involved in decision-making at board level. With a sector on the move, it is essential that a.s.r. is able to respond quickly to opportunities that arise and to efficiently anticipate constantly changing customer needs. As a result of these changes, the regulations have been amended and internal (work) processes within a.s.r. have been updated. This applies to the most important changes in our governance. The chairman asks whether there are any questions or comments about a.s.r.'s corporate governance, as described in chapter 6.1 of the Annual Report.

Mr Jansen of the VEB thanks the chairperson for the clear explanation. The VEB has a question about the remarkable timing of the publication of this report. A month earlier at the CMD, Mrs Bergstein and Mr Verwoest had spoken at length about their responsibilities within a.s.r. for the coming years. The VEB is therefore curious to know why the structural change was not announced during the CMD and whether it is not related to a difference of insight on the strategy or something like that.

The chairperson indicates that the timing was largely determined by the fact that once the thoughts about the structural change were clear, a process had to be gone through with the regulators and the Works Council, which, as one can understand, took up time. The chairman, having noted that there are no more questions or comments, closes the agenda item.

d. For discussion: 2018 Remuneration Report

The chairperson states that a detailed report on the remuneration policy is included in chapter 6.3 of the Annual Report. a.s.r.'s remuneration policy complies with all legislation and regulations and the Executive Board receives a fixed salary. As announced at the beginning of 2018, the Supervisory Board decided to increase the fixed remuneration of the members of the Executive Board in phases until 1 January 2020 at the latest, and this was implemented last year. The proposal to amend the remuneration policy will be dealt with under agenda item 3. The chairperson, having noted that there are no questions or comments, closes the agenda item and moves on to agenda item 3.

3. Remuneration policy

a. For vote: proposal to amend remuneration policy Executive Board as of 1 January 2020

The chairperson notes that this was the first item on the agenda on which the shareholders will vote. Prior to the meetings, the shareholders had the opportunity to exercise their voting rights by means of e-voting. These votes are taken into account in the votes cast at the meeting. There are 754 shareholders present or represented. They can cast 100,257,515 votes, representing 71.1% of the total number of votes.

The system is tested by means of a practice question. It is found that the system works.

The chairperson gives an explanation of the proposal. Since the privatisation of a.s.r., the existing remuneration policy, which has just been reported, has been continued for a certain period of time. In 2018, the Supervisory Board announced that it would evaluate the remuneration policy for the Executive Board and did so last year. This included an extensive consultation round with various stakeholders such as shareholders, employees, politicians and Dutch society at large. In preparing the proposal, the Supervisory Board took into account four perspectives as a basis for the amended remuneration policy.

First of all, from an organisational perspective, the remuneration policy and the question of what is appropriate to the way in which a.s.r. presents itself as a useful insurer that deals very carefully and sustainably with the resources that its customers make available to a.s.r., were examined. From an internal perspective, the entire system applied to the other employees and the consistency of the internal pay structure, were examined. From an external perspective, the labour market in which a.s.r. operates was examined. Lastly, from the stakeholder perspective, it was examined what the remuneration policy means for shareholders, customers, employees and society at large.

As a result, a revised remuneration policy has been proposed. From a.s.r.'s point of view, looking at the internal pay structure, it is not appropriate to introduce variable remuneration for the Executive Board. Given the way in which salaries rise internally, it was logical to introduce job grades for the Executive Board. It has been arranged that an annual collective bargaining agreement increase of 3% will be paid out to employees as long as the maximum of the grade has not yet been reached. At the beginning of this year, a new collective bargaining agreement was concluded in which remuneration and appraisals were uncoupled. As a result, much more attention is paid to the content of appraisal interviews.

In addition, a critical note has been made that an annual increase of 3% is unusual for an Executive Board. An important group of shareholders called for the aim of making this 3% increase variable for the Executive Board, whereby it can end up below 3% in bad years and above 3% in good years. The Supervisory Board will account for any deviations in this respect in the remuneration report each year. As far as the external market is concerned, a new and critical look was taken at the way in which the company compares itself with other Dutch companies. The next remuneration report will examine this in detail. The Supervisory Board is in any case highly transparent in the selection of companies and in the reason for the selection.

Furthermore, the Supervisory Board was aware of the fact that the absence of a variable component was a bridge too far for several stakeholders. As a result, in addition to the remuneration policy, the Supervisory Board made binding agreements with the Executive Board on the acquisition of shares from net income. The Supervisory Board conducted extensive discussions with various stakeholders. Executive remuneration is a very sensitive issue in Dutch society and elicits many emotions at a time when confidence in the financial sector is still being restored. As a result, there were several discussions with the political parties represented in the Lower House and with shareholders. Extensive consultations were held with the Works Council and a number of good suggestions were taken on board. Research was also carried out into the way in which the customer views issues of this kind. The Supervisory Board is therefore convinced that it has found the best balance where there are different views on remuneration policy. The policy will be submitted to the shareholders' meeting every four years. If there are any material changes in the next four years, these will be submitted to the General Meeting for approval in the interim. In addition, the Supervisory Board will report in detail each year in the remuneration report. The chairperson gives the shareholders the opportunity to ask questions about this agenda item.

