Directors' Remuneration Policy

Adopted by the Annual General Meeting of Shareholders on June 12, 2024

aegon

1 Policy

1.1 Remuneration Policy

The Directors' Remuneration Policy (the "Policy") outlines the terms and conditions for the remuneration of the Executive and Non-Executive Directors of Aegon Ltd. ("Aegon"), to be submitted for adoption by the shareholders of Aegon (the "Shareholders") at the Annual General Meeting on June 12, 2024. This Policy replaces the Aegon Executive and Non-Executive Remuneration Policies which were adopted by the Shareholders at the Annual General Meeting of Shareholders on May 15, 2020.

This new policy was prepared by the Compensation and Human Resources Committee of Aegon's Board (the "CHR Committee") and is put forward by Aegon's Board (the "Board"). Aegon's Chief Executive Officer did not take part of the decision-making process. At the date of the Annual General Meeting in 2024, the Policy complies with Bermudian law and Aegon's bye-laws.

1.2 Policy Term

This Policy will take effect retroactively from January 1, 2024, and will remain in effect until the Shareholders have adopted a new Policy. In accordance with Aegon's bye-laws, the Board will submit a Policy for adoption by the Shareholders at the Annual General Meeting at least every four years. The current Policy will remain in effect and unchanged if Shareholders reject a new Policy that is proposed by the Board at a General Meeting, even if this would be four years after the approval of the current Policy. Subsequently, the Board is required to submit a Policy for adoption by the Shareholders at the latest at the next Annual General Meeting (and if rejected again, at the latest at the next Annual General Meeting thereafter, etc.), while the current Policy remains in effect and unchanged.

Each year at the Annual General Meeting, Shareholders will be asked to cast an advisory vote on the remuneration report in which the application of the Policy is disclosed (say-on-pay).

1.3 Key principles

The key principles that underly this Policy are to:

- Enable Aegon to attract and retain Executive and Non-Executive Directors who can deliver on Aegon's ambitions for value creation and our strategy for growth;
- Establish a strong correlation between the Executive Director's remuneration and Aegon's financial performance, as well as the long-term interests of both Aegon and its shareholders;
- Reflect the company's revised profile, geographical footprint, governance, and strategy;
- Consider continental European, UK, and US remuneration market standards and key proxy advisors' guidelines; and
- Achieve an equilibrium among diverse perspectives from various international stakeholders, even though Aegon's US business represents more than half of Aegon's current business mix.

1.4 Policy Review and Revision

While the intent is to make no changes during the four-year Policy term, the CHR Committee will annually review the Policy. In this review the CHR Committee will for instance consider the outcomes of the Annual General Meeting's annual advisory (say-on-pay) vote on the remuneration report, in which the application of this Policy is disclosed. In case the CHR Committee concludes that a revision of the Policy is needed, the Board will decide on whether a revised or new Policy will be proposed for adoption by the Shareholders at the next Annual General Meeting.

1.5 Temporary Derogation from the Policy

Derogation from this Policy is only allowed under exceptional circumstances and for a limited time period under the following conditions:

- The derogation can be from any remuneration component included in this Policy, as long as it continues to stay:
  - In line with the general spirit of this Policy;
  - In line with the market practice in the labor market peer group as defined in this Policy; and
  - Compliant with the applicable legislation and regulations.
- When the Board adopts a proposed derogation, it includes at least the following details:
  - An explanation why the derogation is required and how it serves the long-term interest of Aegon;
  - Which remuneration component(s) it concerns and how it affects the compensation levels; and
  - For how long the derogation will be in place.
- The details of the derogation and explanation will be disclosed in the next Remuneration Report.

2 Appointment

The Shareholders appoint and reappoint Executive and Non-Executive Directors in accordance with Aegon's bye-laws. The Executive Director and Aegon enter into an employment agreement for an indetermined period of time (the "Employment Agreement").

