

## BASE PROSPECTUS



### AEGON N.V.

(incorporated with limited liability in The Netherlands  
and having its corporate seat in The Hague)

and

### AEGON FUNDING CORPORATION

(incorporated under the laws of the State of Delaware, USA,  
and having its corporate seat in Wilmington, Delaware)

guaranteed by

### AEGON N.V.

(incorporated with limited liability in The Netherlands  
and having its corporate seat in The Hague)

## Programme for the Issuance of Debt Instruments

Under this Programme for the Issuance of Debt Instruments (the **Programme**), each of AEGON N.V. and AEGON Funding Corporation (each an **Issuer** and together the **Issuers**) may from time to time issue Notes (**Notes**) and AEGON N.V. as Issuer may from time to time issue capital securities (**Capital Securities**, and together with the Notes, **Instruments**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

If the Notes are issued by AEGON Funding Corporation, the Notes will be issued with the benefit of a guarantee by AEGON N.V. in its capacity as guarantor (the **Guarantor**).

The maximum aggregate nominal amount of all Instruments from time to time outstanding under the Programme will not exceed US\$ 6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Instruments may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Dealers being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Instruments.

**An investment in the Instruments issued under the Programme involves certain risks.** For a discussion of these risks see "Risk Factors".

The Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**), in its capacity as competent authority under the Securities Trade Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*, the **Wte**), has approved this Base Prospectus pursuant to Article 3 of the Wte.

Application has been made to Euronext Amsterdam N.V. (**Euronext Amsterdam**) to allow Instruments issued under the Programme, during the period of 12 months from the date of this Base Prospectus, to be admitted to trading and to be listed on Eurolist by Euronext Amsterdam.

References in this Base Prospectus to Instruments being **listed** (and all related references) shall mean that such Instruments have been admitted to trading and listing on Eurolist by Euronext Amsterdam. Eurolist by Euronext Amsterdam is a regulated market for the purposes of Directive 93/22/EEC (the **Investment Services Directive**).

Notice of the aggregate nominal amount of Instruments, interest (if any) payable in respect of Instruments, the issue price of Instruments and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes/Capital Securities*") of Instruments will be set out in a final terms supplement (the **Final Terms**) which, with respect to Instruments to be listed on Eurolist by Euronext Amsterdam will be filed with the AFM and Euronext Amsterdam on or before the date of issue of the Instruments of such Tranche.

The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. The Issuers may also issue unlisted Instruments and/or Instruments not admitted to trading on any market.

The Issuers may agree with any Dealer that Instruments may be issued in a form not contemplated by the Terms and Conditions of the Instruments herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Instruments.

Arranger for the Programme

**MORGAN STANLEY**

Dealers

**ABN AMRO**

**BANC OF AMERICA SECURITIES LIMITED**

**BARCLAYS CAPITAL**

**BNP PARIBAS**

**CITIGROUP**

**CREDIT SUISSE**

**DEUTSCHE BANK**

**JPMORGAN**

**LEHMAN BROTHERS**

**MERRILL LYNCH INTERNATIONAL**

**MORGAN STANLEY**

**THE ROYAL BANK OF SCOTLAND**

**UBS INVESTMENT BANK**

1 June 2006

## IMPORTANT NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of each of the Issuers and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see *'Documents Incorporated by Reference'*). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by each of the Issuers and the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by each of the Issuers and the Guarantor in connection with the Programme.

No person is or has been authorised by either of the Issuers or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers or the Guarantor or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Instruments should be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Instruments should purchase any Instruments. Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of each Issuer and the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Instruments constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Instruments.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Instruments shall in any circumstances imply that the information contained herein concerning each of the Issuers and the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Instruments of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Instruments.

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons (see *"Subscription and Sale"*).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. None of the Issuers, the Guarantor or the Dealers represent that this Base Prospectus may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Instruments. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Instruments in the United States, the European Economic Area (including the Netherlands, the United Kingdom and France ) and Japan, see "*Subscription and Sale*".

The maximum aggregate principal amount of Instruments outstanding at any one time under the Programme will not exceed USD 6,000,000,000 (and for this purpose, any Instruments denominated in another currency shall be translated into U.S. Dollars at the date of the agreement to issue such Instruments calculated in accordance with the provisions of the Dealership Agreement). The maximum aggregate principal amount of Instruments which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under "*Subscription and Sale*".

All references in this Base Prospectus to "USD" and "U.S. Dollars" are to the currency of the United States of America and all references herein to "EUR", "euro" and "€" are to the single currency of the European Union as introduced at the start of the third stage of the European Economic and Monetary Union.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS UNDER THE PROGRAMME, THE DEALER (IF ANY) WHICH IS SPECIFIED IN THE RELEVANT FINAL TERMS AS THE STABILISING MANAGER (OR ANY PERSON ACTING FOR THE STABILISING MANAGER) MAY OVER-ALLOT INSTRUMENTS (PROVIDED THAT IN THE CASE OF ANY TRANCHE TO BE ADMITTED TO TRADING ON EURONEXT AMSTERDAM, THE AGGREGATE PRINCIPAL AMOUNT OF INSTRUMENTS ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE RELEVANT TRANCHE) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILISING MANAGER (OR ANY AGENT OF THE STABILISING MANAGER) TO DO THIS. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF INSTRUMENTS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF INSTRUMENTS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF INSTRUMENTS. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

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## SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

### Issuers and Guarantor:

AEGON N.V. (**AEGON** and an **Issuer**). AEGON, domiciled in The Netherlands, is a limited liability stock company organized and operating under Dutch law. AEGON was formed in 1983 through the merger of AGO and Ennia, both of which were successors to insurance companies founded in the 1800's. AEGON, through its member companies, collectively referred to as the AEGON Group, is one of the world's largest life insurance and pension companies (ranked by market capitalization as of 31 December 2005 (source: Bloomberg), and a strong provider of investment products. The AEGON Group is also active in accident and supplemental health insurance and general insurance, and has limited banking activities.

With headquarters in The Hague, the Netherlands, AEGON companies employ approximately 27,000 people. AEGON's three major markets are the United States, the Netherlands and the United Kingdom. In addition, the group is present in a number of other countries including Canada, China, Czech Republic, Hungary, Poland, Slovakia, Spain and Taiwan.

AEGON Funding Corporation (**AFC** and an **Issuer**, and together with AEGON, the **Issuers**) operates under the laws of the State of Delaware and was incorporated on May 21, 1999 under the laws of the State of Delaware. AFC is an indirect wholly owned subsidiary of AEGON N.V. AFC is a direct wholly owned subsidiary of AEGON USA, Inc. and has no subsidiaries of its own.

If AFC issues any Notes, AEGON will fully and unconditionally guarantee the due and punctual payment of the principal of, any premium and any interest on those Notes, when and as these payments become due and payable, whether at maturity, upon redemption or declaration of acceleration, or otherwise.

Only AEGON will issue Capital Securities.

### Arranger:

Morgan Stanley & Co. International Limited

Dealers:	ABN AMRO Bank N.V., Banc of America Securities Limited, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley & Co. International Limited, The Royal Bank of Scotland plc and UBS Limited.
Fiscal Agent:	Citibank, N.A., London
Initial Programme Amount:	USD 6,000,000,000 (or its approximate equivalent in any other currency at the date of the agreement to issue any Tranche of Instruments). The aggregate principal amount of Instruments which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under "Subscription and Sale".
Instruments:	Instruments means Notes and Capital Securities.
Issuance in Series:	Instruments will be issued in series (each, a <b>Series</b> ). Each Series may comprise one or more tranches ( <b>Tranches</b> and each, a <b>Tranche</b> ) issued on different issue dates. The Instruments of each Series will all be subject to identical terms, whether as to currency, interest, maturity or otherwise, or terms which are identical except that the issue dates, the issue price and the amount of the first payment of interest and/or the denomination thereof may be different and save that a Series may comprise Instruments in bearer form and Instruments in registered form. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments in bearer form and Instruments in registered form and may comprise Instruments of different denominations.
Form of Instruments:	Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the relevant Issuer will deliver a temporary global Instrument, which will be deposited on or before the relevant issue date therefore with (i) a depositary or a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ( <b>Euroclear</b> ) and/or Clearstream Banking, société anonyme, Luxembourg ( <b>Clearstream, Luxembourg</b> ), (ii) Nederlands Centraal Instituut voor giraal Effectenverkeer B.V. ( <b>Euroclear Nederland</b> ) and/or (iii) any other relevant clearing system. Such temporary global Instrument may be exchangeable for a permanent global Instrument or, if so specified in the relevant Final Terms, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) registered form in accordance with its terms. Each permanent global Instrument may be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, have interest coupons ( <b>Coupons</b> ) attached and will, if the principal thereof is repayable by instalments,

have a grid for recording the payment of principal endorsed thereon. Instruments in registered form may not be exchanged for Instruments in bearer form.

Currencies:	Instruments may be denominated in any currency or currencies identified in the relevant Final Terms subject to compliance with all applicable legal and/or regulatory requirements.
Status of the Instruments:	Instruments may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. Capital Securities will always be subordinated.
Status of the Guarantee:	Notes issued by AFC will be unconditionally and irrevocable guaranteed by the Guarantor. The obligations of the Guarantor under the guarantee will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 of the Notes) unsecured obligations of the Guarantor all as described in <i>'Terms &amp; Conditions of the Notes – Status and Guarantee.'</i>
Issue Price:	Instruments may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.
Maturities:	<p>Any maturity is subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory requirements.</p> <p><i>Notes having a maturity of less than one year</i></p> <p>Notes having a maturity of less than one (1) year will, if the proceeds of their issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a redemption value of at least £100,000 or its equivalent, see <i>"Subscription and Sale"</i>.</p>
Redemption:	Instruments may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the relevant Final Terms.
Early Redemption:	Early redemption of the Notes will be permitted for taxation reasons as mentioned in <i>"Terms and Conditions of the Notes"</i> but will otherwise be permitted only to the extent specified in the relevant Final Terms. Early redemption of the Capital Securities will be permitted, inter alia, for taxation and regulatory reasons as further described in <i>"Terms and Conditions of the Capital Securities"</i> .
Interest:	Instruments may be interest-bearing or non-interest bearing.
Denominations and Minimum Issue Size:	Instruments will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory requirements.
Taxation:	Unless otherwise expressly stated in the relevant Final Terms, payments in respect of Instruments will be made without withholding



or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands (or Delaware in the case of AFC) or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the relevant Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required. See also paragraph 7 (EU Savings Directive) under "*Taxation - Dutch Taxation*".

Governing Law:	The Instruments and all related contractual documentation will be governed by, and construed in accordance with, Dutch law.
Listing:	Each Series may be admitted to listing at Eurolist by Euronext Amsterdam or listing or trading on any other stock exchange as may be agreed between the relevant Issuer and the relevant Dealer and specified in the relevant Final Terms. Alternatively each Series may be not listed or traded on any stock exchange.
Terms and Conditions:	The Final Terms will be prepared in respect of each Tranche of Instruments. The terms and conditions applicable to each Series will be those set out herein as supplemented, modified or replaced by the relevant Final Terms.
Clearing Systems:	Euroclear, Clearstream, Luxembourg, Euroclear Nederland and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Final Terms.
Puts/Calls:	In the event that put and/or call options are applicable to any Instruments (as agreed between the relevant Issuer and the relevant Dealer), the details thereof (including notice periods) will be inserted in the relevant Final Terms. Puts/calls will in all cases be subject to any legal and/or regulatory requirement providing for minimum maturities for an issue denominated in a specific currency.
Deferral of Payment:	In the event AEGON becomes the subject of Capital Adequacy Regulations, AEGON must or may defer Coupon Payments or any other Payments, as specified in the Final Terms of the Capital Securities.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material generally and under the laws of the United States of America, Japan and the European Economic Area (including The Netherlands, the United Kingdom and France) see under "Subscription and Sale". Further restrictions may be required in connection with any particular Tranche of Instruments and will be specified in the documentation relating to such Tranche.
Negative Pledge	See Condition 4 of the Terms & Conditions of the Notes.

Cross Default

See Condition 7 of the Terms & Conditions of the Notes.

Risk factors

There are certain factors that may affect the relevant Issuer's and Guarantor's ability to fulfill their obligations under the Instruments issued under the Programme. These are set out under "Risk Factors and Other Key Information" in the Registration Document (as defined below) and include credit risk, interest rate risk, equity market risk and currency exchange risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme, see "Risk Factors" below.

## **RISK FACTORS**

*Each of the Issuers believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the relevant Issuer to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons and the relevant Issuer does not represent that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and the Registration Document (as defined below) and reach their own views prior to making any investment decision. Capitalised terms which are not defined below will have the meaning set out in the Terms & Conditions of the Notes and the Capital Securities.*

### **Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme**

*The Instruments may not be a suitable investment for all investors*

Each potential investor in the Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

### *Risks related to the structure of a particular issue of Instruments*

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

### *Instruments subject to optional redemption by the Issuers*

An optional redemption feature of Instruments is likely to limit their market value. During any period when an Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

An Issuer may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Dual Currency Instruments*

The Issuers may issue Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated. Potential investors should be aware that:

- (i) the market price of such Instruments may be volatile; and
- (ii) payment of principal or interest may occur at a different time or in a different currency than expected.

### *Partly-paid Instruments*

The Issuers may issue Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable rate Instruments with a multiplier or other leverage factor*

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Instruments*

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR and LIBOR. The market values of those Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

### *Fixed/Floating Rate Instruments*

Fixed/Floating Rate Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. An Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Instruments since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If an Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If an

Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

#### *Instruments issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

#### *Exchange rate risks and exchange controls*

The Issuers will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency-equivalent value of the principal payable on the Instruments and (3) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Instruments.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### *Absence of prior public markets*

The Instruments constitute an issue of new securities by the Issuers. Prior to this issue, there will have been no public market for the Instruments. Although application may be made for Instruments to be listed on the London Stock Exchange and/or Eurolist by Euronext Amsterdam there can be no assurance that an active public market for the Instruments will develop and, if such a market were to develop, the relevant Dealers are under no obligation to maintain such a market. The liquidity and the market prices for the Instruments can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the relevant Issuer and other factors that generally influence the market prices of securities.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

### **Additional Risk Factors in relation to the Capital Securities (which are only issued by AEGON)**

#### *Optional deferral*

AEGON may at its discretion elect to defer any Payment (such term does not include principal) on the Capital Securities for any period of time subject to suspension of payment on Junior Securities and Parity Securities. Any payment deferred pursuant to AEGON's optional right to defer will bear interest at the Applicable Coupon Rate. See more particularly described in 'Terms and Conditions of the Capital Securities' under 4, Deferrals - (c) 'Optional Deferral of Payments' below.