Mrs Stavast thanks the chairperson and indicates that she is representing and speaking on behalf of PGGM's clients today, including Pensioenfonds Zorg en Welzijn, Menzis and APG Asset Management. First of all, Mrs Stavast indicates that she is very satisfied with the process. The Supervisory Board consulted PGGM extensively and in good time on the new remuneration policy. In addition, the feedback provided by PGGM was actually included in the revised version, which is to PGGM's satisfaction. PGGM also believes that the remuneration is appropriate both in terms of level and structure in view of the company-specific, social and geographical context, and the size of a.s.r. a.s.r. has a broad shareholder group with different views on remuneration. PGGM knows from experience that it is a challenge to strike a balance between the different views of shareholders and stakeholders. It is vital that a.s.r. takes account of the company's social function as a matter of urgency. a.s.r. starts from the intrinsic motivation of the directors and employees, which does not require an external variable incentive. Mrs Stavast also expresses her appreciation for the scope for long-term share ownership of directors, a simpler remuneration structure and transparency regarding the maximum increase and the 0 to 6% increase. Lastly, PGGM is convinced that a.s.r. has succeeded in drawing up a simple and moderate remuneration policy which has come about after proper consultation. Mrs Stavast indicates that the investors she represents support the proposal.

The chairperson thanks Mrs Stavast warmly for the positive feedback.

Mr Jansen of the VEB states that he is also very satisfied with the course of the process and the extent to which the VEB had been involved. The VEB understands that it is an extremely delicate balancing act between all stakeholders to arrive at a satisfactory remuneration and is of the opinion that a.s.r. has succeeded in this. The VEB remarks that it is bold to abandon a variable remuneration, but experiences this as something positive in view of the fact that too often remunerations are paid on the basis of mediocre performance. This was the case with Aegon, for example, where almost the maximum bonus was paid out while the share price was under severe pressure and profits had fallen sharply. This does not alter the fact that VEB still has a number of questions. The first question concerns the period of validity of the policy. The explanation shows that after two years and four years it is possible to make some changes. The VEB is therefore curious to know whether a.s.r. can promise that it is the intention to apply this policy without a bonus for the longer term. The second question concerns the competitive position of a.s.r. Parties such as NN and Aegon pay out considerably higher amounts to the top management. VEB therefore wonders whether this poses a long-term risk to a.s.r.'s revenue model with respect to retaining and acquiring top talent. The last question is of a more fundamental nature in the sense that an attempt was made to create a parallel interest with the shareholders by building up a share interest. VEB believes that this is extremely important for the alignment of interest. However, the percentage is on the meagre side. In the financial sector, it is no exception that three, four or five times the basic salary is included in the remuneration, and in addition there is a variable remuneration, as a result of which more of a parallel interest is involved. VEB is therefore curious about the way in which the percentages for the CEO (75%) and CFO (50%) in basic salary have been established and whether the percentage is seen as a lower limit for building up further shares in seven years' time, so that the parallel interest and confidence in the company in the long term are more clearly expressed.

The chairperson thanks Mr Jansen and indicates that it is the intention, and therefore a great deal of energy has been put into the process, not to apply variable remuneration within the entire organisation in a sustainable manner. This applies not only to the Executive Board, but also to all the employees. It is also at the express request of the Works Council not to introduce any variable remuneration for the Executive Board, and the reactions from employees after publication were extremely positive. With regard to the question about the competitive position, it is stated that at this moment a.s.r., thanks in part to this policy, is now able to retain not only top talent with respect to remuneration but also with respect to sustainability. a.s.r. is therefore convinced that it has and can find intrinsically motivated employees.

Mrs Aris subsequently replies to the other questions. The remuneration report will be presented each year for advice and the Supervisory Board will account for the increase of between 0 and 6%. The shareholders will then be given the opportunity to provide feedback. In addition, the benchmark for both the Executive Board and the benchmark for employees will be reviewed every two years. If it is found that these benchmarks deviate too much from one another, a correction mechanism has been built in that adjusts the benchmark for the Executive Board slightly. The remuneration policy is put to the vote every four years. Companies normally apply 50% of the fixed remuneration and 50% of the variable remuneration with regard to the composition of salaries and the level of share ownership. The factor of three to five referred to relates to the fixed remuneration. Where a.s.r. applies a 100% fixed remuneration, the accrual of 50% for the members of the Executive Board and 75% for the CEO in comparison with other companies is the same as the factor of 100% and 150%. So optically, it looks lower than it actually is. Yet it is slightly less, but not so much lower as it might seem at first glance.

The chairperson briefly gives the floor to Mr Baeten to answer the question about the lower limit of the accrual rate.

Mr Baeten indicates that he considers it as a commitment to a minimum percentage. How this will turn out in the future is unknown as yet.

Mr Jansen indicates that VEB would appreciate it if the accrual percentage were to be reviewed in the future and thanks him for the other answers.

The chairperson thanks Mr Jansen and indicates that he would like to include the input in a future evaluation.

Mr Stevense of the SRB indicates that he welcomes the new remuneration policy. However, the SRB would have liked Mrs Aris, as chairperson of the Remuneration Committee, to have explained a few things. The SRB also wonders whether the newly appointed member of the Executive Board is also obliged to buy a certain number of shares for a certain amount upon appointment. This is preferable in view of the motivation and longer service life.

