



Agenda and explanatory notes  
of the 2020  
Annual General Meeting of Shareholders  
of Koninklijke Ahold Delhaize N.V.

To be held in Muziekgebouw aan 't IJ, Amsterdam  
on April 8, 2020 at 14:00 hours CET

Dated February 26, 2020



## Letter to shareholders

Dear Shareholder,

On behalf of Koninklijke Ahold Delhaize N.V. ("Ahold Delhaize" or "the Company"), we are pleased to provide you with the agenda and explanatory notes for the Annual General Meeting of Shareholders ("AGM"), to be held on April 8, 2020.

We will look back at 2019 as the Company completed its first full year implementing its Leading Together strategy and the five strategic growth drivers. The Company launched its new purpose to guide long-term success: Eat well. Save time. Live better. The purpose sets the direction for our actions to best meet the needs of customers, associates and communities every day while creating sustainable long-term value for all our stakeholders.

This document provides you with a detailed description of the agenda items to be considered during the AGM. Each separate agenda point is indicated as either an item for your information or one for your voting at the AGM. We encourage you to read this information carefully and hope that you will agree with the recommendation of both the Management Board and the Supervisory Board to vote in favor of the proposals at or before the AGM.

During the AGM, the report of the Management Board will be presented to you. It provides an overview of our activities and accomplishments during the financial year 2019, for which we also refer to our Annual Report 2019. We are also proposing a supplement to the existing Remuneration Policy for the Management Board to better explain the principles, procedures, and considerations underlying this policy. The agenda also contains a proposal for a Remuneration Policy for the Supervisory Board, and, for the first time, you are asked to cast an advisory vote on our Remuneration Report.

Following Mr. Carr's announcement to not stand for another term on the Management Board, we are pleased to propose Ms. Knight as a new member of the Management Board. We are grateful for Mr. Carr's continued commitment and valuable contributions to the Company. We are also pleased to propose Mr. Holt's re-appointment as member of the Management Board. The agenda contains several proposals to (re-) appoint members of the Supervisory Board. We are pleased to propose to appoint Ms. Weir and Mr. Van Zanten as new members of the Supervisory Board, while the proposed re-appointments of Ms. Citrino, Ms. Leroy and Mr. McEwan aim to ensure the continuity in knowledge and quality of our Supervisory Board. At the same time, we are grateful to Mr. de Vaucleroy, whose mandate is expiring at the coming AGM and who will retire from the Supervisory Board, for his outstanding contributions over many years to Delhaize Group and Ahold Delhaize.

The Annual General Meeting of Shareholders will be held at 14:00 hours CET on Wednesday, April 8, 2020 at Muziekgebouw aan 't IJ, Piet Heinkade 1, Amsterdam, The Netherlands. The formal notice of this meeting is published on the Company's website [www.aholddelhaize.com](http://www.aholddelhaize.com). We value your continued support and we look forward to seeing you in person on April 8, 2020. If you have any questions, please feel free to contact our Investor Relations team at: [investor.relations@aholddelhaize.com](mailto:investor.relations@aholddelhaize.com).

Yours sincerely,

Jan Hommen  
Chairman of the Supervisory Board

Frans Muller  
President and Chief Executive Officer

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# Explanatory notes to the 2020 Annual General Meeting of Shareholders

All information regarding the Annual General Meeting of Shareholders of the Company can be found on <https://www.aholddelhaize.com/en/investors/share-information/shareholders-meetings/agm-2020/>

For each separate agenda item, it is specified whether it is a voting item or not.

## 1. Opening

## 2. Report of the Management Board for the financial year 2019 (no voting)

This agenda item includes an account of the financial year 2019, including the report of the Supervisory Board.

## 3. Explanation of policy on additions to reserves and dividends (no voting)

In accordance with the Dutch Corporate Governance Code and in due observance of the Articles of Association, the policy on additions to reserves and on dividends is dealt with and explained as a separate agenda item.

For the financial year 2019, the Company targeted a payout ratio of 40-50 percent of pro forma underlying income from continuing operations. This has resulted in the proposal under agenda item 5. As of 2019, the frequency of the dividend distribution is semi-annual, in line with the dividend policy.

## 4. Proposal to adopt the 2019 financial statements (voting item)

This agenda item presents the proposal to adopt the 2019 financial statements.

## 5. Proposal to determine the dividend over financial year 2019 (voting item)

In due observance of the Articles of Association, the Supervisory Board, in consultation with the Management Board, determines which part of the profits will be added to the reserves. The part of the profits remaining after the appropriation to the reserves will be at the disposal of the General Meeting of Shareholders. Within the scope of the policy on additions to reserves and on dividend of the Company as discussed under agenda item 3, the following proposal is made for the determination and distribution of dividend on common shares.

It is proposed to the General Meeting of Shareholders to determine the dividend for the financial year 2019 at €0.76 eurocents per common share, meaning an increase of 8.6% versus 2018. An amount of €0.30 per common share was paid as interim dividend on August 22, 2019. The remaining amount of €0.46 eurocents per common share shall be payable on April 23, 2020.