3 Labor market peer group

The labor market peer group allows the Board to benchmark remuneration structures and levels for the Executive and Non-Executive Directors. The peer group consists of a blend of eight European insurance companies, four Dutch general industry companies, and four US insurance companies. This blended group reflects the markets in which Aegon currently competes for Executive and Non-Executive talent, given the company's profile and geographical spread of its business. The Board deliberately underweighted the proportion of US insurance companies, while currently more than half of Aegon's business is in the US, to recognize that Aegon's roots, headquarters, and primary listing are in Europe. Revenue and total assets are used as size criteria to select peer companies, because in the Insurance industry these are the most correlative metrics to compensation levels.

The European and US insurance companies are selected based on the following selection criteria:

- Quantitative selection based on revenue and total assets within a size bandwidth of 0.4 to 2.5, and a focus on Life & Health Insurance as main Global Industry Classification Standard sub-industry.
- Qualitative refinement to ensure comparability with Aegon's international business model and geographical dispersion.

The Dutch general industry companies are selected based on the following selection criterion:

- Quantitative selection of companies in the Euronext AEX index with significant revenues from North America.

European insurance companies		**Dutch general industry companies**	**US insurance companies**
Assicurazioni Generali	Prudential	Ahold Delhaize	Lincoln National
Aviva	Swiss Life Holding	Randstad	Principal Financial Group
AXA	Unipol Gruppo	Philips	Prudential Financial
Legal & General Group	Zurich Insurance Group	Wolters Kluwer	Voya Financial

The Board will annually review the labor market peer group to ensure it remains relevant and up to date, for example in case of de-listings, mergers, or other extraordinary circumstances.

4 Executive Director Remuneration Policy

4.1 Remuneration package

The details of the Executive Director's remuneration package are confirmed in an Employment Agreement. The Employment Agreement may only reflect and include remuneration components that are included in this Policy.

To attract and retain the best talent, the aim is to be competitive with respect to the market median of the labor market peer group for the Executive Director's target total remuneration level. This is combined with a pay-mix that is more heavily weighted towards variable, performance-based remuneration. This would result in remuneration outcomes that appropriately vary above/below market median in line with Aegon's business performance.

Each year, the CHR Committee will review the base salary, the target Short-Term Incentive (in a percentage of base salary), the target Long-Term Incentive (in a percentage of base salary), and the target total remuneration level of the Executive Director. The CHR Committee may recommend changes to the base salary, target Short-Term Incentive, and/or target Long-Term Incentive levels, after considering the Executive Director's performance, Aegon's performance, and future movements in the benchmark data of the labor market peer group, within the limits of the Policy (i.e. to compete with respect to the market median of the labor market peer group). The Board may adopt, reject, or adjust the proposed recommendations by the CHR Committee. Any change to these remuneration levels will be disclosed in the Remuneration Report.

4.2 Base salary

The purpose of base salary is to provide guaranteed remuneration proportional to the Executive Director's experience, skills (and external market for such skills), and/or performance. The gross base salary is paid each month in cash.

4.3 Pension

Pension is guaranteed remuneration which aims at the future financial security after retirement. The Executive Director is enrolled in the applicable local employee pension plan(s) and/or receives cash in lieu of pension. The annual total pension contributions equal 15% of the annual gross base salary level.

4.4 Short-Term Incentive

4.4.1 Purpose and operation

The Short-Term Incentive ("STI") is to provide a distinct variable, performance-based remuneration component in cash that aligns the remuneration of the Executive Director with short-term financial and ESG objectives of Aegon.

The STI award is calculated by multiplying the Executive Director's individual target STI amount with the STI result after a 1-year performance period.

- The Executive Director's individual target STI amount is determined by the Board and equal to a percentage of base salary (see 4.2).
- The STI result can range between 0% and 200% of target, depending on the weighted average outcome of the STI performance metrics that have been selected for the plan year.

4.4.2 Performance metrics, weights, and target levels

For the STI, the Board will select two to four performance metrics that are predominantly financial in nature (at least 80% of the weight) and include quantitative ESG metrics. The Board aims to keep the STI performance metrics stable for consecutive plan years, but may exercise discretion to develop the metrics over time to ensure continued alignment with the company's strategy and stakeholder's interests. For each plan year, the Board determines the weight, threshold, target, and maximum performance levels for each of these performance metrics, after taking into account the target setting risk assessment by the Chief Risk Officer. The targets for financial performance metrics will be based on the Board-approved budget.