#### *Required deferral prior to AEGON becoming subject to Capital Adequacy Regulations*

If AEGON determines that it is not Solvent or that payment of a Payment (such term does not include principal) on the Capital Securities will result in AEGON becoming not Solvent, then AEGON will defer further Payments on the Capital Securities for any period of time subject to suspension of payment on Junior Securities and Parity Securities or AEGON becoming Solvent again. Any Payments so deferred will not accrue interest. See more particularly described in 'Terms and Conditions of the Capital Securities' under 4, Deferrals – (a) 'Required Deferral of Payments prior to AEGON becoming subject to Capital Adequacy Regulations' below.

#### *Required deferral after AEGON has become subject to Capital Adequacy Regulations*

Upon the occurrence of a Regulatory Event and during the period such Regulatory Event is continuing, AEGON will defer further Payments (such term does not include principal) on the Capital Securities for any period of time subject to suspension of payment on Junior Securities and Parity Securities or AEGON no longer being subject to a Regulatory Event. Any Payments so deferred will not accrue interest. See more particularly described in 'Terms and Conditions of the Capital Securities' under 4, Deferrals – (b) 'Required Deferral of Payments after AEGON has become subject to Capital Adequacy Regulations' below.

#### *Perpetual securities*

AEGON is under no obligation to redeem the Capital Securities at any time and the Holders have no right to call for their redemption.

### *Status, Subordination and Ranking*

The Capital Securities constitute direct, unsecured, subordinated securities of AEGON and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors of AEGON, present and future. On a winding-up (*faillissement of vereffening na ontbinding*) of AEGON the Capital Securities will rank in priority to distributions on all classes of share capital of AEGON and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of AEGON, present and future.

The Capital Securities are exclusive obligations of AEGON. AEGON is a holding company and conducts substantially all of its operations through its subsidiaries which own substantially all of its operating assets. Its subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide AEGON with funds to meet any payment obligations that arise thereunder. AEGON's right to receive any assets of any of its subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of Capital Securities to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including obligations to policyholders.

**“Senior Creditors”** means creditors of AEGON:

- (i) who are unsubordinated creditors of AEGON, or
- (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of AEGON or otherwise) to the claims of unsubordinated creditors of AEGON but not further or otherwise; or
- (iii) who are subordinated creditors of AEGON other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders.

### *Governmental Supervision and Regulation*

AEGON is currently not subject to regulation and laws which would require to maintain minimum required levels of a solvency margin and/or a capital adequacy ratio. It is expected that AEGON will in the future become subject to supervisory or regulatory laws on the basis whereof it will be required to maintain minimum required levels of a solvency margin and/or a capital adequacy ratio. The scope and impact of such possible future supervisory or regulatory laws and regulations is not yet clear and any such future supervisory or regulatory laws and regulations may have a material effect on the business, financial condition and results of operations of AEGON and the risks of Payments under the Capital Securities being deferred.

### *Redemption risk*

Upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call, the Capital Securities may be redeemed at their principal amount together with any Outstanding Payments (as defined in 'Terms and Conditions of the Capital Securities' under 19. Definitions), subject as provided in 'Terms and Conditions of the Capital Securities' under 7, 'Redemption and Purchases'.

### *No limitation on issuing debt*

There is no restriction on the amount of debt which AEGON may issue which ranks senior to the Capital Securities or on the amount of securities which AEGON may issue which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a

winding-up (*faillissement of vereffening na ontbinding*) of AEGON and may increase the likelihood of a deferral of Payments under the Capital Securities.

#### *Availability of shares*

If AEGON is to make a payment using the Alternative Coupon Satisfaction Mechanism (which is mandatory if it concerns Deferred Coupon Payments and which AEGON may elect to do in other cases) and has an insufficient number of Ordinary Shares available for issue, then AEGON's payment obligation shall be suspended to the extent of such insufficiency until such time as sufficient shares are available to satisfy all or part of the suspended payment obligation, as more particularly described in 'Terms and Conditions of the Capital Securities' under 6, Alternative Coupon Satisfaction Mechanism – (d) 'Reservation and Insufficiency of Ordinary Shares'.

#### *Market Disruption Event*

If, in the event the Alternative Coupon Satisfaction Mechanism is applied (which is mandatory if it concerns Deferred Coupon Payments and which AEGON may elect to do in other cases), in the opinion of AEGON a Market Disruption Event in respect of its Ordinary Shares exists, the payment to Holders may be deferred until the cessation of such market disruption, as more particularly described in 'Terms and Conditions of the Capital Securities' under 6, Alternative Coupon Satisfaction Mechanism – (e) 'Market Disruption'. Any such deferred payments shall bear interest at the Applicable Coupon Rate if the Market Disruption Event continues for 14 days or more.

#### *Restricted remedy for non-payment*

The sole remedy against AEGON available to the Trustee or any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Capital Securities will be the institution of proceedings for the winding-up (*faillissementsprocedure*) of AEGON and/or proving in such winding-up.

#### *Set-off*

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by AEGON arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the holder of any Capital Security, be deemed to have waived all such rights of set-off.



## DOCUMENTS INCORPORATED BY REFERENCE

The Issuers' registration document dated 1 February 2006 (the "Registration Document") prepared in accordance with Article 5(3) of the Prospectus Directive was published prior to the date of this Prospectus and has been approved by the AFM in its capacity as competent authority under the Securities Transactions Supervision Act 1995 (*Wet toezicht effectenverkeer 1995* or **Wte**).

Any Notes issued by AFC are guaranteed by AEGON N.V. as Guarantor. Such Notes are the subject of a guarantee dated 1 June 2006, (as amended, supplemented or replaced from time to time, the **Guarantee**), entered into by the Guarantor.

The Registration Document and the Guarantee shall be incorporated in, and form part of, this Base Prospectus. In addition, the Guarantor's publicly available consolidated annual accounts in respect of the period ended 31 December 2005 and the Guarantor's unaudited first quarter 2006 results as published on 10 May 2006 shall be incorporated in, and form part of, this Base Prospectus as well.

Copies of the Registration Document, the Guarantee and said annual and interim accounts can be obtained from the registered office of AEGON at AEGONplein 50, 2591 TV The Hague, The Netherlands and on [www.aegon.com](http://www.aegon.com).

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which (subject to completion and minor amendment) will be applicable to each Series of Notes, provided that the relevant Final Terms in relation to any Notes may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Notes:*

The Notes are issued in accordance with an amended and restated issue and paying agency agreement (the **Issue and Paying Agency Agreement**), which expression shall include any amendments or supplements thereto) dated 1 June 2006 and made between AEGON N.V., AEGON Funding Corporation (each an **Issuer**), AEGON N.V. as **Guarantor**, Citibank, N.A., London office in its capacities as fiscal agent (the **Fiscal Agent**, which expression shall include any successor to Citibank, N.A., London office in its capacity as such) and as principal registrar (the **Principal Registrar**, which expression shall include any successor to Citibank, N.A., London office in its capacity as such), The Bank of New York, Brussels office in its capacity as first alternative registrar (the **First Alternative Registrar**, which expression shall include any successor to The Bank of New York, Brussels office in its capacity as such), Citibank, N.A., New York office in its capacity as second alternative registrar (the **Second Alternative Registrar**, which expression shall include any successor to Citibank, N.A., New York office in its capacity as such) and the Paying Agents named therein (the **Paying Agents**, which expression shall include the Fiscal Agent and any substitute or additional Paying Agents appointed in accordance with the Issue and Paying Agency Agreement). Any Notes issued by AFC are guaranteed by AEGON N.V. as Guarantor. Such Notes are the subject of a guarantee dated 1 June 2006 (as amended, supplemented or replaced from time to time, the **Guarantee**) entered into by the Guarantor. Copies of the Issue and Paying Agency Agreement and the Guarantee are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Guarantee insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a **Series**), and each Series may comprise one or more tranches (**Tranches** and each, a **Tranche**) of Notes. Each Tranche will be the subject of the Final Terms (each, the Final Terms), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to Eurolist by Euronext Amsterdam (**Euronext Amsterdam**) be lodged with Euronext Amsterdam and will be available for inspection at the specified office of the Fiscal Agent or, as the case may be, the Registrar (as defined in Condition 2.2).

References in these Terms and Conditions to **Notes** are to Notes of the relevant Series and any references to **Coupons** are to Coupons relating to Notes of the relevant Series. Provisions between square brackets referring to the Guarantor and the Guarantee shall only apply to Notes issued by AEGON Funding Corporation.

### 1. FORM AND DENOMINATION

1.1 Notes are issued in bearer form or in registered form, as specified in the relevant Final Terms.

#### Form of Bearer Notes

1.2 Each Tranche of Notes issued in bearer form (**Bearer Notes**) will be represented upon issue by a temporary global note (a **Temporary Global Note**) in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. In the case of an exchange

for Notes in registered form (**Registered Notes**) at any time and without any requirement for certification, but otherwise on or after the date (the **Exchange Date**) which is 40 days after the completion of the distribution of the Notes of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received, interests in the Temporary Global Note may be exchanged for:

- (a) interests in a permanent global note (a **Permanent Global Note**) representing the Notes of that Tranche and in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement; or
- (b) if so specified in the relevant Final Terms, serially numbered definitive Notes (**Definitive Notes**) and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the relevant Final Terms) Registered Notes in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement.

- 1.3 If any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received by Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**) or Clearstream Banking, société anonyme, Luxembourg (**Clearstream, Luxembourg**) or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Note will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.
- 1.4 Interests in a Permanent Global Note will be exchanged by the Issuer in whole (but not in part only), at the option of the Holder of such Permanent Global Note, for serially numbered Definitive Notes and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the relevant Final Terms) Registered Notes, (a) if any Note of the relevant Series becomes due and repayable following an Event of Default (as defined herein); or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently; or (c) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder's request. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than 45 days before the date upon which the delivery of such Definitive Notes and/or Registered Notes is required, deposit the relevant Permanent Global Note with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If default is made by the Issuer in the required delivery of Definitive Notes and/or Registered Notes and such default is continuing at 6.00 p.m. (London time) on the 30th day after the day on which the relevant notice period expires or, as the case may be, such Permanent Global Note becomes so exchangeable, such Permanent Global Note will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation thereto.
- 1.5 Interest-bearing Definitive Notes will, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery coupons (**Coupons**), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Definitive Notes will also, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery, a talon (**Talon**) for further coupons and the expression **Coupons** shall, where the context so requires, include Talons.

- 1.6 Notes, the principal amount of which is repayable by instalments (**Instalment Notes**) which are Definitive Notes, will have endorsed thereon a grid for recording the repayment of principal.

### **Form of Registered Notes**

- 1.7 Registered Notes will be in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. Registered Notes will not be exchangeable for Bearer Notes.

### **Denomination and Minimum Issue Size**

- 1.8 Denominations of medium term Notes are subject to any changes in applicable legal and/or regulatory requirements.

### **Denomination of Bearer Interests**

- 1.9 Subject as provided in Condition 1.8, Bearer Notes will be in the denomination or denominations (each of which denomination must be integrally divisible by each smaller denomination) specified in the relevant Final Terms. Bearer Notes of one denomination will not be exchangeable, after their initial delivery, for Bearer Notes of any other denomination.

### **Denomination of Registered Notes**

- 1.10 Subject as provided in Condition 1.8, Registered Notes will be in the minimum denomination specified in the relevant Final Terms or integral multiples thereof.

### **Currency of Notes**

- 1.11 Notes may be denominated in any currency specified in the relevant Final Terms subject to compliance with all applicable legal or regulatory requirements.
- 1.12 For the purposes of these Terms and Conditions, references to Notes shall, as the context may require, be deemed to be to Temporary Global Notes, Permanent Global Notes, Definitive Notes or, as the case may be, Registered Notes.

## **2. TITLE**

- 2.1 Title to Bearer Notes and Coupons passes by delivery. References herein to the **Holders** of Bearer Notes or of Coupons are to the bearers of such Bearer Notes or such Coupons.
- 2.2 Title to Registered Notes passes by registration in the register which is kept by the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar, as specified in the relevant Final Terms. For the purposes of these Terms and Conditions, **Registrar** means, in relation to any Series comprising Registered Notes, the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar. References herein to the **Holders** of Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register.
- 2.3 The Holder of any Bearer Note, Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

## Transfer of Registered Notes and exchange of Bearer Notes for Registered Notes

- 2.4 A Registered Note may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the relevant Final Terms) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.
- 2.5 If so specified in the relevant Final Terms, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.6) where the exchange date would, but for the provisions of Condition 2.6, occur between the Record Date (as defined in Condition 0) for such payment of interest and the date on which such payment of interest falls due.
- 2.6 Each new Registered Note to be issued upon the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date (as defined in Condition 0) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions,

- (a) **Relevant Banking Day** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;
- (b) the **exchange date** shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 2.5; and
- (c) the **Transfer date** shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.4 and all reasonable requirements of the Issuer and the Registrar shall have been satisfied in respect of such transfer.
- 2.7 The issue of new Registered Notes on transfer or on the exchange of Bearer Notes for Registered Notes will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.
- 2.8 Upon the transfer, exchange or replacement of Registered Notes bearing the private placement legend (the **Private Placement Legend**) set forth in the form of Registered Note scheduled to the

Issue and Paying Agency Agreement, the Registrar shall deliver only Registered Notes that also bear such legend unless either (a) such transfer, exchange or replacement occurs three or more years after the later of (i) the original issue date of such Notes or (ii) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Note (or any predecessor of such Note) or (b) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

- 2.9 For so long as any of the Registered Notes bearing the Private Placement Legend remain outstanding and are **restricted securities** within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Holder of such Notes in connection with any sale thereof and any prospective purchaser of such Notes from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144(d)(4) under the Securities Act.

### 3. STATUS [AND GUARANTEE]

- 3.1 This Condition 3.1 is applicable in relation to Notes specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated (**Unsubordinated Notes**).

The Unsubordinated Notes constitute direct, unconditional, unsubordinated, general and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank at least *pari passu* without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) with all other outstanding, unsecured and unsubordinated obligations of the Issuer, present and future.

- 3.2 This Condition 3.2 is applicable in relation to Notes specified in the relevant Final Terms as being subordinated (**Subordinated Notes**).