The chairperson indicates that he will immediately comply with the SRB's wish to give the floor to Mrs Aris to answer this question.

Mrs Aris indicates that the new member of the Executive Board will also accrue shares over time, assuming that the net salary is sufficient to be able to do so. The accrual starts on day one of the appointment and, as with the other members of the Executive Board, the shareholding is built up over time.

The chairperson notes that there are no more questions or comments and proceeds to the vote. Following an electronic vote, the chairperson announces that the proposal to amend the remuneration policy for the Executive Board as of 1 January 2020 is adopted with 83,954,768 votes in favour, 16,300,195 votes against and 0 abstentions. The Supervisory Board is very pleased with the support for this proposal. At the same time, the Supervisory Board notes that a group of shareholders had problems with the remuneration policy as adopted and this is probably related in particular to the absence of a variable component. It goes without saying, therefore, that the Supervisory Board will continue to have discussions with shareholders in the future about, among other things, developments in this area and the monitoring of the risks anticipated by this group of shareholders. The chairperson closes the agenda item and moves on to agenda item 3b.

b. For vote: proposal to amend remuneration Supervisory Board as of 1 July 2019

The chairperson indicates that the remuneration of the members of the Supervisory Board has remained unchanged since 2009. Under the Dutch Corporate Governance Code ('the Code'), the remuneration of the members of the Supervisory Board reflects the amount of time spent and the responsibilities of the position. In recent years, the responsibilities of the members of the Supervisory Board have increased sharply as a result of changes/amendments in governance and legislation and regulations. As part of the periodic evaluation, a benchmark study was carried out on the basis of the same reference group as for the proposal for the remuneration policy of the Executive Board. The study showed that the remuneration of the members of the Supervisory Board is far below the median of the benchmark. Based on this study, it is proposed to review the remuneration of the members of the Supervisory Board, also in view of the fact that the remuneration does not correspond to the current use of time and the responsibilities of the position.
It is proposed to change the remuneration levels of the Supervisory Board with effect from 1 July 2019 (gross amounts). The chairperson of the Supervisory Board receives € 50,000 and the members € 35,000, of which the chairperson of the Audit and Risk Committee receives € 15,000 and the members € 10,000, the chairman of the Selection and Appointment Committee and the Remuneration Committee receives € 10,000 and the regular members € 5,000. The chairperson gives the shareholders the opportunity to ask questions.

Mr Jansen of the VEB states that good supervision must be matched by good remuneration and therefore agrees to these increases. The explanation of the proposal shows that it is becoming increasingly difficult to find good supervisors and that this is one of the reasons for the increase in remuneration. The VEB is curious as to whether this is actually the case. Following on from this, the VEB wonders what else could be done next, apart from higher fees, to solve the problem of finding good supervisors and retaining them.

The chairperson indicates that it is very difficult to find the right supervisors in the financial sector. In addition, supervisory boards receive a lot of media attention, which not everyone likes. The level of remuneration does not appear to play a role in this. Something that does play a role in the wider availability of supervisory board members is the inconvenient 5-point rule that is used for the appointment of supervisory board members. The proposal therefore aims to bring the remuneration more in line with what the Code prescribes about a reasonable ratio for the time burden and the weight of the responsibilities. The chairperson notes that there are no more questions or comments and proceeds to the vote. Following an electronic vote, the chairperson announces that the proposal to change the remuneration of the Supervisory Board had been adopted by 99,635,551 votes in favour, 620,607 votes against and 6 abstentions. The chairperson thanks the shareholders for the support shown by these results and closes the agenda item.

4. 2018 Financial statements and dividend

a. For vote: proposal to adopt the financial statements for the 2018 financial year

The chairperson points out that he has arrived at the next agenda item. He is pleased to give Mr Van den Bos, as chairperson of the Audit and Risk Committee, the opportunity to make a statement about the financial statements.

Mr Van den Bos indicates that, before going into the financial statements, he would like to say something about the a.s.r. Audit and Risk Committee. An extensive report of the activities is given in the annual report on pages 126 and 127. A number of points are explained.

The first point that is brought to the attention is the discussions that were held with the external accountant in the past year. In these discussions about a.s.r.'s finances and risk management, the accountant, Mr Koning, as partner, was regarded as very open and constructive in the exchange of views. The external accountant reports annually, in the form of a so-called management letter, on the findings in the field of administrative organisation and internal control. The Audit and Risk Committee discussed the management letter with the management and follows the improvements to be made over time. This year, the management letter did not contain any substantial points that are at issue widely across the organisation. Rather, there were more specific recommendations about a process or specific product. Mr Van den Bos does not want to withhold from the shareholders the positive remark in the management letter about the fact that a.s.r. generally has well-functioning internal controls in place. Several differences emerged from EY's audit of the 2018 annual financial statements. These differences were discussed in the Audit and Risk Committee and the Supervisory Board. In all cases this concerned items that were both in themselves and cumulatively of an immaterial nature.

