

Subject: Remuneration Policy

18-03-2016

TKPI uses a modern evaluation and remuneration system. Objectives for each employee are defined at the beginning of the year. In the assessment over a year it is determined to what extent these objectives have been achieved, and if the employee has not yet reached its maximum salary, this will affect the salary of the following year.

The remuneration policy is designed to maintain highly qualified professionals (considering the remuneration at competitors) and, if necessary, to be able to attract them.

The fixed income of employees of TKPI consists of a monthly salary, a flexible budget (inter alia holiday pay and 13th month), pension and other secondary benefits that are custom in the Dutch market.

Some of the employees within TKPI are eligible for variable pay. This forms an integral part of the overall benefits package. For the calculation of the annual budget for variable pay, the so-called bonus pool methodology is used. The height of the bonus pool (in other words the budget) is calculated by comparing the operating results to pre-set targets. These consist of a mix of long and short term fund performance, customer satisfaction, profitability, sales, risk management and Aegon N.V. business performance. The award of variable pay, within this budget, is based on individual performance. Both the bonus pool and the award of variable remuneration on an individual level include performance measures up to a maximum of 40% of non-risk adjusted financial performance indicators and for minimal 50% of non-financial indicators.

Employees who do not qualify for variable pay, can under strict conditions, be awarded a bonus.

The condition for variable remuneration is that this does not conflict with the interests of TKPI customers. The remuneration policy is designed to encourage employees to work at TKPI for a longer period of time. This (variable) remuneration policy meets the social standards, codes and (inter) national regulations.

Based on AIFMD criteria, eight employees are designated as Identified Staff. This concerns the entire Board (4 persons) and four other Identified Staff. With regard to the eligibility for a certain fixed income and variable remuneration, there is no distinction between Identified Staff and other staff. In the area of personal objectives and payment of variable remuneration other rules apply. The personal objectives of Identified Staff are first assessed on the degree of risk and, if necessary, adjusted accordingly. In addition, variable remuneration to Identified Staff is not paid in cash at once. The first 40% or 60% will be paid immediately after the performance year, of which half in cash and half in financial instruments. The remaining 60% or 40% will be paid in equal installments over three years thereafter, also to every part one half in cash and half in financial instruments, the so-called phantom shares. Before each of these parts is paid, it is determined whether there are facts based on which variable remuneration should be adjusted downwards. The phantom shares are linked to the performance of the main funds managed by the fund manager. The shares are held for one year after these are granted before they are settled and paid to the employee in cash.

Aegon Asset Management (AAM) employs a Remuneration Committee consisting of the CEO AAM, the CFO AAM, Global Head of HR AAM, the Global Reward Specialist AAM, the Head of Group HR Aegon and the CEO Aegon. The Board of TKP Investments is responsible for awarding the remuneration. Remuneration within TKPI is based on the Aegon Global Remuneration Framework and is in line with AIFMD requirements. The remuneration policy is established by the Remuneration Committee and approved by the Board. ORM & Compliance checks the policy for compliance with AIFMD. Actual variable remuneration of individuals is reviewed by ORM & Compliance before it is paid.