The obligations represented by the Subordinated Notes will be unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and will, in the event of the bankruptcy, dissolution, winding-up or liquidation of the Issuer be subordinated in right of payment to the prior payment in full of all Senior Debt of the Issuer, present and future.

For the purposes of this Condition 3.2:

**Senior Debt** means the principal of and premium, if any, and interest on any Indebtedness of the Issuer currently outstanding or to be issued hereafter unless such Indebtedness, by the terms of the Note by which it is created or evidenced, is not senior in right of payment to the Subordinated Notes to which this Condition 3.2 applies. The Issuer's outstanding Subordinated Indebtedness will not be considered Senior Debt.

**Subordinated Indebtedness** means any Indebtedness of the Issuer the right to payment of which is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated in the event of the bankruptcy, dissolution, winding-up or liquidation of the Issuer.

**Indebtedness** means all indebtedness for money borrowed that is created, assumed, incurred or guaranteed in any manner or for which the Issuer is otherwise responsible or liable.

By virtue of the above subordination:

- (a) all payments to Holders of Subordinated Notes will, in the event of the bankruptcy, dissolution, winding-up or liquidation of the Issuer only be made after, and any set-off by any Holder of such Subordinated Notes shall be excluded until all Senior Debt admissible in any such bankruptcy, dissolution, winding-up or liquidation of the Issuer has been satisfied in full following which the obligations in respect of the Subordinated Notes shall rank at least *pari passu* with all other Subordinated Indebtedness; and
- (b) creditors of the Issuer who are not holders of Senior Debt may, subject to any subordination provisions that may be applicable to such creditors, recover more ratably than Holders of the Subordinated Notes.

### 3.3 [Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums and the delivery of all amounts expressed to be payable or deliverable by AEGON Funding Corporation under the Notes, Receipts and Coupons. Its obligations in that respect are contained in the Guarantee.

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and rank and will rank *pari passu* among themselves and (subject as foresaid and to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.]

## 4. **NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding (as defined in the Issue and Paying Agency Agreement), the Issuer [and the Guarantor] will procure that no loan or other indebtedness in respect of borrowed moneys having an original maturity of more than two years or any guarantee in respect of any such indebtedness, in each case now or hereafter existing, will be secured upon any of the present or future assets or revenues of the Issuer [and the Guarantor] or any of its Subsidiaries unless it shall, simultaneously with or prior to the creation of such security, take any and all action necessary to procure that the same security (or other security acceptable to the Holders of Notes) is accorded to the Holders of Notes other than Holders of Subordinated Notes as referred to in Condition 3.2, except that the foregoing shall not apply to (a) security created over any shares in or any securities owned by any Subsidiaries which are not Insurance Subsidiaries, (b) security created in the normal course of the relevant insurance business carried on in a manner consistent with generally accepted insurance practice for such insurance business, (c) security or preference arising by operation of any law, (d) security over real property to secure borrowings to finance the purchase or improvement of such real property, (e) security over assets existing at the time of acquisition thereof, and (f) security not otherwise permitted by the foregoing clauses securing borrowed moneys in an aggregate principal amount not to exceed 50 per cent. of the Group's borrowed moneys with an original maturity of more than two years.

In these Terms and Conditions, **Subsidiary** means any corporation, partnership or other business entity of which more than 50 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote are, directly or indirectly, owned by the Issuer [or the Guarantor]; **Insurance Subsidiary** means any Subsidiary, (i) the principal activity of which is insurance business, and (ii) the gross premium income of which as shown by the latest audited profit and loss account is more than 10 per cent. of the total gross premium income of the Group as shown by the latest audited consolidated profit and loss account of the Group; and **Group** means the Issuer [and the Guarantor] and its Subsidiaries from time to time.

## 5. INTEREST

Notes may be interest-bearing or non interest-bearing, as specified in the relevant Final Terms. In the case of non interest-bearing Notes, a Reference Price and Accrual Yield will, unless otherwise agreed, be specified in the relevant Final Terms. The Final Terms in relation to each Tranche of interest-bearing Notes shall specify which of Condition 5A, 5B, 5C and/or 5D shall be applicable and Condition 5E will be applicable to each Tranche of interest-bearing Notes as specified therein save, in each case, to the extent inconsistent with the relevant Final Terms. In relation to any Tranche of interest-bearing Notes, the relevant Final Terms may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

### 5A Interest – Fixed Rate

Notes in relation to which this Condition 5A is specified in the relevant Final Terms as being applicable shall bear interest from their date of issue (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms at the rate or rates per annum (or otherwise, as specified in the relevant Final Terms) specified in the relevant Final Terms. Such interest will be payable in arrear on such dates as are specified in the relevant Final Terms and on the date of final maturity thereof. Interest in respect of a period of less than one year will be calculated on a "30/360", "30E/360" basis (as both such terms are used in the ISDA Definitions, as defined below) or "Actual/Actual (ICMA)" basis, as specified in the relevant Final Terms or on such other basis as may be specified in the relevant Final Terms.

### 5B Interest – Floating Rate

**5B.01** Notes in relation to which this Condition 5B is specified in the relevant Final Terms as being applicable, shall bear interest at the rate or rates per annum (or otherwise, as specified in the relevant Final Terms) determined in accordance with this Condition 5B. Condition 5E.02 shall apply to Notes to which this Condition 5B applies.

**5B.02** Notes shall bear interest from their date of issue (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms. Such interest will be payable on each Interest Payment Date (as defined in Condition 5E.02) and on the maturity date.

**5B.03** The Final Terms in relation to each Series of Notes in relation to which this Condition 5B.03 is specified as being applicable, shall specify which page (the **Relevant Screen Page**) on the Reuters Screen or Telerate or any other information vending service shall be applicable. For these purposes, **Reuters Screen** means the Reuters Money 3000 Service and **Telerate** means the Moneyline Telerate Service (or such other services or service as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).

**5B.04** The rate of interest (the **Rate of Interest**) applicable to such Notes for each Interest Period shall be determined by the Determination Agent (as defined in Condition 5E.04) on the following basis:

- (i) the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, .00005 being rounded upwards) of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time) or, in the case of Notes denominated in euro, 11.00 a.m. (Brussels time) on the second London Banking Day before (or, in the case of Notes denominated in euro, on the second TARGET Business Day) before (or, in the case of Notes denominated in Pounds Sterling or in another currency if so specified in the relevant Final Terms on) the first day of the relevant Interest Period (the **Interest Determination Date**);



- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Determination Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (or, in the case of Notes denominated in euro, by four major banks in the Euro-zone interbank market), selected by the Determination Agent, at approximately 11.00 a.m. (London time) or, in the case of Notes denominated in euro, 11.00 a.m. (Brussels time) on the Interest Determination Date, to prime banks in the London interbank market (or, in the case of Notes denominated in euro, by four major banks in the Euro-zone interbank market), for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 9C.03) (or, in the case of Notes denominated in euro four major banks in the Euro-zone interbank market) selected by the Determination Agent, at approximately 11.00 a.m. (Relevant Financial Centre time or, in the case of Notes denominated in euro, 11.00 a.m. (Brussels time)) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time.

The Rate of Interest applicable to such Notes during each Interest Period will be the sum of the relevant margin (the **Relevant Margin**) specified in the relevant Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) so determined provided, however, that, if the Determination Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) determined in relation to such Notes in respect of the last preceding Interest Period provided always that if there is specified in the relevant Final Terms a minimum interest rate or a maximum interest rate then the Rate of Interest shall in no event be less than or, as the case may be, exceed it. For the purposes of these Terms and Conditions **London Banking Day** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

**5B.05** The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the **Interest Amount**) payable in respect of the principal amount of the smallest or minimum denomination of such Notes specified in the relevant Final Terms for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to such principal amount, multiplying the product by a fraction (day count fraction) the numerator of which is the actual number of days in the Interest Period concerned and the denominator for which is 360 (or, in the case of Notes denominated in Pounds Sterling, 365 or, when all or part of an Interest Period falls in a leap year, 366 for that proportion of the Interest Period so falling) or by such other day count fraction as may be specified in the relevant Final Terms and rounding the resulting figure to the nearest sub-unit of the currency in which such Notes are denominated or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards).

## **5C Interest – ISDA Rate Indices**

**5C.01** Notes in relation to which this Condition 5C is specified in the relevant Final Terms as being applicable shall bear interest at the rates per annum determined in accordance with this Condition 5C.

**5C.02** Each such Note shall bear interest from its date of issue (as specified in the relevant Final Terms) or from such other date as may be specified in the relevant Final Terms. Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event or tax event thereunder) by the Issuer had it entered into a swap transaction (to which a swap master agreement (the **Agreement**) and the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) (as amended and updated as at the date specified in the relevant Final Terms) with the Holder of such Notes under which:

- (v) the Reset Date was the first day of the relevant Interest Period;
- (vi) the Fixed Rate Payer or, as the case may be, the Floating Rate Payer was the Issuer;
- (vii) the Calculation Agent was the Determination Agent (as defined in Condition 5E.04);
- (viii) the Effective Date was such date of issue or such other date as may be specified in the relevant Final Terms;
- (ix) the Calculation Amount was the principal amount of such Note; and
- (x) all other terms were as specified in the relevant Final Terms.

## **5D Interest – Other Rates**

Notes in relation to which this Condition 5D is specified in the relevant Final Terms as being applicable shall bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Final Terms.

## **5E Interest – Supplemental Provision**

**5E 01** Conditions 5E.02, 5E.03, 5E.04 and 5E.05 shall be applicable (as appropriate) in relation to all Notes which are interest-bearing.

### *Interest Payment Date Conventions*

**5E.02** The Final Terms in relation to each Series of Notes in relation to which this Condition 5E.02 is specified as being applicable shall specify which of the following conventions shall be applicable, namely:

- (i) the "FRN Convention", in which case interest shall be payable in arrear on each date (each an **Interest Payment Date**) which numerically corresponds to their date of issue or such other date as may be specified in the relevant Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Final Terms after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred Provided that:

- (A) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day in that calendar month;
  - (B) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred;
- (ii) the "Modified Following Business Day Convention", in which case interest shall be payable in arrear on such dates (each an **Interest Payment Date**) as are specified in the relevant Final Terms Provided that, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day; or
- (iii) such other convention as may be specified in the relevant Final Terms.

Each period beginning on (and including) such date of issue or such other date as aforesaid and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an **Interest Period**.

*Notification of Rates of Interest, Interest Amounts and Interest Payment Dates*

**5E.03** The Determination Agent will cause each Rate of Interest, floating rate, Interest Payment Date, final day of a calculation period, Interest Amount, floating amount or other item, as the case may be, determined or calculated by it to be notified to the Issuer and the Fiscal Agent. The Fiscal Agent will cause all such determination or calculations to be notified to the other Paying Agents and, in the case of Registered Notes, the Registrar (from whose respective specified offices such information will be available) as soon as practicable after such determination or calculation but in any event not later than the fourth London Banking Day thereafter and, in the case of Notes admitted to Euronext Amsterdam and/or listed by any other competent listing authority or any other stock exchange, cause all such determinations or calculations to be notified to Euronext Amsterdam and/or any other competent listing authority or on any other stock exchange on which the Notes of the relevant Series may, for the time being, be listed by the time required (if any) by such competent listing authority or stock exchange. Provided that, in the case of Notes listed on any stock exchange(s), the requirements of such competent listing authority or stock exchange(s) are complied with. The Determination Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or final day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the first two sentences of this Condition 0.

**5E.04** The determination by the Determination Agent of all items failing to be determined by it pursuant to these Terms and Conditions shall, in the absence of manifest error, be final and binding

on all parties. As used herein the **Determination Agent** means the Fiscal Agent or such other agent as may be specified in the relevant Final Terms.

### *Accrual of Interest*

**5E.05** Interest shall accrue on the principal amount of each Note or, in the case of an Instalment Note, on each instalment of principal or, in the case of a partly paid Note, on the paid up principal amount of such Note or otherwise as indicated in the relevant Final Terms. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment thereof) unless upon (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment) due presentation or surrender thereof, payment in full of the principal amount or the relevant instalment or, as the case may be, redemption amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Final Terms until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment) due presentation of the relevant Note, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

## **6. REDEMPTION AND PURCHASE**

### **Redemption at Maturity**

- 6.1 Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its maturity redemption amount (the **Maturity Redemption Amount**, which shall be its principal amount or such other Maturity Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms) (or, in the case of Instalment Notes, in such number of instalments and in such amounts as may be specified in the relevant Final Terms) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Final Terms.

### **Early Redemption for Taxation Reasons**

- 6.2 If, in relation to any Series of Notes, (a) as a result of any change in the laws or regulations of The Netherlands or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the date of issue of such Notes or any earlier date specified in the relevant Final Terms, the Issuer [or, if the Guarantee were called, the Guarantor] would be required to pay additional amounts as provided in Condition 8 and (b) such circumstances are evidenced by the delivery by the Issuer to the Fiscal Agent of a certificate signed by an authorised officer of the Issuer [or the Guarantor] stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal or tax advisers or firm of accountants of recognised standing to the effect that such circumstances prevail, the Issuer [or the Guarantor, as the case may be] may, at its option and having given no less than thirty nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the Series in relation to which such notice has been given, at their early tax redemption amount (the **Early Redemption Amount**

(Tax)) which shall be their principal amount (or at such other Early Redemption Amount (Tax) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer [or the Guarantor] would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

### **Optional Early Redemption (Call)**

- 6.3 If this Condition 6.3 is specified in the relevant Final Terms as being applicable, then the Issuer may, upon the expiry of the appropriate notice and subject to such conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only) of the Notes of the relevant Series at their call early redemption amount (the **Early Redemption Amount (Call)**), which shall be their principal amount or such other Early Redemption Amount (Call) as may be specified in or determined in accordance with the relevant Final Terms, less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon.
- 6.4 The appropriate notice referred to in Condition 6.3 is a notice given by the Issuer to the Fiscal Agent, the Registrar (in the case of Registered Notes) and the Holders of the Notes of the relevant Series in accordance with Condition 14 (which notice shall be irrevocable), which notice shall be signed by a duly authorised officer of the Issuer and shall specify:
- (a) the Series of Notes subject to redemption;
  - (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes of the relevant Series which are to be redeemed;
  - (c) the due date for such redemption which shall be a Business Day (as defined in Condition 0), which shall be not less than 30 days (or such lesser period as may be specified in the relevant Final Terms) after the date on which such notice is validly given and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
  - (d) the Early Redemption Amount (Call) at which such Notes are to be redeemed.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

### **Partial Redemption**

- 6.5 If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6.3:
- (a) in the case of Bearer Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always

to compliance with all applicable laws and the requirements of any competent listing authority and/or stock exchange on which the relevant Notes may be listed; and

- (b) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, subject always as aforesaid and provided always that the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an integral multiple thereof.