Each metric will result in an outcome on the performance scale which ranges from 0% to 200% of target. A metric result below the threshold level will have a 0% outcome, between threshold and target the outcome is between 50% and 100% of target on a linear basis, between target and maximum the outcome is between 100% and 200% of target on a linear basis, and for maximum or higher results the outcome is capped at 200% of target.

For each plan year, the STI performance metrics, definitions, and weights will be disclosed prospectively. The STI target levels and performance results will be retrospectively disclosed in the remuneration report after completion of the performance period, including the underlying details of the blended metrics.

4.4.3 Discretion

Once approved by the Board, the STI performance metrics and targets will remain unchanged during the performance period, except to reflect events such as corporate transactions or other major events where the Board considers it necessary in its judgement to make adjustments to ensure the performance metric's outcomes appropriately reflect Aegon's performance during the 1-year performance period.

4.5 Long-Term Incentive

4.5.1 Purpose and operation

The Long-Term Incentive ("LTI") is to provide a distinct variable, performance-based remuneration component in Aegon performance shares that aligns the remuneration of the Executive Director with the long-term financial and strategic business objectives of Aegon and its shareholders.

The LTI award is calculated by multiplying the Executive Director's individual target number of LTI performance shares by the LTI result after a 3-year performance period.

- The Executive Director's individual target LTI amount is determined by the Board and equal to a percentage of base salary (see 4.2).
- The target number of LTI performance shares is subsequently calculated by dividing the target LTI amount by the LTI grant price.
- This LTI grant price is equal to weighted average Aegon share price between December 15 prior to the start of the performance period and January 15 in the first year of the performance period.
- The LTI result can range between 0% and 200% of target, depending on the weighted average outcome of the LTI performance metrics that have been selected for the plan year.

Dividend entitlements for the Aegon performance shares will be accrued until the end of the performance period and will vest as additional Aegon shares against the close price on the day before vesting.

After vesting, the LTI performance shares and additional Aegon shares for the dividend entitlements are subject to a 2-year holding period. This holding period continues to apply post-employment.

If the Executive Director is a good leaver based on the plan rules or at the Board's discretion, the outstanding LTI awards will be based on the actual LTI result after the 3-year performance period and will be pro-rated for the time from the start of the performance period to the termination date. The Board may deviate from pro-rating the LTI awards in exceptional circumstances and will disclose this in the remuneration report. If the Executive Director is not a good leaver, all outstanding LTI awards will lapse.

4.5.2 Metrics

For the LTI, the Board will select two to four performance metrics that are predominantly or fully financial in nature (with at least 80% weight). The Board aims to keep the LTI performance metrics stable for consecutive plan years, but may exercise discretion to develop the metrics over time to ensure continued alignment with the company's strategy and stakeholder's interests. For each plan year, the Board determines the weight, threshold, target, and maximum performance levels for each of these performance metrics, after taking into account the target setting risk assessment by the Chief Risk Officer. The targets for financial performance metrics will be based on the Board-approved budget and mid-term plan.

Each metric will result in an outcome on the performance scale which ranges from 0% to 200% of target. A metric result below the threshold level will have a 0% outcome, between threshold and target the outcome is between 50% and 100% of target on a linear basis, between target and maximum the outcome is between 100% and 200% of target on a linear basis, and for maximum or higher results the outcome is capped at 200% of target.

For each plan year, the LTI performance metrics, definitions, and weights will be disclosed prospectively. The LTI target levels and performance results will be retrospectively disclosed in the remuneration report after completion of the performance period.

4.5.3 Discretion

Once approved by the Board, the LTI performance metrics and targets will remain unchanged during the performance period, except to reflect events such as corporate transactions or other major events where the Board considers it necessary in its judgement to make adjustments to ensure the performance metric's outcomes appropriately reflect Aegon's performance during the 3-year performance period.