I would now like to discuss the special attention paid by the Audit and Risk Committee to the integration of Generali Nederland. The integration of Generali Nederland is proceeding expeditiously and has helped to ensure that, on balance, the financial objectives of the acquisition have been amply achieved. During the meetings of the Audit and Risk Committee, regular discussions were held with the actuarial officers about the adequacy of estimates and assumptions underlying the underwriting liabilities. It has always been established that these estimates and assumptions were made with due care and with sufficient prudence. In addition, much attention has been paid to the subject of fraud. The Audit and Risk Committee is informed of this on a quarterly basis by means of a Compliance report and, where necessary, discussions are held with the management on this subject. The nature, frequency and measures taken to prevent the fraud established in the future, are examined. In 2018, special attention was furthermore devoted to subjects such as cyber risks, compliance with sanctions legislation and the progress made in preparing for IFRS 17 and IFRS 9. With regard to the first two subjects, it was established that a.s.r. is acting adequately and that good progress has been made with regard to the last subject.

Lastly, Mr Van den Bos wishes to briefly consider an important aspect of the audit of the annual financial statements, namely the risk priorities mentioned on page 102 of the annual report. The risk priorities are an assessment of a.s.r.'s greatest risks. Mr Van den Bos would like to draw the shareholders' attention to the importance of the subsequent passages, because they also describe the mitigating measures taken by a.s.r. to manage these risks as effectively as possible.

The chairperson thanks Mr Van den Bos and would like to invite the EY partner with ultimate responsibility, Maarten Koning, as accountant to provide an explanation of the auditing activities of a.s.r.'s 2018 financial statements.

Mr Koning thanks the chairperson and would like to take this opportunity to give an explanation of the activities in the audit of the 2018 annual report.

Mr Koning gives an explanation of the scope of the audit, the strategy and implementation, the results, the key audit matters and a number of other current issues such as cyber risk and activities in the context of fraud and non-compliance with legislation and regulations, and privacy. In closing, Mr Koning will make a number of concluding remarks that are important for the shareholders.

First of all, an explanation is given of the scope of the audit. EY audited the separate and consolidated financial statements of a.s.r. and examined whether the annual report meets the statutory requirements and whether the content of the annual report corresponds to the view that EY has of the financial statements and whether the annual report matches EY's knowledge of the organisation. In addition, the sustainability information as included in the CSR report was assessed and a separate statement was issued. EY was also involved in the press releases, therefore in particular the financial press releases accompanying the annual figures, and EY assessed the 2018 half-year figures.

Mr Koning is the accountant with final responsibility and carried out the audit with a broadly-based team of specialists, including IT auditors and technical specialists and valuation experts for the audit of unlisted investments, property valuations, goodwill and other intangible fixed assets. For the valuation of the technical provisions and the Solvency II figures, EY uses the work of the actuaries. In the context of the responsibility for fraud and the consideration of legislation and regulations during the audit, specialists of EY Forensic & Integrity Services are used. EY also works closely with the internal auditing function. The objectives, subsidiary investigations and planning are coordinated in consultation and each other's results are shared.

Subsequently, more about the materiality applied. The audit was approached in such a way that EY can offer a high degree of certainty that the financial statements give a true and fair view. This true and fair view means that the financial statements must have been prepared in accordance with the standards used for this purpose (IFRS and Title 9 of Book 2 of the Dutch Civil Code) and that the financial statements do not contain any material errors. The materiality is the indication for the limit of inaccuracies in the figures that EY, as an accountant, finds acceptable. The materiality applied by EY in the audit of the consolidated financial statements is EUR 36 million. Inaccuracies above this amount may affect the user's view. We will subsequently also ask for these to be corrected if they are present. This materiality does not differ from last year and is based on approximately 5% of the operating result. In addition, smaller errors are collected during the audit. All errors above EUR 1.8 million are discussed with the Supervisory Board.

A brief explanation of the implementation of the audit is given. Many audit teams of, for example, a.s.r. Leven, a.s.r. Schade and a.s.r. Bank are used for the implementation of the audit. These teams therefore report to EY. EY subsequently assesses the activities and results by means of file reviews, reports and various consultations.

An explanation is given of the scope of the audit. As most of the business units of a.s.r. are regulated companies and must therefore also be audited in accordance with the articles of association and for the Dutch Central Bank (DNB), almost 100% coverage has been achieved in the audit of the shareholders' equity balance sheet total and the operating result.

Mr Koning would subsequently like to share his views on the results and conclusions. EY was able to give an unqualified audit opinion on the consolidated financial statements and the separate financial statements. This means that the financial statements give a true and fair view in accordance with EU, IFRS and Title 9 of Book 2 of the Dutch Civil Code and that the annual report complies with the legislation and regulations. In addition, EY's statement also includes a passage on continuity. The management of a.s.r. has drawn up the annual accounts on the basis of the going-concern principle. This assumption was assessed by EY by examining, among other things, the liquidity planning for the coming year, the profit potential, balance sheet and funding plan of the company and the solvency development. EY has not discovered any uncertainties of material interest that have caused EY to have obvious misgivings about the application of the going-concern principle.

I would now like to discuss the sustainability information in the annual report. EY issued an unqualified review report for this. This means that on the basis of the activities, it was not found that the sustainability information does not give a true and fair view of a.s.r.'s policy and activities in the context of sustainability and the results achieved in 2018, all in accordance with the chosen reporting criteria of the Global Reporting Initiative (GRI). In this context, EY assessed the reliability of a number of material performance indicators, such as customer satisfaction, customer focus, sustainable investment but also the model of long-term value creation. For 2019, EY will therefore devote attention to a.s.r.'s compliance with future legislation in the field of sustainable finance and climate change.