#### **Optional Early Redemption (Put)**

- 6.6 If this Condition 6.6 is specified in the relevant Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note of the relevant Series, redeem such Note on the date or the next of the dates specified in the relevant Final Terms at its put early redemption amount (the **Early Redemption Amount (Put)** which shall be its principal amount or such other Early Redemption Amount (Put) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Note (together, in the case of an interest-bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar.

#### **Purchase of Notes**

- 6.7 The Issuer [or the Guarantor] or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price provided that, in the case of interest-bearing Definitive Notes, all unmatured Coupons appertaining thereto are purchased therewith.

#### **Cancellation of Redeemed and Purchased Notes**

- 6.8 All unmatured Notes and Coupons redeemed or purchased in accordance with this Condition 6 may be held and resold by the Issuer [or the Guarantor] or any of its Subsidiaries or may be surrendered for cancellation in all cases at the discretion of the Issuer [or the Guarantor] or, as the case may be, the relevant Subsidiary.

### **7. EVENTS OF DEFAULT**

- 7.1 Unless otherwise specified in the relevant Final Terms, the following events or circumstances (each an **Event of Default**) shall be acceleration events in relation to:

- (a) Unsubordinated Notes of any Series:
  - (i) *Non-Payment*: the Issuer is in default for any reason whatsoever for more than three days with respect to the payment of principal due on the Notes or for more than 14 days with respect to the payment of interest due on the Notes [and such default has not been remedied by the Guarantor making such payment]; or
  - (ii) *Breach of other obligations*: the Issuer [or the Guarantor] is in default in the performance of any other obligation under these Terms and Conditions [or, as the case may be, the Guarantee] and, if such default is capable of being remedied, such

default has not been remedied within 30 days after written notification from the Holder of any Note requiring such default to be remedied shall have been given to the Issuer [or the Guarantor]; or

- (iii) *Cross default*: the Issuer [or the Guarantor] fails to repay within 30 days after its due date, or becomes liable to repay prematurely due to default, any other borrowings which the Issuer [or the Guarantor] has contracted or guaranteed or security granted therefor is enforced on behalf of or by the creditors entitled thereto if and insofar as such default or such enforcement is not caused by the fact that the Issuer [or the Guarantor] is prevented, directly or indirectly, by any government or other governmental body from fulfilling the relevant obligation; or
  - (iv) *Enforcement Proceedings*: an *executoriaal beslag* (executory attachment) is made on any substantial part of the assets of the Issuer [or the Guarantor] or any Insurance Subsidiary or a *conservatoir beslag* (interlocutory attachment) is made thereon and is not cancelled or withdrawn within 30 days after the making thereof or the Issuer [or the Guarantor] or any Insurance Subsidiary goes bankrupt, applies for suspension of payment or is wound up, save, in respect of Insurance Subsidiaries, for a voluntary solvent winding up where substantially the whole of the assets of such Insurance Subsidiary are transferred to another Subsidiary (which shall thereupon itself become an Insurance Subsidiary for the purposes of these Conditions and notice thereof shall forthwith be given by the Issuer [or the Guarantor] to the Holders of Notes) or the Issuer [or the Guarantor] or any Insurance Subsidiary offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed, or the Issuer [or the Guarantor] or any Insurance Subsidiary becomes subject to the "*noodregeling*" (contingency regulation) as referred to in Chapter VII of the *Wet toezicht verzekeringsbedrijf 1993* (Act on Supervision of the Insurance Business), as modified or reenacted from time to time, of The Netherlands; or
  - (v) *Cessation of business*: the Group shall cease to carry on substantially the whole of its business or shall dispose of substantially the whole of its assets; or
  - (vi) *Analogous event*: any event occurs which under the laws of The Netherlands has an analogous effect to any of the events referred to above;
- (b) *Subordinated Notes of any Series*: an order is made or an effective resolution is passed for the bankruptcy, winding-up or liquidation of the Issuer [or the Guarantor].

7.2 If any Event of Default shall occur in relation to any Series of Notes, any Holder of a Note of the relevant Series may, by written notice to the Issuer [or the Guarantor], at the specified office of the Fiscal Agent, declare that such Note and (if the Note is interest-bearing) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the **Early Termination Amount** which shall be its principal amount or such other Early Termination Amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without any other action whatsoever, which the Issuer [or the Guarantor] will expressly waive, notwithstanding anything contained in such Notes to the contrary, unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

## 8. TAXATION

- 8.1 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes [or under the Guarantee] will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, unless previously redeemed in accordance with these Terms and Conditions, the Issuer [or, as the case may be, the Guarantor] will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder of any Note or Coupon after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon presented for payment:
- (a) by or on behalf of, a Holder of a Note or Coupon who is liable for such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed other than the mere holding of such Note or Coupon;
  - (b) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days;
  - (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (d) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU.
- 8.2 For the purposes of these Terms and Conditions, the **Relevant Date** means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent, or as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders of Notes and Coupons, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 14.
- 8.3 If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands, references herein to The Netherlands shall be read and construed as references to The Netherlands and/or to such other jurisdiction. In respect of AFC as Issuer, any references herein to The Netherlands shall be read and construed as references to the United States of America.
- 8.4 Any reference in these Terms and Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8.



## **9. PAYMENTS**

### **9A Payments – Bearer Notes**

**9A.01** This Condition 9(a) is applicable in relation to Notes in bearer form.

**9A.02** Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Note, payment of any instalment other than the final instalment) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

**9A.03** Payment of amounts in respect of interest on Bearer Notes will be made:

- (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
- (ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States; and
- (iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States.

**9A.04** Payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons for Coupon sheets in accordance with Condition 9A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations thereunder) unless (i) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If paragraphs (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

**9A.05** If the due date for payment of any amount due in respect of any Bearer Note is not both a Relevant Financial Centre Day (as defined in Condition 9C.03) and a Local Banking Day (as defined in Condition 9C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5E.05.

**9A.06** Each Definitive Note initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment which includes, in the case of an Instalment Note, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons and Talons appertaining thereto, failing which:

- (i) in the case of Definitive Notes which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within five years of the Relevant Date applicable to payment of such final redemption amount;
- (ii) in the case of Definitive Notes which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9A.06 notwithstanding, if any Definitive Notes which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

**9A.07** In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

- (b) For the purposes of these Terms and Conditions, the **United States** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## **9B Payments – Registered Notes**

**9B.01** This Condition 9B is applicable in relation to Notes in registered form.

**9B.02** Payment of amounts (whether principal, redemption amount or otherwise and including accrued interest) due in respect of Registered Notes on the final redemption of Registered Notes will be made against presentation and, save in the case of partial payment of the amount due upon final

redemption by reason of insufficiency of funds, surrender of the relevant Registered Notes at the specified office of the Registrar. If the due date for payment of the final redemption amount of any Registered Note is not both a Relevant Financial Centre Day (as defined in Condition 9C.03 and a Local Banking Day (as defined in Condition 9C.03, then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5E.5.

**9B.03** Payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of the final redemption of Registered Notes) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the specified office of the Registrar) on the 15th Relevant Banking Day (as defined in Condition 2.6) before the due date for such payment (the **Record Date**).

**9B.04** Notwithstanding the provisions of Condition 9C.02, payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of final redemption of Registered Notes) in respect of Registered Notes will be made by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.6) not later than the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

## **9C Payments – General Provisions**

**9C.01** Save as otherwise specified herein, this Condition 9C is applicable in relation to Notes whether in bearer or in registered form.

**9C.02** Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Notes will be made by (i) transfer to an account in the relevant currency specified by the payee or (ii) cheque. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

**9C.03** For the purposes of these Terms and Conditions:

- (i) **Business Day** means a day:
  - (A) in relation to Notes payable in euro, which is a TARGET Business Day; and
  - (B) in relation to Notes payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant Notes; and, in either case,
  - (C) on which commercial banks are open for business and foreign exchange markets settle payments in any place specified in the relevant Final Terms;

- (ii) **Relevant Financial Centre** means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definitions of **Business Day** in the ISDA Definitions;
- (iii) **Relevant Financial Centre Day** means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other place specified in the relevant Final Terms and in the case of payment in euro, a day which is a TARGET Business Day;
- (iv) **Local Banking Day** means a day (other than a Saturday and Sunday) on which commercial banks are open for business in the place of presentation of the relevant Note or, as the case may be, Coupon;
- (v) **euro** means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty;
- (vi) **EC Treaty** means the Treaty establishing the European Community as amended;
- (vii) **Euro-zone** means the region comprised of member states of the European Union that have adopted the single currency in accordance with the EC Treaty; and
- (viii) **TARGET Business day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating,

and, in the case of any of paragraphs (i) to (iv) of this Condition 9C.03, as the same may be modified in the relevant Final Terms.

## 10. PRESCRIPTION

- 10.1 Claims against the Issuer [and the Guarantor] in respect of Bearer Notes, Coupons and in respect of interest will be prescribed unless made within five years after the due date for payment thereof.
- 10.2 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon, any Coupon which would be void upon issue pursuant to Condition 9A.06 or the date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 10.
- 10.3 Claims against the Issuer [and the Guarantor] in respect of Registered Notes (other than in respect of the final redemption amount of Registered Notes) and in respect of interest will be prescribed unless made within five years after the due date for payment. Claims against the Issuer in respect of the final redemption amount of Registered Notes will be prescribed unless made within five years after the due date for payment thereof.

## 11. THE PAYING AGENTS AND THE REGISTRARS

- 11.1 The initial Paying Agents and Registrars and their respective offices are specified below. The Issuer [and the Guarantor] reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar provided that it will at all times maintain (a) a Fiscal Agent, (b) in the case of Registered Notes, a Registrar with a specified office in continental Europe, (c) a Paying Agent (which may be the Fiscal Agent) with a specified office in continental Europe, (d) so long as any Notes are listed on Eurolist by Euronext Amsterdam and/or any other competent listing authority or stock exchange, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a specified office in the Netherlands and/or in such other place as may be required by such other stock

exchange, (e) in the circumstances described in Condition 9A.04, a Paying Agent with a specified office in New York City and (f) if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 to 27 November 2000 is brought into force a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the Savings Directive. The Paying Agents and the Registrar reserve the right at any time to change their respective offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agent or the Registrar will be given promptly by the Issuer [and the Guarantor] to the Holders of the Notes in accordance with Condition 14.

- 11.2 The Paying Agents and Registrars act solely as agents of the Issuer [and the Guarantor] and, save as provided in the Issue and Paying Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Issue and Paying Agency Agreement or incidental thereto.

## **12. REPLACEMENT OF NOTES**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the relevant Final Terms (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes), subject to all applicable laws and the requirements of any stock exchange on which the relevant Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer, [the Guarantor] and the Fiscal Agent, the relevant Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be delivered therefor.

## **13. MEETINGS OF HOLDERS**

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series.

## **14. NOTICES**

Notices to Holders may be given by the delivery of the relevant notice to Euroclear Netherlands or Euroclear and Clearstream, Luxembourg, as applicable, except for so long as the Notes are listed on Eurolist by Euronext Amsterdam and the rules of Euronext Amsterdam N.V. so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in a newspaper having general circulation in The Netherlands. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Any Notice delivered to Euroclear Netherlands or Euroclear and Clearstream, Luxembourg, as applicable shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

## **15. FURTHER ISSUES**

The Issuer may, from time to time without the consent of the Holders of any Notes create and issue further Notes, bonds or debentures having the same terms and conditions as such Notes in all

respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of any particular Series.

## **16. CURRENCY INDEMNITY**

The currency in which the Note is denominated or, if different, payable, as specified in the relevant Final Terms (the **Contractual Currency**) is the sole currency of account and payment for all sums payable by the Issuer [or the Guarantor] in respect of such Note, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer [or the Guarantor] shall only constitute a discharge to the Issuer [or the Guarantor] to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer [or the Guarantor] shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer [or the Guarantor] shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations [or Guarantor's other obligations], shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon.