4.6 Other benefits

The Board may offer the Executive Director other benefits, which include, but are not limited to:

- A Company Car in accordance with the local company car policy for employees.
- A driver for the company car for business related purposes.
- Reimbursement of the Executive Director's (tax) costs for the private use of the company car (with private use subject to approval by the Chair of the Board).
- Third party tax services to ensure compliance with the applicable tax law(s).
- To participate in other collective benefits which are offered to (local) Aegon employees, such as but not limited to the collective disability arrangement, collective health insurance, the Expat Policy, the collective (local) Aegon employee provisions regarding reimbursement of expenses, sickness, absence and disability.

The Board will not approve any personal loans, guarantees or the like to the Executive Director, unless in the normal course of business and on terms that collectively apply to (local) Aegon employees.

4.7 Minimum shareholding requirement

The purpose of the minimum shareholding requirement is to further align the long-term interests of the Executive Director with the long-term interests of Aegon and its shareholders.
The Executive Director is required to hold 400% of the base salary level in Aegon shares, within four years after this Policy is adopted or from appointment as Executive Director, whichever comes last. The holding is to be built up by retaining after-tax Aegon shares vested from the LTI and does not require personal share purchases. Before the minimum holding requirement level is reached, the Executive Director is not allowed to sell vested Aegon shares, except to cover tax for the vesting of these shares. This minimal holding requirement applies until the individual no longer holds the position of Executive Director.

4.8 Malus and claw back

The Board can adjust STI and/or LTI awards downward before allocation or pay-out (i.e. apply a malus adjustment) and has the authority to claw back any paid STI and/or vested LTI awards. The Board takes advice from the Chief Risk Officer, who performs an annual malus and claw back risk assessment, reviewing adherence to the enterprise risk management framework, the severity of risk failures, and compliance breaches as well as conduct that has negatively impacted the financial position or risk profile of the company.

Full or partial malus or claw back will be applied in the following exceptional situations:

- The Executive Director has failed to meet the appropriate standards of competence and correct behavior;
- The Executive Director was responsible for conduct that has resulted in a significant decline in the company's financial position;
- The payment was based on incorrect information on the fulfillment of the criteria and/or conditions for the payments(s); and/or
- The payment(s) of such compensation would be unacceptable according to the principles of reasonableness and fairness.

In accordance with the US Securities and Exchange Commission rules that apply in 2024, if Aegon is required to prepare a Restatement, the Board shall recover the portion of any incentive-based compensation that is erroneously awarded compensation, unless the CHR Committee determines that recovery would be impracticable. Recovery of incentive-based compensation under the current US Securities and Exchange Commission rules is required regardless of whether the applicable person engaged in misconduct or otherwise caused or contributed to the requirement for the restatement and regardless of whether or when restated financial statements are filed by Aegon.

4.9 Termination and notice period

The Board will set the notice period that will apply to the Executive Director and to the Board for terminating the Employment Agreement with the Executive Director, which can be up to twelve months. During the notice period the Executive Director continues to be eligible for all remuneration components included in this Policy.

The Board may agree to a Termination Fee up to one time the annual base salary in the Employment Agreement for certain scenarios, except when the Employment Agreement is terminated by the Board with immediate effect as described below.

The Board may terminate the Employment Agreement with immediate effect and without notice being required, with no obligation for Aegon to any Termination Fee or pay damages, for reasons which are related to:

- Acts or omissions on the side of the Executive Director which constitute an urgent cause, imputable acts or negligence, seriously culpable actions, or neglect of the Executive Director in fulfilling the duties; or
- Acts or omissions on the side of the Executive Director which constitutes gross negligent behavior of the Executive Director, including but not limited to a situation where any authority supervising the activities of Aegon takes the view that the Executive Director cannot continue in this position any longer.

4.10 Corporate transactions

In case of a change of control of Aegon, where one party has the ability to vote with the majority of the outstanding shares of Aegon, all Aegon performance shares that are unvested at the date of the change of control would vest immediately at target and on a pro rata basis to reflect the performance period until the date of the change of control. The vested Aegon performance shares would be released from the performance conditions, settled in cash, and the holding period would discontinue to apply with immediate effect.