In addition, an explanation is given of the key audit matters. The audit strategy is top down and risk based. EY determines where the greatest risk of material errors in the financial statements might occur and carries out more activities in these areas in advance than in other areas. The risk assessment is made at the beginning of the audit year and is recorded in the audit plan and continuously updated. The audit plan is discussed with the Audit and Risk Committee. The Audit and Risk Committee approved the audit plan. A large number of the most important key audit matters of the audit are the same as those of last year. Therefore, only the most important changes are considered. The most important change in the key points is a new key point, namely the classification of a.s.r. bank as held for sale and discontinued operations. As a result, a.s.r. must comply with IFRS 5, a specific provision. This is a complex standard and imposes specific requirements with regard to the valuation of the held for sale assets and liabilities and requirements with regard to the presentation in the financial statements and the notes. At the end of 2018, a.s.r. Bank was valued in the balance sheet at the lower of book value and fair value in accordance with IFRS 5. EY engaged IFRS specialists in the audit to check whether a.s.r. complies with the IFRS provisions, checked the book value, which mainly consists of mortgages and savings deposits, validated the fair value determination of management on the basis of bids received, among other things, and ultimately checked the impairment calculation. Based on the activities, EY concludes that a.s.r. Bank's classification at the end of 2018 is correct and in accordance with IFRS 5. EY endorses the sound impairment and determined that the disclosure requirements are met.

The acquisition of Generali was also a key point in the audit. Work was carried out on the acquisition balance sheet and the required Purchase Price Allocation (PPA) of Generali Nederland, with EY focusing in particular on the largest estimation item in the calculation. This is the fair value of the technical provisions, for which EY engaged its own actuaries. In addition, EY assessed whether all the disclosure requirements of IFRS 3 are met. EY established that the management has taken an adequate approach in determining the acquisition balance sheet of Generali Nederland and the PPA and also that the disclosure requirements have been met.

I would now like to discuss the key points that have been recurring for a number of years, the valuation of the technical provisions. In the context of the valuation of the technical provision, the determination of the adequacy under IFRS and also the determination of the Solvency II best estimate provisions, a.s.r. had to make estimates of non-economic assumptions. These are estimates such as the mortality assumption, surrender of release assumption and cost assumptions for the Life business. For the Non-life business (including the occupational disability insurance business (Dutch acronym: AOV) these are assumptions about invalidation and rehabilitation, inflow and outflow, subsequent notifications of major claims, old claims settlement pattern, claim years and estimates for the most recent claim year. In accordance with auditing standard COS-45, EY engaged actuaries to assess these assumptions. Among other things, the actuaries applied benchmarking and determined their own estimation intervals. Based on these assessments, EY is of the opinion that the principles, methods and estimates applied by a.s.r. in the valuation and determination of technical provisions under IFRS and Solvency II were established in a balanced manner. With respect to the internal challenge to the method and assumptions, EY observed that there is a healthy and transparent discussion between the first and second line of a.s.r.

Mr Koning subsequently briefly discusses a number of current issues. As part of its activities, the team, together with EY IT auditors, gained insight into a.s.r.'s risk management with regard to cyber security.

a.s.r.'s measures in this respect are based on limiting the occurrence and impact of external threats and on resilience in the event of threats actually occurring. This is a risk that is constantly present and developing and is therefore discussed extensively with the Audit and Risk Committee. With regard to fraud, the audit standard COS-42 is followed. EY carries out specific procedures to address the obligatory fraud risk of management overhead. EY also assesses the processes and measures taken by a.s.r. to manage internal and external fraud risks. For example, EY assesses, among other things, the compliance and integrity framework partly on the basis of carrying out partial observations in respect of that framework, and the quarterly integrity reports and the compliance and security affairs department are discussed. The team is supported in this by forensic accountants from EY. Furthermore, the fraud risk is discussed extensively with the management and the Audit and Risk Committee. With regard to compliance with legislation and regulations, specific activities are carried out in accordance with audit standard COS-52. EY determines the structure and existence of the policy and measures that a.s.r. has taken to ensure compliance. To assess this, EY also peruses, among other things, the correspondence with the regulators, the quarterly reports of Legal Affairs & Integrity, the minutes of the meetings of the Executive Board and the BEC, and interviews are held with the management. The last current issue is privacy. On 25 May 2018, the General Data Protection Regulation (Dutch acronym: AVG) came into force. The AVG imposes an explicit duty of care on organisations with regard to the processing of personal data. On the basis of activities, EY has the following view; a.s.r. initiated an extensive programme in 2017 to comply with the AVG rules. Compliance is meanwhile monitored by Compliance. Privacy risks and incidents are reported to the Privacy Officer and the management. This is described in more detail on page 106 of the Annual Report.

I would now like to discuss communication and interaction. EY made use of the internal control measures implemented by a.s.r. a.s.r. has a system of internal control measures, also known as the 'three lines of defence'. This system guarantees the effective functioning of internal controls. EY assessed and tested this system. In this context, EY made use of the reports of the four key functions within a.s.r. These are the risk management function, the internal actuarial function, the internal accountant function and the compliance function. EY reports additional findings and conclusions to the Executive Board and Supervisory Board by means of a management letter and audit reports. For our part, we report to the management via our management letter and audit reports.