## **17. WAIVER AND REMEDIES**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right where such rights would, but for such failure or delay, otherwise have existed. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **18. LAW AND JURISDICTION**

- 18.1 The Notes and the Issue and Paying Agency Agreement are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- 18.2 The Issuer [and the Guarantor] irrevocably agrees for the benefit of the Holders of the Notes that the courts of the Netherlands shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, **Proceedings** and **Disputes**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 18.3 The submission to the jurisdiction of the courts of The Netherlands shall not (and shall not be construed so as to) limit the right of the Holders of the Notes or any of them to take Proceedings in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

## APPLICABLE FINAL TERMS TO THE NOTES

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

[Date]

[AEGON N.V./ AEGON Funding Corporation]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
[Guaranteed by AEGON N.V.] under the US\$ 6,000,000,000 Programme for the Issuance of Debt  
Instruments

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 1 June 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at AEGON N.V., AEGONplein 50, 2591 TV The Hague, The Netherlands and [www.aegon.com](http://www.aegon.com) and copies may also be obtained from such address.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Prospectus dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [original date] and [current date]. The Prospectuses are available for viewing at AEGON N.V., AEGONplein 50, 2591 TV The Hague, The Netherlands and [www.aegon.com](http://www.aegon.com) and copies may also be obtained from such address.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

1. (a) Issuer: [AEGON N.V./ AEGON Funding Corporation]  
  
(b) Guarantor: [AEGON N.V.]
2. (a) Series Number: [      ]  
  
(b) Tranche Number: [      ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [      ]
4. Aggregate Nominal Amount:  
  
(a) Series: [      ]  
  
(b) Tranche: [      ]
5. Issue Price: [    ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. Specified Denominations: [      ]  
  
*(Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies))*
7. (a) Issue Date: [      ]  
  
(b) Interest Commencement Date: [      ]
8. Maturity Date: *[Fixed rate - specify date/*  
*Floating rate - Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: [[    ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [    ] per cent. Floating Rate]  
[Zero Coupon]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)



10. Redemption/Payment Basis: [Redemption at par]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
- (N.B. If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: [Senior/Subordinated]
- (a) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: [Syndicated/Non-syndicated]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]  
*(If payable other than annually, consider amending Condition [Interest])*
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Note of [ ] Specified Denomination

- (d) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (e) Day Count Fraction: *[30/360 or Actual/Actual (ICMA) or [specify other]]*
- (f) Determination Date(s): *[ ] in each year  
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon  
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[None/Give details]*
16. Floating Rate Note Provisions *[Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: *[ ]*
- (b) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]*
- (c) Additional Business Centre(s): *[ ]*
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: *[Screen Rate Determination/ISDA Determination/specify other]*
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): *[ ]*
- (f) Screen Rate Determination:
- Reference Rate: *[ ].  
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Issue and Paying Agency Agreement)*

- Interest Determination Date(s): [      ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
  - Relevant Screen Page: [      ]  
(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: [      ]
  - Designated Maturity: [      ]
  - Reset Date: [      ]
- (h) Margin(s): [ +/- ] [      ] per cent. per annum
- (i) Minimum Rate of Interest: [      ] per cent. per annum
- (j) Maximum Rate of Interest: [      ] per cent. per annum
- (k) Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
Other]  
(See Condition 5 for options)
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [      ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [      ] per cent. per annum
  - (b) Reference Price: [      ]

- (c) Any other formula/basis of determining amount payable: [      ]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [Condition 6 /specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Calculation Agent, if any, responsible for calculating the interest payable: [      ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [      ]

## PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [      ]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [      ] per Note of [      ] Specified Denomination
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [      ]
- (ii) Maximum Redemption Amount: [      ]
- (d) Notice period (if other than as set out in the Conditions): [      ]
20. Investor Put: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [      ]

- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (c) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. Final Redemption Amount of each Note: [ ] per Note of [ ] Specified Denomination /specify other/see Appendix]
22. Early Redemption Amount or Early Termination Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6 [ ]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 45 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Registered Notes]  
*(Ensure that this is consistent with the wording in the Base Prospectus and the Notes themselves)*
24. Relevant Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 16(c) relates)*
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
27. Details relating to Instalment Notes:
- (a) [Instalment Amount(s): [Not Applicable/give details]
- (b) [Instalment Date(s): [Not Applicable/give details]
28. Other final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

29. (a) If syndicated, names [and addresses]\*\* of Managers [and underwriting commitments]\*\*: [Not Applicable/give names [and addresses and underwriting commitments]\*\*]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. ) \*\**
- (b) Date of [Subscription] Agreement:\*\* [ ]\*\*
- (c) Stabilising Manager (if any): [Not Applicable/give name]
30. If non-syndicated, name [and address]\*\* of relevant Dealer: [Name [and address]\*\*]
31. Total commission and concession:\*\* [ ] per cent. of the Aggregate Nominal Amount\*\*
32. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
33. Additional selling restrictions: [Not Applicable/give details]

## [LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the US\$ 6,000,000,000 Programme for the Issuance of Debt Instruments of AEGON N.V.]

### RESPONSIBILITY

The Issuer [and the Guarantor] [accepts/accept] responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer [and the Guarantor] [confirms/confirm] that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:]

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Amsterdam/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].]  
[Not Applicable.]
- (iii) Estimate of total expenses related to [ ]\*  
admission to trading:\*

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]\*\**

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. NOTIFICATION

The Authority for the Financial Markets (*Autoriteit Financiële Markten*) [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer [ ]]

*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[(ii) Estimated net proceeds: [ ]]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii) Estimated total expenses: [ ]. *[Include breakdown of expenses]*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### 6. YIELD (*Fixed Rate Notes only*)

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.



**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

**8. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Fondscore: [ ]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and Euroclear Nederland and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (vii) Offer Period: [[The offer of the Notes is expected to open at [?] hours([?] time) on [?] and close at [?] hours ([?] time) on [?] or such earlier or later date or time as the Issuer may determine and will be announced in [?].]
- [The Issuer reserves the right to withdraw the offer of the Notes until [?] at the latest. Such withdrawal will be announced in the forementioned publications.]
- [The aggregate principal amount of the Notes to be issued and allotted will be announced by the Issuer at [?] hours ([?] time) on [?] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications.]
- [The Issuer reserves the right to increase the aggregate principal amount of the Notes to be issued. Such increase will be announced in the forementioned publications]
- [[No]/[D/d]ealing in the Notes will be possible before the aggregate principal amount of the Notes is announced as set out above.]

[Not Applicable]]

(viii) Reduction of subscriptions: [[Subscriptions in excess. If the Issuer determines to increase the aggregate principal amount of the Notes to be issued this will be announced by the Issuer at [?] hours ([?] time) on [?] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications.]

[in [ ]Not Applicable]

(ix) Maximum and minimum subscription amount: [[?] and [?].

## 9. GENERAL

Tradeable Increments: [●]

So long as the Notes are represented by a Temporary Global Note or Permanent Global Note, the Notes will be tradeable only in principal amounts of at least the Specified Denomination and integral multiples of the Tradeable Increment in excess thereof.

### Notes:

\* *Delete if the minimum denomination is less than €50,000*

\*\* *Delete if the minimum denomination is €50,000*

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following are the Terms and Conditions of the Capital Securities which (subject to completion and minor amendment) will be applicable to each Series of Capital Securities, provided that the relevant Final Terms in relation to any Capital Securities may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such capital Securities:*

The Capital Securities are issued in accordance with an amended and restated issue and paying agency agreement (the **Issue and Paying Agency Agreement**), which expression shall include any amendments or supplements thereto) dated 1 June 2006 and made between, inter alia, AEGON N.V. (the **Issuer**), Citibank, N.A., London office in its capacity as Fiscal Agent (the **Fiscal Agent**, which expression shall include any successor to Citibank, N.A., London office in its capacity as such) and the Paying Agents named therein (the **Paying Agents**, which expression shall include the Fiscal Agent and any substitute or additional Paying Agents appointed in accordance with the Issue and Paying Agency Agreement). Copies of the Issue and Paying Agency Agreement are available for inspection at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Capital Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the relevant Capital Securities.

The Capital Securities are issued in series (each, a **Series**), and each Series may comprise one or more tranches (**Tranches** and each, a **Tranche**) of Capital Securities. Each Tranche will be the subject of the Final Terms (each, the Final Terms), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to Eurolist by Euronext Amsterdam (**Euronext Amsterdam**) be lodged with Euronext Amsterdam and will be available for inspection at the specified office of the Fiscal Agent.

The Capital Securities are constituted by the Trust Deed. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed are available for inspection during normal business hours by the Holders at the specified office of the Trustee and at the specified office of each of the Paying Agents. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Issue and Paying Agency Agreement applicable to them.

References in these Terms and Conditions to **Securities** are to Capital Securities of the relevant Series.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Securities are in bearer form and shall be in denominations as indicated in the applicable Final Terms. The Securities will be represented by a Temporary Global Security which is exchangeable for a Permanent Global Security (each a **Global Security**) without interest coupons. Unless specified otherwise in the Final Terms, each Global Security will be deposited with Euroclear Netherlands and thereby become subject to the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer*, **WGE**). Unless specified otherwise in the Final Terms, the Global Security will not be exchangeable for definitive bearer Securities.

#### 1.2 Transfer and Title

Unless specified otherwise in the Final Terms, interests in a Global Security will be transferable only in accordance with the provisions of the WGE and the rules and procedures for the time being of Euroclear Netherlands and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) Securities, in the open market or otherwise must be effected through participants of Euroclear Netherlands. The bearer of a Global Security will be the only person entitled to receive payments in respect of such Global

Security. Each person who is for the time being shown in the records of Euroclear Netherlands or any of its participants as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear Netherlands or such participant as to the nominal amounts of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of a Global Security shall be treated by the Issuer and the Paying Agent as the holder of such Securities in accordance with and subject to the terms of the Global Security.

## 2. STATUS

### (a) Status and Subordination of the Securities

The Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Securities are subordinated to the claims of Senior Creditors of the Issuer, present and future.

- (b) (i) Condition of Payment by the Issuer prior to becoming subject to Capital Adequacy Regulations: Payments in respect of the Securities (and using the proceeds of the issue of Ordinary Shares in accordance with Condition 6) are conditional upon the Issuer being Solvent at the time of payment (or at the time of using the proceeds of issue of such Ordinary Shares) by the Issuer and in that no principal or Payments shall be due and payable in respect of the Securities (including using the proceeds of the issue of Ordinary Shares in accordance with Condition 6) except to the extent that the Issuer could make such payment (or using the proceeds of such issue of Ordinary Shares) and still be Solvent immediately thereafter. For the purposes of this Condition 2(b)(i) any reference to a payment by the Issuer in respect of a Security shall be deemed to include a redemption or purchase of such Security by the Issuer.
- (ii) Condition of Payment by the Issuer after becoming subject to Capital Adequacy Regulations: Payments in respect of the Securities (and using the proceeds of the issue of Ordinary Shares in accordance with Condition 6) are conditional upon the Issuer not being subject to a Regulatory Event at the time of payment (or at the time of using the proceeds of issue of such Ordinary Shares) and no principal or Payments shall be due and payable in respect of the Securities (including using the proceeds of the issue of Ordinary Shares in accordance with Condition 6) except to the extent that the Issuer is not subject to a Regulatory Event and could make such payment (or using the proceeds of such issue of Ordinary Shares) and still not be subject to a Regulatory Event.
- For the purposes of this Condition 2(b)(ii) any reference to a payment by the Issuer in respect of a Security shall be deemed to include a redemption or purchase of such Security by the Issuer.
- (iii) Winding-Up Claims of the Issuer: Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b)(i) or 2(b)(ii), as applicable, are not satisfied on the date upon which the same would otherwise be due and payable and have since not been paid (‘Winding-Up Claims’) will be payable by the Issuer in a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer as provided in Condition 3 or on any redemption pursuant to Condition 7(b), 7(c) or 7(d). A Winding-Up Claim shall not bear interest.
- (iv) Set-off: Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the

Securities and each Holder shall, by virtue of being the holder of any Security, be deemed to have waived all such rights of set-off.

### **3. WINDING-UP**

If at any time an order is made, or an effective resolution is passed, for the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed.)), there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer) a winding-up amount. The Securities will rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer in priority to distributions on all classes of share capital of the Issuer and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of the Issuer, present and future.

In a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer, Holders of the Securities will only have a claim for payment in full or part of principal and Deferred Coupon Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Deferred Coupon Payments.

### **4. DEFERRALS**

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. Without prejudice to the generality of Condition 2 and Subject to Condition 4(d), the Issuer must or may defer a Coupon Payment and any other Payment in the following 14 circumstances:

(a) Required Deferral of Payments prior to the Issuer becoming subject to Capital Adequacy Regulations

- (i) If the Issuer determines on the 20th Business Day preceding the date on which any Payment (such term does not include principal) would in the absence of deferral in accordance with this Condition 4, be due and payable that it is not Solvent or that payment of the relevant Payment, or part thereof would result in the Issuer becoming not Solvent, the Issuer must (subject to Condition 6) defer such Payment or such part thereof, as the case may be, by giving notice (a 'Deferral Notice') to the Trustee, the Holders, the Fiscal Agent and the Calculation Agent not less than 16 Business Days prior to such date.

If, following the deferral of a Payment by the Issuer under this Condition 4(a)(i), the Required Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Trustee, the Holders and the Calculation Agent that it will satisfy such Payment on such date.

- (ii) However, the Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(a)(i) above, if:

- (1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Required Deferral Condition fails to be met) by delivering a notice to the Trustee, the Holders, the Fiscal Agent

and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or

- (2) it validly elects to defer under Condition 4(c) the Payment which would otherwise have been satisfied under Condition 4(a)(i).
- (iii) If any Payment is deferred pursuant to Condition 4(a)(i) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e).

Any such deferred Payment shall be satisfied from the proceeds of the issue of Ordinary Shares in accordance with Condition 6.

(b) Required Deferral of Payment after the Issuer has become subject to Capital Adequacy Regulations

- (i) If the Issuer determines on the 20th Business Day prior to the date, on which any Payment (such term does not include principal), would in the absence of deferral in accordance with this Condition 4, be due and payable, that it is subject to a Regulatory Event or that payment of the relevant Payment, or part thereof would result in the Issuer becoming subject to a Regulatory Event, the Issuer must (subject to Condition 6) defer such Payment or such part thereof, as the case may be, by giving a notice (also a **'Deferral Notice'**) to the Trustee, the Holders, the Fiscal Agent and the Calculation Agent not less than 16 Business Days prior to such date.

If, following the deferral of a Payment by the Issuer under this Condition 4(b)(i), the Required Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Trustee, the Holders and the Calculation Agent that it will satisfy such Payment on such date.

- (ii) The Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(b)(i) above, if:
  - (1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Required Deferral Condition fails to be met) by delivering a notice to the Trustee, the Holders, the Fiscal Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or (2) it validly elects to defer under Condition 4(c) the Payment which would otherwise have been satisfied under Condition 4(b)(i).
- (iii) If any Payment is deferred pursuant to Condition 4(b)(i) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e). Any such deferred Payment shall be satisfied from the proceeds of the issue of Ordinary Shares in accordance with Condition 6.

(c) Optional Deferral of Payments

- (i) Subject to Condition 4(d), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable,

defer all or part of such Payment by giving a notice (also a '**Deferral Notice**' ) to the Trustee, the Fiscal Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date. Subject to Condition 4(d), the Issuer may then satisfy any such Payment at any time by means of an issue of Ordinary Shares in accordance with Condition 6 upon delivery of a notice to the Trustee, the Fiscal Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Satisfaction Date.