4.11 Buy-out arrangement

The Board may agree to a buy-out arrangement in order to attract an external candidate to be appointed as Executive Director.

The arrangement can only be offered on an exceptional basis, when this is in the long-term interest of Aegon and there are circumstances that justify such an arrangement. Examples of these circumstances are, but not limited to, competition in recruiting the same candidate (i.e. increased market value), competition from the candidate's employer, differences in compensation and benefits compared to the candidate's previous employer, loss of income by the candidate as a result of a non-compete period, the candidate losing unvested variable compensation at their previous employer, and losing the variable compensation opportunity of the current performance year at the previous employer.

When the arrangement replaces forfeited compensation (opportunity), it should be on substantially similar terms (e.g. deferral periods) and at the moment of conversion not more generous compared to the value that was lost. Any buy-out arrangement will be disclosed in the Remuneration Report.

5 Non-Executive Director Remuneration Policy

5.1 Remuneration package

The purpose of Non-Executive Director remuneration is to provide guaranteed, non-performance based, compensation for the different roles and responsibilities within the Board and its committees. The remuneration of Non-Executive Directors consists of annual Board and Committee membership fees. The annual Board membership fee for the Chair is aligned with the responsibilities within the one-tier Board structure (while it was previously aligned with a two-tier Board structure). The annual Board membership fee for the Vice Chair is higher than for other members of the Board. The annual fee levels for committee memberships differ per committee and whether the Non-Executive Director is the Chair or a member of the committee. The Chair of the Board is not eligible for annual committee Chair or committee membership fees.

For the annual Board and Committee membership fees, the aim is to be competitive with respect to the market median of the labor market peer group.

Each year, the CHR Committee will review these fee levels and may recommend changes, after considering Aegon's performance and future movements in the benchmark data of the labor market peer group, within the limits of the Policy (i.e. to compete with respect to the market median of the labor market peer group). The Board may adopt, reject, or adjust the proposed recommendations by the CHR Committee. Any change to these remuneration levels will be disclosed in the Remuneration Report.

5.2 Board membership and committee fees

Around 75% of the Board membership fee and all committee fees are paid in cash on a quarterly basis. Around 25% of the Board membership fee is paid in non-performance based restricted Aegon shares to further align the long-term interests of the Non-Executive Directors with the long-term interests of Aegon and its shareholders, and to be in a stronger position to compete for Non-Executive Directors in markets where this is the norm such as in the US and parts of Europe. However, the percentage of non-performance based restricted Aegon shares is set to a level below what is common in the US, bearing in mind that in other markets in which Aegon competes for Non-Executive Directors it is less prevalent.

- These restricted shares vest after completion of the calendar year, at the same time when shares vest for the Executive Director and general employee population.
- The number of restricted Aegon shares that will vest is calculated by dividing 25% of the Board membership fee for the calendar year concerned by the grant price for that calendar year.
- This grant price is equal to weighted average Aegon share price between December 15 prior to the start of the calendar year and January 15 of the calendar year.
- The restricted Aegon shares are not forfeited when the Board membership of a Non-Executive Director is discontinued before vesting.

All Board and committee membership fees are pro-rated for Non-Executive Directors who join or leave during a calendar year.

5.3 Minimum shareholding requirement

The purpose of the minimum shareholding requirement is to further align the long-term interests of the Non-Executive Director with the long-term interests of Aegon and its shareholders. Non-Executive Directors are required to hold 100% of the cash portion of the annual Board membership fee in Aegon shares, four years after this Policy is adopted or from appointment as Non-Executive Director, whichever comes last. The holding is to be built up by retaining after-tax Aegon shares vested from the Board membership fee and does not obligate personal share purchases. Before the minimum holding requirement level is reached, the Non-Executive Director is not allowed to sell vested Aegon shares, except to cover tax for the vesting of these shares. This minimal holding requirement applies until the individual no longer holds the position of Non-Executive Director.

5.4 Social security

Aegon will pay employer social security contributions in relation to the Non-Executive Board and Committee fees in countries where this is required by local law.

5.5 Expenses

All reasonable expenses will be reimbursed at actual incurred cost.