Lastly, Mr Koning labels the relationship with the Executive Board as open. EY also has a transparent relationship with the Audit and Risk Committee and the Supervisory Board. EY frequently reports findings in writing as well as orally. EY established that the Executive Board and the Audit and Risk Committee take these findings seriously and that adequate follow-up takes place. EY is independent of the company and follows the specific EU legislation in this. No advisory services were provided by EY and only audits were performed, including the financial statements in accordance with the articles of association of the OTSOs and the QRTs to DNB. A number of audit-related services were provided, such as the provision of various assurance reports required by specific legislation or requested by a.s.r.'s customers.

The chairperson thanks Mr Koning and inquires whether there are any questions about the financial statements.

Mr Jansen thanks EY for the very clear explanation. Mr Jansen indicates that he has a question about IFRS 17. a.s.r. is very cost-conscious when it comes to all kinds of supervisory and audit costs. For example, the standard model is applied instead of an internal model in order to save costs. The question is how, from a cost perspective, the total costs of implementing IFRS17 are looked at.

Mr Figee indicates that IFRS 17 is an expensive project. The total costs are approximately EUR 20 to EUR 30 million.

Mr Jansen has an additional question about the relevance of IFRS for the shareholders. The user of the financial statements focuses more on Solvency II, which determines whether there are dividend distributions. How are the costs and benefits of the various forms of implementation of this project calculated and all the costs that have to be incurred for this?

Mr Van den Bos indicates that there appears to be an assumption behind the question that a.s.r. had a choice in the implementation of IFRS. However, this is not the case, therefore no cost-benefit analysis was carried out either.

Mr Figee adds that a.s.r. will adopt a sober approach in order to minimise costs as much as possible.

The chairperson, having noted that there are no more questions, proceeds to the vote on the adoption of the financial statements. After the electronic voting has taken place, the chairperson establishes that the 2018 financial statements have been adopted by 100,023,438 votes in favour, 0 votes against and 219,207 abstentions. The chairperson closes this agenda item and continues with the next agenda item.

b. For discussion: explanation of the provision and dividend policy

The chairperson indicates that a.s.r. has formulated a provision and dividend policy in line with the current strategy. a.s.r. intends to pay a dividend that represents long-term sustainable value for its shareholders. a.s.r. has a dividend policy that maintains a pay-out ratio of 45% to 55% of the net operating result (i.e., after deduction of the financing burden on hybrid instruments). After publication of the half-year figures, a.s.r. will in principle pay an interim dividend that has been set at 40% of the dividend for the previous year. The provision and dividend policy is determined by the Executive Board, subject to the approval of the Supervisory Board.

c. For vote: proposal for dividend distribution

The chairperson indicates that it is proposed to distribute a dividend for the 2018 financial year totalling EUR 245 million, being EUR 1.74 per share in cash. This means that after the interim dividend of EUR 0.65, a final dividend of EUR 1.09 remains. The dividend per share is based on 141 million shares and corresponds to a pay-out ratio of 48% of the net operating result (after deduction of the coupons for hybrid instruments). The chairperson, having noted that there are no more questions, proceeds to vote on the 2017 dividend proposal. After the electronic voting has taken place, the chairperson establishes that the dividend proposal is adopted by 100,224,208 votes in favour, 31,731 votes against and 150 abstentions. The chairperson closes this agenda item and continues with agenda item 5.

5. Appointment of external accountant

a. For discussion: explanation of nomination and selection procedure

The chairperson gives the floor to Mr Van den Bos for the discussion of this agenda item.

Mr Van den Bos gives an explanation of this agenda item. The current accountant EY has been appointed for a period up to and including the 2019 financial year. In the autumn of 2018, the International Accounting Standards Board (IASB) decided to postpone the effective date of IFRS 17 and 9 for one year to the annual periods starting on or after 1 January 2022. The implementation of IFRS 17 and 9 is an extensive project and it is crucial for a.s.r that this is done correctly. EY’s current lead partner, Maarten Koning, has to rotate in 2021 on the basis of the independence rules. In order to ensure stability during the transition to IFRS 17 and 9, a permanent team of external accountants at both partner and senior management level is important. Therefore, a.s.r. decided to start the selection procedure earlier for the nomination of the external accountant for the coming years. As also included in the notes to the agenda, a Tender Committee was set up that was responsible for the selection procedure and advised the Supervisory Board on the nomination. The Tender Committee consisted of members of the Audit and Risk Committee, Mr Figee and two directors (Audit and Group Accounting, Reporting and Control). The Tender Committee carried out a market exploration and found that there are only a limited number of accounting firms in the Netherlands that are authorised and organised to audit a major financial institution with a stock exchange listing. Subsequently, a Request for Proposal (RfP) was drawn up and parties were approached to participate. The RfP defines criteria with respect to the qualifications of the external accountant, experience, commitment and references of the engagement team, audit strategy, cooperation and the fee. The last criterion, the fee, was not one of the most important elements in this context. The seniority of the partner team, the experience with the audit of listed insurers and the knowledge of IFRS 17 and 9 were crucial in the invitation. Two accounting firms participated in this RfP and both firms submitted a good proposal and gave a presentation to the Tender Committee. Subsequently, the Tender Committee came to a recommendation and based on that recommendation, and on the basis of the tender procedure followed, the Supervisory Board makes the nomination to the General Meeting for the appointment of KPMG as external accountant for the 2020 through 2024 financial years. The audit of the financial statements for this ongoing 2019 financial year will be carried out by the current auditor, EY. Therefore, as well as this year, EY will be present at next year's General Meeting of Shareholders to answer any questions about the audit activities and about the financial statements.