- (ii) If any Payment is deferred pursuant to this Condition 4(c) then such deferred Payment shall bear interest at the Applicable Coupon Rate from (and including) the date on which (but for such optional deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date.
  - (iii) The Issuer may give a Deferral Notice under this Condition 4(c) in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i), (ii) or (iii) under (d) below shall have no force or effect.
- (d) Dividend Pusher; Mandatory Payments and Mandatory Partial Payments The Issuer will be required to make payments on the Securities in the following circumstances:
  - (i) If a Mandatory Payment Event or a Mandatory Partial Payment Event occurs then all Deferred Coupon Payments will become mandatorily due and payable in full on the date of the Mandatory Payment Event or Mandatory Partial Payment Event in accordance with the provisions of Condition 6. The Issuer may satisfy its obligations to pay such Deferred Coupon Payment only in accordance with the Alternative Coupon Satisfaction Mechanism. For the avoidance of doubt the Issuer will not be required to utilise the Alternative Coupon Satisfaction Mechanism in order to satisfy its obligation to pay any Mandatory Partial Payment payable on a Mandatory Partial Payment Date that coincides with the date on which such Deferred Coupon Payment has become mandatory due and payable in full.
  - (ii) If a Mandatory Payment Event occurs, then the Coupon Payments payable on the next number of Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on the relevant consecutive Coupon Payment Dates, subject to the occurrence of any Required Deferral Condition at the time such payment would otherwise have to be made. If the Mandatory Payment Event is a payment on a Junior Security or on a Junior Guarantee or on a security benefitting from a Junior Guarantee which in each case is in respect of a semi annual dividend, then the Coupon Payments payable on only the next number of Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on such Coupon Payment Dates, notwithstanding any Deferral Notice as to such Coupon Payments or the occurrence or continuance of any Required Deferral Condition. The Issuer is permitted, but shall not be required, to satisfy its obligation to make the Coupon Payment payable on such Coupon Payment Date in accordance with the Alternative Coupon Satisfaction Mechanism.
  - (iii) If a Mandatory Partial Payment Event occurs, then Mandatory Partial Payments will be mandatorily due and payable in respect of each Security, subject to the occurrence of the Required Deferral Condition at the time such payment would otherwise have to be made. Such Mandatory Partial Payments shall be payable on the immediately next number of consecutive Coupon Payment Dates as specified in

the Final Terms after the occurrence of such Mandatory Partial Payment Event, depending on whether the Parity Securities pay dividends or income distributions on an annual basis, a semi annual basis or a quarterly basis, as the case may be. The Issuer is permitted, but shall not be required, to satisfy its obligation to pay any Mandatory Partial Payments in accordance with the Alternative Coupon Satisfaction Mechanism.

## **5. COUPON PAYMENTS**

### **(a) Coupon Payment Dates**

The Securities bear interest from (and including) the Issue Date. Such interest will (subject to Conditions 2(b)(i), 2(b)(ii), 4(a), 4(b), 4(c), 6(d) and 6(e)) be payable in arrear on each Coupon Payment Date as indicated in the Final Terms. Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition (both before and after judgment) as provided in the Trust Deed.

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall, unless specified otherwise in the Final Terms, be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date. The amount of the relevant Coupon Payment shall not be adjusted as a result.

### **(b) Fixed Coupon Rate**

Securities in relation to which this Condition 5(b) is specified in the relevant Final Terms as being applicable, shall bear a fixed rate interest at the Coupon Rate per annum as specified in the Final Terms.

### **(c) Floating or Variable Coupon Rate**

Securities in relation to which this Condition 5(c) is specified in the relevant Final Terms as being applicable, shall bear a floating or variable interest at the Coupon Rate per Coupon Period as specified in the relevant Final Terms and determined in accordance with Condition 5 (d).

### **(d) Determination of Coupon Rate and Coupon Amounts**

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 5(c), calculate the Coupon Amount and cause the Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Trustee, the Issuer, the Fiscal Agent, Euronext Amsterdam N.V., and the Holders as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Unless specified otherwise in the relevant Final Terms, the amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

### **(e) Determination or Calculation by Trustee**

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Conditions 5(c) or (ii) calculate a Coupon Amount in accordance with Condition 5(d), the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent shall



apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(e) by or on behalf of the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Holders shall attach to the Trustee in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

## **6. ALTERNATIVE COUPON SATISFACTION MECHANISM**

### **(a) Alternative Coupon Satisfaction Mechanism**

If any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) is to be made, it will be satisfied using the Alternative Coupon Satisfaction Mechanism.

In addition, the Issuer may elect at any time to satisfy its obligation to make any Payment (other than Deferred Coupon Payments and a payment of principal) to Holders by using the Alternative Coupon Satisfaction Mechanism. “Alternative Coupon Satisfaction Mechanism” means that the relevant payment is satisfied from the proceeds of the issue of such amount of Ordinary Shares for cash as required to provide enough cash for the Issuer to make full payments on the Securities in respect of the relevant Payment, in accordance with and subject to the following provisions of this Condition 6.

Investors will always receive payments made in respect of Securities in cash.

If the Issuer uses the Alternative Coupon Satisfaction Mechanism, the Issuer shall notify the Trustee and the Fiscal Agent not less than 16 Business Days prior to the relevant Coupon Payment Date. In the absence of or save to the extent of such issue, subject to Condition 4(a) or 4(b) (Required Deferral of Payments) and Condition 4(c) (Optional Deferral of Payments), Payments must be satisfied in accordance with Condition 8(a).

### **(b) Issue of shares**

If any Payment is to be satisfied in accordance with the Alternative Coupon Satisfaction Mechanism then, subject to Conditions 6(d) and 6(e):

- (i) by close of business on or before the seventh Business Day prior to the relevant Coupon Payment Date or Deferred Coupon Satisfaction Date the Issuer will have authorised for issue such number of Ordinary Shares (the ‘Payment Ordinary Shares’) as, in the determination of the Issuer, have a market value of not less than the relevant Payment to be satisfied in accordance with this Condition 6;
- (ii) the Issuer will procure purchasers for such Ordinary Shares as soon as possible after abovementioned authorisation for the issue of Ordinary Shares, but not later than the fourth Business day prior to the Relevant Date;
- (iii) if, after the operation of the above procedures, there would in the opinion of the Issuer be a shortfall on the date on which the relevant Payment is due, the Issuer shall issue further Ordinary Shares in accordance with the provisions of the Trust Deed to ensure that a sum at least equal to the relevant Payment is available to make the Payment in full on the relevant due date provided that if, despite the operation of the aforementioned provisions, such a shortfall exists on the relevant due date the Issuer will continue to issue Ordinary Shares until the Fiscal Agent shall have received funds equal to the full amount of such shortfall.

- (iv) If the Issuer fails, by the date or time specified, to perform any of its obligations described in paragraphs (i) to (iii) above, the Trustee shall appoint the Calculation Agent to perform such obligations.

(c) Receipt of cash proceeds in respect of Issue of Ordinary Shares satisfies Payment

Where the Issuer either elects or is required to make a Payment hereunder by using the proceeds of an issue of Ordinary Shares and in accordance with its obligations under the Trust Deed issues such shares, the Issuer will sell such shares in the market. Receipt of the cash proceeds by the Issuer on the sale of the Ordinary Shares in the market by the Issuer shall, subject to Condition 6(b)(iii) and 6(e), be used to satisfy the relevant Payment or, as the case may be, in the circumstances referred to in (d) below, the relevant part of such Payment. The proceeds of sale of Ordinary Shares in accordance with this Condition 6 shall be paid by the Fiscal Agent to the Holders in respect of the relevant Payment.

(d) Reservation and Insufficiency of Ordinary Shares

- (i) The Issuer is required to keep available for issue enough Ordinary Shares as it reasonably considers would be required to satisfy from time to time the next four scheduled Coupon Payments and any Deferred Coupon Payments. No damages will be payable for breach of this covenant but, in the event of breach by the Issuer of this paragraph (d) (i), the Trustee may require that the Issuer holds as soon as practicable an extraordinary general meeting of the shareholders of the Issuer at which a resolution is passed to remedy the breach. The Trustee shall not be obliged to monitor compliance by the Issuer with this paragraph and shall be entitled to assume, unless it has actual knowledge to be contrary, that the Issuer is complying with its obligations under this paragraph (d)(i).
- (ii) If the Issuer is to satisfy a Payment in accordance with this Condition 6 and does not, on the date when the number of Ordinary Shares required to be issued is determined in accordance with this Condition 6, have sufficient number of Ordinary Shares available for issue, then the Issuer shall notify the Trustee, the Fiscal Agent, and the Holders that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the Payment or part thereof shall be satisfied following the date of the next annual general meeting or extraordinary general meeting of shareholders of the Issuer at which a resolution is passed making a sufficient number of Ordinary Shares available to satisfy all or such part of the relevant Payment provided that if the number of Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then those Ordinary Shares so issued shall be applied by the Issuer in part satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, the Issuer shall notify the Trustee, the Paying Agent and the Holders of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 Business Days' notice. The relevant Payment or, as the case may be, the part thereof which is not so satisfied shall, unless it is a required Deferred Coupon Payment which had been deferred under Condition 4(a) or 4(b) and has not been subsequently either satisfied or deferred in accordance with Condition 4(c), continue to accrue interest at the rate specified in Condition 4(c)(ii) from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as provided in Condition 6(e)).
- (iii) If, in the case of an insufficiency of Ordinary Shares, the Issuer does not hold an annual general meeting within 6 months of giving the above first-mentioned notice, at which a

resolution to make a sufficient number of Ordinary Shares so available is proposed, the Trustee shall by notice require the Issuer to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the Trustee.

- (iv) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting of the Issuer is rejected, such resolution will be proposed at each annual general meeting or any extraordinary general meeting of the Issuer thereafter until such time as such resolution has been passed by the shareholders of the Issuer.

(e) **Market Disruption**

Notwithstanding the provisions of Condition 6(b), if there exists, in the opinion of the Issuer a Market Disruption Event on or after the 15th Business Day preceding any date upon which a Payment or, in the case of an insufficiency as provided in paragraph (d) above, part thereof is due to be made or satisfied in accordance with this Condition 6, then the Issuer may give a notice to the Trustee, the Fiscal Agent and the Holders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant Payment shall be deferred until such time as (in the opinion of the Issuer) the Market Disruption Event no longer exists.

Any such deferred Payment or part thereof will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists. Interest shall not accrue on such deferred Payment or part thereof unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant Payment or part thereof for a period of 14 days or more after the due date therefor, in which case interest shall accrue on such deferred Payment or part thereof from (and including) the date on which the relevant Payment or part thereof was due to be made to (but excluding) the date on which such Payment or part thereof is made. Any such interest shall accrue at the rate provided for in Condition 5 and shall be satisfied only in accordance with this Condition 6 and as soon as reasonably practicable after the relevant deferred Payment is made. No liability shall attach to the Trustee or its agents if, as a result of a Market Disruption Event or any other event outside the control of the Trustee or any such agent, the Trustee or any such agent is unable to comply with the provisions of Condition 6(b).

(f) **Issuer certification to Trustee**

The Issuer will certify to the Trustee that the proceeds used to make any Deferred Coupon Payment have been funded through the issue of Ordinary Shares which will provide the cash amount due in respect of the Deferred Coupon Payment.

**7. REDEMPTION AND PURCHASES**

(a) **No Fixed Redemption Date**

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 11) only have the right to repay them in accordance with the following provisions of this Condition 7.

(b) **Issuer's Call Option**

Subject to Condition 2(b)(i) or 2(b)(ii), as applicable, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 and to the Fiscal Agent and the Trustee, which notice shall be irrevocable, elect to redeem all, but not some only, of the Securities on the Coupon Payment Date falling on the date specified as such in the Final Terms and

any Coupon Payment Date thereafter at the Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments.

(c) Redemption due to Taxation

If the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that, on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 10; or
- (ii) payments of amounts in respect of interest on the Securities including, for the avoidance of doubt, from the proceeds of the issue of Ordinary Shares pursuant to Condition 6, may be treated as ‘distributions’ within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or
- (iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of the Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after the Issue Date of the relevant Securities, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied from the proceeds of the issue of Ordinary Shares,

then the Issuer may (and subject to Condition 2(b)(i) or 2(b)(ii), as applicable), having given not less than 30 nor more than 60 days’ notice to the Trustee, the Fiscal Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments.

Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by a member of the Executive Board of the Issuer stating that the relevant requirement or circumstance referred to in paragraphs (i), (ii) or (iii) above is satisfied and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

(d) Redemption or Conversion for Regulatory Purposes

If, at the time the Issuer becomes subject to Capital Adequacy Regulations, or any time thereafter, securities of the nature of the Securities cease to qualify as own funds and core capital (tier 1 capital or equivalent), for the purposes of determination of its solvency margin, capital adequacy ratios or comparable margins or ratios under such Capital Adequacy Regulations, then

- (i) the Issuer may (subject to Condition 2(b)(ii)), having given not less than 30 nor more than 60 days' notice to the Trustee, the Fiscal Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments; or
- (ii) subject to compliance with applicable regulatory requirements, the Issuer may at any time convert or exchange the Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Securities and which are no less favourable to an investor than the current terms of the Securities. Any conversion of the Securities into another series of capital securities under this paragraph (d)(ii) shall be made on not less than 30 nor more than 60 days' notice to the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only in accordance with the Alternative Coupon Satisfaction Mechanism.

(e) Purchases

The Issuer, may (subject to Condition 2(b)(i) or 2(b)(ii), as applicable) at any time purchase Securities in any manner and at any price.

(f) Cancellation

Cancellation of any Securities will be effected by reduction in the principal amount of the Global Security and such cancelled Securities may not be reissued or resold. Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of Securities represented by the Global Security by an equal number. The obligations of the Issuer in respect of any such Securities shall be discharged.

## **8. PAYMENTS**

(a) Method of Payment

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Securities will be in the applicable currency and will be calculated by the Calculation Agent and effected through the Paying Agents. Payments of redemption amounts and interest in respect of the Securities will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Securities.
- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in the Netherlands (bb) for so long as the Securities are listed on Eurolist by Euronext Amsterdam, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 15.

(b) Payments subject to fiscal laws

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

(c) Payments on Payment Business Days

A Global Security may only be presented for payment on a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for general business in Amsterdam and, if different, in the place of the specified office of the relevant Paying Agent to whom such Global Security is presented for payment and in any Additional Financial Centre specified in the Final Terms and (ii) the Trans-European Real-time Gross settlement Express Transfer (TARGET) System is operating.

No further interest or other payment will be made as a consequence of the day on which a Global Security may be presented for payment under this paragraph falling after the due date.

**9. NON-PAYMENT WHEN DUE**

Notwithstanding any of the provisions below in this Condition 9, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b)(i) and 2(b)(ii) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not Solvent or would not be Solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4(a), 4(b) or 4(c) if the circumstances referred to in any of Conditions 6(d) or 6(e) then apply.

The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.

- (a) If the Issuer shall not make a payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities, and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 9, institute proceedings in the Netherlands (but not elsewhere) for the winding-up (*faillissementsprocedure*) of the Issuer.
- (b) Subject as provided in Condition 9, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Securities (other than for the payment of any principal or satisfaction of any Payments in respect of the Securities, including any payment under clause 2.6 of the Trust Deed) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Securities unless (i) it shall have been so requested by an Extraordinary Resolution or in writing by the holders of at least one-fifth in principal amount of the Securities then outstanding and (ii) it shall have been indemnified to its satisfaction.