The chairperson notes that there are no questions about this.

b. For vote: proposal to appoint KPMG as external accountant for the 2020 through 2024 financial years

The chairperson proceeds to the vote on this agenda item. After the electronic voting has taken place, the chairperson establishes that the proposal to appoint KPMG as external accountant is adopted by 99,976,839 votes in favour, 279.181 votes against and 101 abstentions. The chairperson closes the agenda item and continues with agenda item 7.

6. Discharge

a. For vote: proposal to discharge the members of the Executive Board for the 2018 financial year

The chairperson moves on to the agenda item proposing to discharge the current and former members of the Executive Board for the performance of their duties in the 2018 financial year, as evidenced by the 2018 annual report including the financial statements and as evidenced by comments made here at the meeting or otherwise known to the shareholders' meeting. After having given the opportunity to do so, the chairperson confirms that there are no questions or comments and proceeds to the vote. After the electronic voting has taken place, the chairperson announces that the proposal to grant discharge to each member of the Executive Board is adopted by 99,068,673 votes in favour, 769,409 votes against and 418,227 abstentions. He closes this agenda item and moves on to agenda item 6b.

b. For vote: proposal to discharge the members of the Supervisory Board for the 2018 financial year

The chairperson indicates that the next item is the proposal to grant discharge to the members of the Supervisory Board for the performance of their duties in 2018, again as evidenced by the 2018 annual report including the financial statements and the information provided in the meeting or otherwise known to the shareholders' meeting. The chairperson notes that there are no questions or comments and proceeds to the vote. After the electronic voting has taken place, the chairman announces that the proposal to grant discharge to each member of the Supervisory Board is adopted by 99,068,585 votes in favour, 769,309 votes against and 418,227 abstentions. He closes this agenda item and moves on to agenda item 7.

7. Extension of the powers of the Executive Board

The chairperson indicates that the Annual General Meeting granted three powers to the Executive Board on 31 May 2018, subject to the approval of the Supervisory Board, each for a period of 18 months. Extension of these powers with regard to issuance and pre-emptive rights is permitted by law for a maximum period of five years, but it is also proposed this year to extend these powers up to a period of 18 months from the date of this Annual General Meeting.

a. For vote: proposal to extend the power of the Executive Board to issue ordinary shares and/or grant rights to subscribe for ordinary shares

The chairperson indicates that it will be proposed to the Annual General Meeting to extend the power of the Executive Board up to 18 months after 22 May 2019, i.e. 22 November 2020, subject to the approval of the Supervisory Board, to issue ordinary shares in the capital of the company and/or to grant rights to subscribe for ordinary shares in the capital of the company, which power will be limited to 10% of the issued capital as at 22 May 2019 and which power will not be used to pay out dividend in the form of shares. The chairperson notes that there are no questions or comments on this matter and proceeds to the vote. After the electronic voting has taken place, the chairperson announces that the proposal to authorise the issue of shares and the authorisation to acquire shares is adopted by 95,786,898 votes in favour, 4,469,206 votes against and 105 abstentions. He closes this agenda item and moves on to agenda item 7b.

b. For vote: proposal to extend the power of the Executive Board to restrict or exclude statutory pre-emptive rights

The chairperson indicates that it is proposed to authorise the Executive Board as of today for a period of 18 months, subject to the approval of the Supervisory Board, to limit or exclude the pre-emptive rights of existing shareholders when ordinary shares are issued and/or rights to subscribe for ordinary shares are granted on the basis of the power requested in agenda item 7a. The chairperson notes that there are no questions or comments and opens the vote. After the electronic voting has taken place, the chairperson announces that the proposal for the power to restrict or exclude pre-emptive rights is adopted by 93,640,239 votes in favour, 6,616,220 votes against and 0 abstentions. He closes this agenda item and moves on to agenda item 7c.

c. For vote: proposal to authorise the Executive Board to acquire own shares by the company

The chairperson indicates that it is proposed to authorise the Executive Board, for a period of 18 months from today, i.e. 22 November 2020, to acquire, other than for no consideration, fully paid-up shares in the capital of the company (and/or depositary receipts thereof) in any way, including by means of derivatives, transactions on the stock exchange, private transactions, block trades, or otherwise, up to a maximum of 10% of the capital issued as at 22 May 2019, at a price between the nominal value of the relevant shares and 10% above an average closing price over a period of five days prior to the day on which the shares are acquired. The proposed authorisation will replace the authorisation granted to the Executive Board on 31 May 2018. Again, the Executive Board can only exercise this power with the approval of the Supervisory Board. The chairperson notes that there are no questions or comments and opens the vote. After the electronic voting has taken place, the chairperson announces that the proposal for authorisation to restrict or exclude pre-emptive rights is adopted by 98,079,910 votes in favour, 2,000,221 votes against and 176,028 abstentions. The chairperson closes this agenda item and moves on to agenda item 8.

8. Composition of the Supervisory Board

a. For discussion: resignation of Annet Aris as member of the Supervisory Board

The chairperson states that it is extremely regrettable that the Supervisory Board has to say goodbye to Mrs Aris as a member of the Supervisory Board and also as chairperson of the Selection and Appointment Committee and the Remuneration Committee. Mrs Aris has played a dedicated role in the Supervisory Board over the past eight years, providing an enormous contribution to the discussions on strategy and digitisation. She also played a crucial role in building on the excellent relationship with the Works Council and the process with regard to the current and new remuneration policy. The chairperson indicates that the Supervisory Board will miss Mrs Aris enormously because of her substantive input, but certainly also because of the person she is. A warm applause follows.

b. For vote: proposal to reappoint Kick van der Pol as member and chairperson of the Supervisory Board

The chairperson indicates that he is handing over the chairmanship of this item on the agenda of the meeting to the vice-chairman, Mr Van den Bos.

Mr Van den Bos moves on to agenda item 8b, the proposal to re-appoint Mr Van der Pol as chairperson of the Supervisory Board. In order to ensure continuity within the Supervisory Board, Mr Van der Pol has been called upon to make himself available for a special reappointment as chairperson of the Supervisory Board for a maximum period of two years. As chairperson, Mr Van der Pol has made an important contribution to the development of a.s.r. in recent years. The Supervisory Board foresees that Mr Van der Pol can continue to do so in the coming period with his substantive knowledge of the sector, his ability to connect and his ability to monitor the interests of the various stakeholders and keep these in balance with one another. The Works Council has been asked to adopt a position on the nomination. The Works Council supports the nomination and has therefore issued a positive opinion. The Works Council has decided not to explain its position in more detail during the meeting. The Supervisory Board will continue its search for a suitable successor to Mr Van der Pol, someone with the right expertise and experience, who fits in well with the company's culture and embraces a.s.r.'s strategy. After having given the opportunity to do so, the vice-chairperson notes that there are no questions or comments and proceeds to the vote. After the electronic voting had taken place, the chairperson announces that the proposal to re-appoint Mr Van der Pol as chairperson of the Supervisory Board is adopted by 93,461,898 votes in favour, 6,675,659 votes against and 118,564 abstentions. The vice-chairperson congratulates Mr Van der Pol, closes the agenda item and gives the floor to the chairperson. Mr Van der Pol thanks the shareholders for their support for his new term.

9. Questions before closure

The chairperson asks if anyone has a question before closure.

Mr Jansen states that he is positive about the new remuneration policy of a.s.r. and wonders to what extent the philosophy behind the remuneration policy will be translated into the company's own equity portfolio. Will a.s.r., as a major institutional investor, also become actively involved in limiting, if not abolishing, bonuses at other companies? Following on from this, Mr Jansen indicates that he has the impression that Mrs Aris is the driving force behind the abolition of bonuses. In view of Mrs Aris' other supervisory directorships at Rabobank and ASML, Mr Jansen therefore wonders whether this issue will also play a role in the course of Mrs Aris' career as a supervisory director at other listed companies, i.e. that no bonus is required in order to perform well.

The chairperson indicates that he would like to take this opportunity to once again call on Mrs Aris to write a book on her vision of the remuneration policy. This would indeed be very useful for companies in the Netherlands. The chairperson gives the floor to Mrs Aris to answer Mr Jansen's last question.

Mrs Aris indicates that she has recently published a book, but on a different subject, namely digitisation. She also indicates that she does not want to be known as 'when Aris comes, say goodbye to the bonuses'. Mrs Aris stands for customisation and a very balanced view on the situation of the company and who the stakeholders are. For a high-tech, high-growth, highly international company like ASML, this is of course different from the situation at a Dutch financial institution. The past year has therefore been a good learning curve for a sound process and the insights that have been gained, which can be useful for other supervisory directorships.

The chairperson gives the floor to Mr Baeten to answer the question about a.s.r.'s own share portfolio.

Mr Baeten indicates that, as an investor, a.s.r. will of course include its vision on remuneration in discussions with executive boards and supervisory directors of the companies involved. However, this is not so far-reaching that a.s.r. will automatically vote against if a company still uses variable remuneration. On the other hand, a.s.r. is very much concerned with the rationale of the remuneration and the way in which remuneration is structured. Remuneration is therefore indeed a subject of discussion and is also embedded in a.s.r.'s ESG policy with regard to investments.

The chairperson thanks Mr Jansen for the questions and notes that there are no further questions. He proceeds to closing the meeting.

10. Closure

The chairman indicates that, on behalf of the Executive Board and the Supervisory Board, he expresses his sincere thanks to the shareholders for their attendance at this meeting, but also for their involvement with a.s.r. in general. The chairperson thanks the employees, the management and the Executive Board for their tremendous efforts in 2018. The chairperson invites those present for lunch. The chairman closes the meeting at 12.35 pm.

The minutes have been adopted and signed by the chairman and the Company Secretary of the meeting.

ASR Nederland N.V.
Archimedeslaan 10
3584 BA Utrecht

www.asrnl.com

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