- (d) No Holder shall be entitled to proceed directly against the Issuer, or to institute proceedings for the winding-up (*faillissementsprocedure*) of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Holder (i) for the recovery of amounts owing in respect of the Securities (including any payment under clause 2.6 of the Trust Deed), other than the institution of proceedings in the Netherlands (but not elsewhere) for the winding-up (*faillissement*) of the Issuer 24 and/or proving in such winding-up (*faillissement*) and (ii) for the breach of any other term under the Trust Deed, the Securities other than as provided in paragraph (b) above.

## 10. TAXATION

- (a) All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Security:
- (i) to or to a third party on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of such Holder or, as the case may be, having some connection with the Netherlands other than the mere holding of such Security; or
  - (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
  - (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Security or which holds the Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
  - (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
  - (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Terms and Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to

include any additional amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

In the event that any payment is satisfied by using the proceeds of an issue of Ordinary Shares pursuant to Condition 6, then any additional amounts which are payable shall also be satisfied through the issue of Ordinary Shares.

## **11. PRESCRIPTION**

Claims for payment in relation to Securities will become void unless exercised within a period of 5 years from the due date for payment thereof.

## **12. MEETINGS OF HOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests including the modification by Extraordinary Resolution of any of these Terms and Conditions or any of the provisions of the Securities, or the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on all Holders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification, authorisation or waiver shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 15. As provided in the Trust Deed, the Trustee may agree with the Issuer, without the consent of the Holders to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Subsidiary, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the 'Substituted Issuer') in place of the Issuer (or any previous Substituted Issuer under this Condition 12) as a new issuing party under the Trust Deed, the Securities and the Coupons. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the trustee shall have regard to the interests of the Holders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Holders resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 10 and/or any undertaking given in addition thereto or in substitution therefor under the Trust Deed.



### **13. REPLACEMENT OF THE SECURITIES**

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (or such other place of which notice shall have been given in accordance with Condition 15) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global Security will be issued.

### **14. THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, without accounting for any profit resulting therefrom.

### **15. NOTICES**

Notices to Holders may be given by the delivery of the relevant notice to Euroclear Netherlands except for so long as the Securities are listed on Eurolist by Euronext Amsterdam and the rules of Euronext Amsterdam N.V. so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in a newspaper having general circulation in The Netherlands. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Any Notice delivered to Euroclear Netherlands shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

### **16. FURTHER ISSUES**

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that the same shall be consolidated and form a single series with the outstanding Securities. Any such Securities shall be constituted by a deed supplemental to the Trust Deed.

### **17. AGENTS**

The Issuer will procure that there shall at all times be a Calculation Agent and a Fiscal Agent so long as any Security is outstanding. If either the Calculation Agent or the Fiscal Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Issue and Paying Agency Agreement, as appropriate, the Issuer shall appoint, on terms acceptable to the Trustee, an independent investment bank acceptable to the Trustee to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Fiscal Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Fiscal Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents and the Holders.

None of the Issuer, the Trustee and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

## 18. GOVERNING LAW AND JURISDICTION

- (a) The Trust Deed and the Securities, are governed by, and shall be construed in accordance with, the laws of the Netherlands.
- (b) The Courts of the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Securities, and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, and the Securities may be brought in such courts.

## 19. DEFINITIONS

In these Terms and Conditions:

**‘Accrued Coupon Payment’** means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Security the amount of interest accrued thereon in accordance with Conditions 4(c), 5, 6(d) and 6(e);

**‘Agency Agreement’** means the Issue and Paying Agency Agreement dated 1 June 2006 between the Issuer, the Trustee and the Agents relating to the Securities under which each Agent agrees to perform the duties required of it under these Terms and Conditions;

**‘Agents’** means the agents appointed pursuant to the Issue and Paying Agency Agreement and such term shall unless the context otherwise requires, include the Fiscal Agent.

**‘Alternative Coupon Satisfaction Mechanism’** has the meaning ascribed to it in Condition 6(a);

**‘Applicable Coupon Rate’** means in relation to any Payment deferred pursuant to Condition 4(c) or Condition 6(e), the Coupon Rate payable on the Securities as determined by the Calculation Agent in accordance with Condition 5(b) or 5(c) for the Coupon Periods during which such Payment is deferred;

**‘Assets’** means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors or, as the case may be, the liquidator may determine to be appropriate;

**‘Business Day’** means a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets are open in Amsterdam (and/or such other days as specified in the Final terms);

**‘Calculation Agent’** means the calculation agent in relation to the Securities, or its successor or successors for the time being appointed under the Issue and Paying Agency Agreement;

**‘Capital Adequacy Regulations’** means at any time the regulations, requirements, guidelines, policies, decrees imposing obligations on the Issuer with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and /or comparable margins or ratios, as well as regarding the supervision thereof by any existing or future regulator having primary supervisory authority with respect to the Issuer;

**‘Coupon Amount’** means (i) in respect of a Coupon Payment, the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 7(c) and 8(d), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(a);

**‘Coupon Payment’** means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

**‘Coupon Payment Date’** means the date(s) specified as such in the Final Terms;

**‘Coupon Period’** means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

**‘Coupon Rate’** has the meaning ascribed to that term in Condition 5(b) (Fixed Coupon Rate) and 5(c) (Floating or Variable Coupon Rate);

**‘Deferred Coupon Payment’** means any Payment, or part thereof, which has been deferred in accordance with Condition 4(a), 4(b) or 4(c) and has not subsequently been satisfied;

**‘Deferred Coupon Satisfaction Date’** means:

- (i) with respect to a deferral under Condition 4(a)(i) or 4(b)(i), the Coupon Payment Date following the 19th Business Day after the Required Deferral Condition fails to be met or, if earlier, the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Fiscal Agent and the Calculation Agent in accordance with Condition 4(a)(ii) or 4(b) (ii); or
- (ii) the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Trustee, the Holders, the Fiscal Agent and the Calculation Agent in accordance with Condition 6; or
- (iii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(d);

**‘Fiscal Agent’** means the Fiscal Agent appointed pursuant to the Issue and Paying Agency Agreement;

**‘Holder’** means the bearer of any Security;

**‘Interest’** shall, where appropriate, include Coupon Amounts, Deferred Coupon Payments and Accrued Coupon Payments;

**‘Interest Determination Date’** means the second Business Day before the commencement of each Coupon Period;

**‘Issue Date’** means the date of initial issue of the Securities as specified in the Final Terms;

**‘Issuer’** means AEGON N.V.;

**‘Junior Guarantee’** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a winding-up (faillissement of vereffening na ontbinding) of the Issuer or in respect of distributions or payment of dividends or any other payment thereon, after the Securities;

**‘Junior Securities’** means the Ordinary Shares, any preference shares of the Issuer or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up

(faillissement of vereffening na ontbinding) of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Securities;

**‘Liabilities’** means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as the directors, the Auditors or, as the case may be, the liquidator may determine;

**‘Mandatory Partial Payment’** payable on any Coupon Payment Date means a payment in respect of each Security in an amount that results in payment of a proportion of a full Coupon Payment on the Security on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding;

A **‘Mandatory Partial Payment Event’** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee (except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its Articles of Association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral); or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefitting from a Parity Guarantee or makes a payment on any security issued by it benefitting from a Parity Guarantee;

A **‘Mandatory Payment Event’** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefitting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefitting from a Junior Guarantee; or
- (iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer’s Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefitting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefitting from a Junior Guarantee or Parity Guarantee; in all such cases, except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its Articles of Association as they read prior to the relevant

deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral;

**‘Market Disruption Event’** means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Euronext Amsterdam N.V. or on settlement procedures for transactions in the Ordinary Shares on Euronext Amsterdam N.V). if, in any such case, that suspension or limitation is, in the determination of the Issuer, material in the context of the sale of the Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Payment Ordinary Shares, or (iii) where, pursuant to these Terms and Conditions, moneys are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion;

**‘Ordinary Shares’** means ordinary shares of the Issuer;

**‘Outstanding Payment’** means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment or amount (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b)(i) or 2(b)(ii), as applicable, or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a), 4(b), 4(c) 6(d), or 6(e) and (b) in any such case has not been satisfied; and
- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

**‘Parity Guarantee’** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking or other securities (regardless of name or designation) of the Issuer or such Subsidiary or Undertaking which rank on a winding-up (faillissement of vereffening na ontbinding) of the Issuer or in respect of distributions or payments thereon pari passu with the Securities;

**‘Parity Securities’** means, in respect of the Issuer, any securities which rank pari passu with the Securities as regards distributions on a return of assets on a winding-up (faillissement of vereffening na ontbinding) of the Issuer or in respect of distribution or payment of any amounts thereunder by the Issuer;

**‘Paying Agents’** means the paying agents appointed pursuant to the Issue and Paying Agency Agreement and such term shall, unless the context otherwise requires, include the Fiscal Agent;

**‘Payment’** means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

**‘Payment Ordinary Shares’** has the meaning ascribed to it in Condition 6(b);

**‘Regulatory Event’** means that the Issuer shall have become subject to supervision by any existing or future regulator pursuant to law or regulation and that the Issuer’s solvency margin, capital adequacy ratios or comparable margins or ratios under the Capital Adequacy Regulations are or as a result of a Payment would become less than the relevant minimum requirements as to be applied and enforced by such regulator pursuant to the Capital Adequacy Regulations;

**‘Relevant Date’** means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Fiscal Agent or the Trustee on or prior to such date, the ‘Relevant Date’ means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 16, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up (faillissement of vereffening na ontbinding);

the **‘Required Deferral Condition’** will be met if, in the determination of the Issuer, on the 20th Business Day preceding the date on which a Payment will be due and payable, the Issuer is not Solvent payment of the relevant Payment, or part thereof would result in the Issuer or that payment or part thereof would result in the Issuer becoming not Solvent or, after the Issuer becoming subject to Capital Adequacy Regulations, if in the determination of the Issuer, on the 20th Business Day preceding the date on which a Payment will be due and payable the Issuer is subject to a Regulatory Event or that payment of the relevant Payment, or part thereof would result in the Issuer becoming subject to a Regulatory Event;

**‘Securities’** means the Capital Securities specified in the relevant Final Terms and, unless the context otherwise requires, any further Securities issued pursuant to Condition 17 and forming a single series with the Securities;

**‘Senior Creditors’** means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (faillissement of vereffening na ontbinding) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, pari passu with, or junior to, the claims of the Holders;

**‘Solvent’** means that the Issuer is (a) able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities (other than its liabilities to persons who are not Senior Creditors);

**‘Subsidiary’** means a subsidiary of the Issuer within the meaning of Section 2:24a of the Dutch Civil Code;

**‘TARGET Settlement Day’** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is open;

**‘Trust Deed’** means the trust deed dated 1 June 2006 between the Issuer and the Trustee;

**‘Trustee’** means Amsterdamsch Trustee's Kantoor B.V.;

**‘Undertaking’** means a body corporate, partnership, limited partnership, cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest;

**‘Winding-Up Claim’** has the meaning ascribed to it in Condition 2(b)(iii).

## APPLICABLE FINAL TERMS TO THE CAPITAL SECURITIES

*Set out below is the form of Final Terms which will be completed for each Tranche of Capital Securities issued under the Programme.*

[Date]

**AEGON N.V.**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Capital Securities]  
under the US\$ 6,000,000,000 Programme for the Issuance of Debt Instruments**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 1 June 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at AEGON N.V., AEGONplein 50, 2591 TV The Hague, The Netherlands and [www.aegon.com](http://www.aegon.com) and copies may also be obtained from such address.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Prospectus dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [original date] and [current date]. The Prospectuses are available for viewing at AEGON N.V., AEGONplein 50, 2591 TV The Hague, The Netherlands and [www.aegon.com](http://www.aegon.com) and copies may also be obtained from such address.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: AEGON N.V.

2. (a) Series Number: [       ]
- (b) Tranche Number: [       ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Capital Securities become fungible)*
3. Specified Currency or Currencies: [       ]
4. Aggregate Nominal Amount:
- (a) Series: [       ]
- (b) Tranche: [       ]
5. (a) Issue Price: [    ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *insert date*] *(if applicable)*
6. Specified Denominations: [       ]  
[       ]
7. (a) Issue Date: [       ]
- (b) Interest Commencement Date: [       ]
8. Interest Basis: [[    ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [    ] per cent. Floating Rate]  
[Zero Coupon]  
  
[Dual Currency Interest]  
*[specify other]*  
(further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]  
  
[Dual Currency Redemption]  
  
*[specify other]*
- (N.B. If the Final Redemption Amount is less than 100% of the nominal value the Capital Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*



10. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Capital Securities into another Interest Basis or Redemption/Payment Basis]
11. Call Option: [Issuer Call]  
[(further particulars specified below)]
12. [Date [Board] approval for issuance of Capital Securities obtained: [ ] [and [ ], respectively]]  
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Capital Securities)
13. Method of distribution: [Syndicated/Non-syndicated]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Capital Security Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly] in arrear]
- (b) Coupon Payment Date(s): [[ ] in each year up to and including the redemption date]/[specify other]  
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [ ] per [ ] in nominal amount
- (d) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) Determination Date(s): [ ] in each year  
[Insert regular Coupon Payment Date s, ignoring issue date or maturity date in the case of a long or short first or last coupon  
N.B. This will need to be amended in the case of regular Coupon Payment Date s which are not of equal duration  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]
- (g) Other terms relating to the method of calculating interest for Fixed Rate Capital Securities: [None/Give details]

15. Floating or Variable Rate Capital Security Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Coupon Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/Variable Rate/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: [ ].  
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Issue and Paying Agency Agreement)
  - Interest Determination Date(s): [ ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
  - Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]

- (h) Margin(s): [ +/- ] [ ] per cent. per annum
- (i) Minimum Rate of Interest: [ ] per cent. per annum
- (j) Maximum Rate of Interest: [ ] per cent. per annum
- (k) Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
Other]

- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Capital Securities, if different from those set out in the Conditions: [ ]

## PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount of each Capital Security and method, if any, of calculation of such amount(s): [ ] per Capital Security of [ ] Specified Denomination  
[details of any make whole premium]
- (c) Notice period (if other than as set out in the Conditions): [ ]
17. Early Redemption Amount of each Capital Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same [ ]  
[details of any make whole premium]

## GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES

18. Form of Capital Securities: [Temporary Global Capital Security exchangeable for a Permanent Global Capital Security]  
[other]

19. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 15(c) relates)
20. Other final terms: [Not Applicable/give details]
- Number of Coupon Payments specified in Condition 4(d)(ii) and 4(d)(iii).]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

## DISTRIBUTION

21. (a) If syndicated, names [and addresses]\*\* of Managers [and underwriting commitments]\*\*: [Not Applicable/give names [and addresses and underwriting commitments]\*\*]  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. ) \*\*
- (b) Date of [Subscription] Agreement:\*\* [ ]\*\*
- (c) Stabilising Manager (if any): [Not Applicable/give name]
22. If non-syndicated, name [and address]\*\* of relevant Dealer: [Name [and address]\*\*]
23. Total commission and concession:\*\* [ ] per cent. of the Aggregate Nominal Amount\*\*
24. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- Additional selling restrictions: [Not Applicable/give details]

## [LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Capital Securities described herein pursuant to the USD 6,000,000,000 Programme for the Issuance of Debt Instruments of AEGON N.V..]

### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Amsterdam/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Capital Securities to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]
- (iii) Estimate of total expenses related to [ ]\*  
admission to trading:\*

### 2. RATINGS

Ratings: The Capital Securities to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]\*\**

*(The above disclosure should reflect the rating allocated to Capital Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. NOTIFICATION

The Authority for the Financial Markets (*Autoriteit Financiële Markten*) [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Capital Securities has an interest material to the offer. - *Amend as appropriate if there are other interests*]

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer [ ]]

*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[(ii) Estimated net proceeds: [ ]]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii) Estimated total expenses: [ ]. *[Include breakdown of expenses]*

*(If the Capital Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### 6. YIELD (*Fixed Rate Capital Securities only*)

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** *(Dual Currency Capital Securities only)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

**8. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Fondscore: [ ]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and Euroclear Nederland and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (vii) Offer Period: [[The offer of the Capital Securities is expected to open at [?] hours([?] time) on [?] and close at [?] hours ([?] time) on [?] or such earlier or later date or time as the Issuer may determine and will be announced in [?].]
- [The Issuer reserves the right to withdraw the offer of the Capital Securities until [?] at the latest. Such withdrawal will be announced in the forementioned publications.]
- [The aggregate principal amount of the Capital Securities to be issued and allotted will be announced by the Issuer at [?] hours ([?] time) on [?] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications.]
- [The Issuer reserves the right to increase the aggregate principal amount of the Capital Securities to be issued. Such increase will be announced in the forementioned publications]
- [[No]/[D/d]ealing in the Capital Securities will be possible before the aggregate principal amount of the Notes is announced as set out above.]

[Not Applicable]

(viii) Reduction of subscriptions:

[[Subscriptions in excess. If the Issuer determines to increase the aggregate principal amount of the Capital Securities to be issued this will be announced by the Issuer at [?] hours ([?] time) on [?] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications.]

[in [ ] Not Applicable]

(ix) Maximum and minimum subscription amount: [[?] and [?].

## 9. GENERAL

Tradeable Increments:

[●]

So long as the Notes are represented by a Temporary Global Note or Permanent Global Note, the Notes will be tradeable only in principal amounts of at least the Specified Denomination and integral multiples of the Tradeable Increment in excess thereof.

### *Capital Securities:*

\* *Delete if the minimum denomination is less than €50,000*

\*\* *Delete if the minimum denomination is €50,000*



## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be used by the relevant Issuer for general corporate purposes.

## TAXATION

### DUTCH TAXATION

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Instruments, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with The Netherlands other than the holding of the Instruments. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Instruments under the laws of their country of citizenship, residence, domicile or incorporation.*

#### 1. Withholding Tax

All payments by the Issuer of interest and principal under the Instruments can be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that,

- (a) if the Instruments have no fixed maturity date or a maturity date (including any extensions thereof) exceeding 10 years, such payments are not dependent, or deemed to be dependent, in whole or in part, on the profits or on the distribution of profits by the Issuer or an affiliated company (*verbonden lichaam*), or
- (b) if the Instruments are subordinated and have a fixed maturity date (including extensions thereof) exceeding 50 years, such payments become/becoming due is not dependent, or deemed to be dependent, in whole or in part, on the profits of or on the distribution of profits by the Issuer or an affiliated company (*verbonden lichaam*).

#### 2. Taxes on Income and Capital Gains

A holder of an Instrument who derives income from an Instrument or who realises a gain on the disposal or redemption of an Instrument will not be subject to Dutch taxation on such income or capital gains unless:

- (a) the holder is, or is deemed to be, resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or
- (b) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (c) the holder is not an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and such interest does not form part of the assets of an enterprise; or
- (d) the holder is an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) in the Issuer or such income or gain otherwise qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

### **3. Gift, Estate or Inheritance Taxes**

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of an Instrument by way of gift by, or on the death of, a holder, unless:

- (a) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or as a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (c) such Instrument is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

### **4. Value Added Tax**

There is no Dutch value added tax payable by a holder of an Instrument in respect of payments in consideration for the issue of the Instruments or in respect of the payment of interest or principal under the Instruments, or the transfer of the Instruments.

### **5. Other Taxes and Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of an Instrument in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Instruments or the performance of the Issuer's obligations under the Instruments.

### **6. Residence**

A holder of an Instrument will not be treated as resident of The Netherlands by reason only of the holding of an Instrument or the execution, performance, delivery and/or enforcement of the Instruments.

### **7. EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from the 1st July, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1st July, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

## **U.S. TAXATION IN RELATION TO NOTES ISSUED BY AFC HELD BY NON-U.S. HOLDERS**

*The following summary of certain U.S. taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with the U.S. other than the holding of the Notes. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Notes under the laws of their country of citizenship, residence, domicile or incorporation.*

### **1. Withholding Taxes**

For an exemption from U.S. withholding taxes on payments of interest to apply to a non-U.S. holder with respect to the Notes, such holder must meet one of the following requirements:

- The holder provides his name, address, and a signed statement that he is the beneficial owner of the Notes and is not a U.S. person. This statement is generally made on IRS Form W-8BEN and is provided to the bank, broker, or other intermediary through which the Notes are held;
- The holder holds the Notes directly through a “qualified intermediary”, and the qualified intermediary has sufficient information in its files indicating that the holder is not a U.S. person. A qualified intermediary is a bank, broker or other intermediary that (1) is either a U.S. or non-U.S. entity, (2) is acting out of a non-U.S. branch or office, and (3) has signed an agreement with the IRS providing that he will administer all or part of the U.S. tax withholding rules under specified procedures;
- The holder or his agent claims an exemption from withholding tax under an applicable tax treaty. This claim is generally made on IRS Form W-8BEN. In some cases, the holder may instead be permitted to provide documentary evidence of his claim to the intermediary, or a qualified intermediary may already have some or all of the necessary evidence in its files; or
- The holder or his agent claims an exemption from withholding tax on the ground that the income is effectively connected with the conduct of a trade or business in the United States and is not exempt from U.S. tax under a tax treaty. This claim is generally made on IRS Form W-8ECI.

A non-U.S. holder should consult his tax advisor about the specific methods for satisfying these requirements. A claim for exemption will not be valid if:

- The person receiving the applicable form has actual knowledge that the statements on the form are false;
- The IRS notifies the withholding agent that information that the holder or an intermediary provided concerning the holder's status is false; or
- An intermediary through which the holder holds the Notes fails to comply with the procedures necessary to avoid withholding taxes on the Notes. In particular, an intermediary is generally required to forward a copy of a Form W-8BEN (or other documentary evidence concerning the holder's status) to the withholding agent for the Notes. However, if the holder holds his Notes through a qualified intermediary, or if there is a qualified intermediary in the chain of title between the holder and the withholding agent for the Notes, the qualified intermediary will not generally forward this information to the withholding agent.

### **2. Sale, Exchange or Retirement of Notes**

If the holder sells, exchanges or redeems Notes, he will generally not be subject to U.S. federal income tax on any gain, unless one of the following applies:

- the gain is connected with a trade or business that the holder conducts in the United States;

- the holder is an individual, he is present in the United States for at least 183 days during the year in which he disposes of the Notes, and certain other conditions are satisfied; or
- the gain represents accrued interest, in which case the rules described above with respect to the withholding of taxes on payments of interest would apply.

### **3. U.S. Trade or Business**

If the holder holds his Notes in connection with a trade or business that he is conducting in the United States, any interest on the Notes and any gain from a disposition of the Notes generally will be subject to income tax as if he were a U.S. person, and if the holder is a corporation, it may be subject to the “branch profits tax” on its earnings that are connected with his U.S. trade or business, including earnings from the Notes. This tax is 30%, but may be reduced or eliminated by an applicable income tax treaty.

### **4. Information Reporting and Backup Withholding**

If the holder provides the tax certifications needed to avoid withholding tax on interest, as described above, principal and interest payments received by him will automatically be exempt from U.S. information reporting requirements and backup withholding. The exemption does not apply if the recipient of the applicable form knows that the form is false, in which case interest payments made to the holder will be reported to the IRS. Sales proceeds the holder receives on a sale of his Notes through a broker may be subject to information reporting and backup withholding if he is not eligible for an exemption. In particular, information reporting and backup withholding may apply if the holder uses the U.S. office of a broker, and information reporting (but not backup withholding) may apply if the holder uses the foreign office of a broker that has certain connections to the United States. The holder should consult his tax adviser concerning the application of the information reporting and backup withholding rules.

## SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Issuer to any one or more of ABN AMRO Bank N.V., Banc of America Securities Limited, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley & Co. International Limited, The Royal Bank of Scotland plc and UBS Limited (the **Dealers**). Instruments may also be sold by the Issuers direct to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be sold by an Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 1 June 2006 (the **Dealership Agreement**) and made between the Issuers and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

Each Dealer has agreed to comply with the following provisions except to the extent that, as a result of any change(s) in, or in the official interpretation of, any applicable laws and/or regulations, non-compliance would not result in any breach of the provisions below.

**United States of America:** *Regulation S Category 2; TEFRA D; Rule 144A eligible if so specified in the relevant Final Terms*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the relevant Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Instruments during the restricted period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons. In addition, until 40 days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Each Tranche of Instruments will also be subject to such further United States selling restrictions as the relevant Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Final Terms.

## European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Instruments to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Instruments to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the relevant Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## The Netherlands

Zero Coupon Instruments (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (i) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Instrument in global form, or (ii) in respect of the initial issue of Zero Coupon Instruments in definitive form to the first holders thereof, or (iii) in respect of the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (iv) in respect of the transfer and acceptance of such Zero Coupon Instruments within, from or into The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein **Zero Coupon Instruments** are Instruments that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that any Instruments issued by AEGON with a maturity of less than 12

months which qualify as money market instruments will either have a minimum denomination of €50,000 or be offered anywhere in the world in circumstances where another exemption applies or a dispensation from the requirement to make a prospectus publicly available has been granted under Article 4 of the Securities Transactions Supervision Act 1995 (“*Wet toezicht effectenverkeer 1995*”).

## **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

## **France**

Each of the Dealers and the Issuers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only made and will only make an offer of Instruments to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Instruments has been approved by the Autorité des marchés financiers (AMF), on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF.

## **Japan**

The Instruments have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, each Dealer and each further Dealer appointed under the Programme has undertaken that it has not offered or sold and will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law of Japan and any applicable laws, regulations and guidelines of Japan. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **General**

Save for having obtained the approval of this document by the AFM, no action has been or will be taken in any country or jurisdiction by the relevant Issuer or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or



jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus and any Final Terms comes are required by the relevant Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

## GENERAL INFORMATION

1. The update and amendment of the Programme was authorised by a resolution of the Executive Board (*Raad van Bestuur*) of AEGON on 20 March 2006. The accession to the Programme by AFC was authorised by its Board of Directors on 23 May 2006.
2. AEGON and some of its subsidiaries and affiliates are involved in litigation in the ordinary course of business, including litigation where compensatory or punitive damages and mass or class relief are sought. In particular, certain current and former customers, and groups representing customers, have initiated litigation and certain groups are encouraging others to bring law suits in respect of certain products in the Netherlands. The products involved include securities leasing products and the KoersPlan product. AEGON believes it has established adequate litigation policies to deal with the claims defending itself when the claim is without merit and seeking to settle in certain circumstances. This and any other litigation AEGON has been involved in over the last 12 months have not had significant effects on the financial position or profitability of AEGON, AFC or the AEGON Group. However, there can be no assurances that AEGON will be able to resolve existing litigation in the manner it expects or that existing or future litigation will not result in unexpected liability. In addition, certain AEGON subsidiaries have received inquiries from local insurance and securities regulators in various jurisdictions including the United States, the United Kingdom and the Netherlands. In certain instances, AEGON subsidiaries modified business practices in response to such inquiries or the findings thereof. Certain AEGON subsidiaries have been informed that the regulators may seek fines or other monetary penalties or changes in the way they conduct their business.
3. There has been no significant change in the financial or trading position of the Issuers or the Group since 31 December 2005 and no material adverse change in the financial position or prospects of the Issuers or of the Group since 31 December 2005.
4. The financial statements of AEGON have been audited for the three financial years preceding the date of this Base Prospectus by Ernst & Young Accountants, certified public accountants, and unqualified opinions have been reported thereon.
5. For so long as the Programme remains in effect or any Instruments shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent and Principal Registrar and from the registered office of the Issuers, namely:
  - (a) the articles of incorporation ("*Statuten*") of each Issuer;
  - (b) the Base Prospectus in relation to the Programme, together with any amendments or supplements thereto and any document incorporated therein by reference;
  - (c) the Issue and Paying Agency Agreement;
  - (d) the Dealership Agreement;
  - (e) the Trust Deed;
  - (f) the Guarantee;

- (g) the most recent publicly available audited consolidated financial statements of each Issuer beginning with such financial statements for the years ended 31 December 2003, 2004 and 2005 and any interim financial statements published subsequently; and
  - (h) any Final Terms.
6. The Notes have been accepted for clearance through Euroclear Netherlands, Euroclear and Clearstream, Luxembourg. The Capital Securities have been accepted for clearance through Euroclear Netherlands. The appropriate common code and International Securities Identification Number in relation to the Instruments of each Series and any other clearing system as shall have accepted the relevant Instruments for clearance, will be specified in the Final Terms relating thereto. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of Euroclear Netherlands is Damrak 70, 1012 LM Amsterdam.
7. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
8. Settlement arrangements will be agreed between the relevant Issuer, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.

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