## **6. Remuneration Report (voting item)**

This item concerns an advisory vote on the Remuneration Report for the financial year 2019, which is set out on pages 106 to 118 of the Ahold Delhaize Annual Report 2019, as well as available as a stand-alone document on [www.aholddelhaize.com](http://www.aholddelhaize.com). The Remuneration Report reports on the implementation of (i) the Remuneration Policy for the Management Board which was adopted at the annual General Meeting of Shareholders on April 10, 2019 and (ii) the remuneration of the Supervisory Board. It is proposed to cast a favorable advisory vote.

## **7. Proposal for discharge of liabilities of the members of the Management Board (voting item)**

It is proposed to the General Meeting of Shareholders to discharge the members of the Management Board in office in 2019 from all liability in relation to the exercise of their duties in the financial year 2019, to the extent that such exercise is apparent from the financial statements or other public disclosures prior to the adoption of the 2019 financial statements.

## **8. Proposal for discharge of liabilities of the members of the Supervisory Board (voting item)**

It is proposed to the General Meeting of Shareholders to discharge the current and former members of the Supervisory Board in office in 2019 from all liability in relation to the exercise of their duties in the financial year 2019, to the extent that such exercise is apparent from the financial statements or other public disclosures prior to the adoption of the 2019 financial statements.

## **9. Proposal to adopt the Principles and Procedures underlying the Remuneration Policies for the Management Board and the Supervisory Board (voting item)**

It is proposed to the General Meeting of Shareholders to adopt the Principles and Procedures as set out below. The Principles and Procedures will become an integral part of the Remuneration Policy of the Management Board and, if adopted, the Remuneration Policy of the Supervisory Board ("Remuneration Policies"). These Principles and Procedures fundamentally continue our existing remuneration practice, articulating in detail the principles and procedures that underpin our remuneration approach, and providing details on how we seek alignment with our various stakeholders.

### **Ahold Delhaize Principles and Procedures**

The objective of the Company's Remuneration Policies is to attract, reward, and retain the highly skilled and qualified senior management that Ahold Delhaize needs to achieve its strategic and operational objectives. Our Remuneration Policies balance the needs of our internal and external stakeholders and our commitment to making a sustainable contribution to society. The structure of the remuneration policies aligns the focus of the Company and its senior management with the interests of the Company's stakeholders and society at large. Compensation and awards are tied to and dependent on the delivery of the Company's strategy in a socially responsible and sustainable manner. In designing the remuneration policies, the Company takes into consideration societal and market trends.

### *Our principles*

Our Remuneration Policies are designed to be simple, effective, and transparent. Their design is based on the guiding principles outlined below. Since the Company does not provide any variable remuneration to members of the Supervisory Board, some of these principles may apply to a lesser extent, or not apply at all, to the remuneration of the Supervisory Board.

### *Alignment with the Company strategy*

Compensation for the Management Board is structured with variable short- and long-term incentives tied to the realization of financial and non-financial performance criteria. These performance criteria should reflect the cornerstone elements of the strategy for the Company.

### *Pay for performance*

Our Management Board Remuneration Policy supports a pay for performance culture while discouraging the Management Board to take inappropriate risks. The short-term and long-term incentives incorporate claw-back provisions that allow the Supervisory Board to cancel or recover remuneration. Separation payments are limited to a one-year base salary.

### *Competitive pay*

Ahold Delhaize competes for talent in an increasingly competitive global market. The competitiveness of our Remuneration Policies is benchmarked regularly against a relevant labor market peer group that reflects the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management. The target total remuneration level is typically at or near the median, while consideration is given to the size of Ahold Delhaize relative to the peer group.

### *Consistency*

The structure of our Management Board remuneration is generally consistent with the remuneration structure for associates in senior management positions to ensure internal alignment and support a shared purpose.

### *Transparency*

In our annual report and on our Company website, we provide an extensive disclosure of how the Remuneration Policies were implemented. Provided among others are:

- Full disclosure of the peer group used for benchmarking purposes;
- Transparency on the term, as well as the performance measures and weights used in the short-term and long-term incentive;
- The realized performance per metric for the short-term and long-term incentive;
- Extensive and detailed pay ratio disclosure – both internal and relative to our peers.

### *Alignment with stakeholder interests*

Our Remuneration Policies align the focus of the Company and its senior management with the interests of the Company's stakeholders and society at large. As a global company, we have a large variety of stakeholders. To customers, associates, and communities – the three primary groups that Ahold Delhaize impacts – we promise to be a better place to shop, a better place to work, and a better neighbor. We also commit to transparency and high integrity with a broad list of stakeholders who have a strong interest in our company, including shareholders, global and local suppliers, governments, and NGOs.

Our stakeholders help us to get better every day by challenging us, sharing insights into their concerns, offering feedback on how we are doing, and collaborating with us to solve problems. We engage with them in both formal and informal ways throughout the year on a wide range of topics (including societal, economic, and environmental impacts) and reflect on the feedback they provide.

Each year, we perform a materiality assessment, gathering input from associates, customers, investors, and other external stakeholders to assess our biggest impacts on society. Our materiality assessment helps us to ensure that our strategy and reporting are in line with our most significant impacts and stakeholder expectations.

By setting robust five-year shareholding requirements and share ownership guidelines, the policy further supports the alignment of the interest of members of the Management Board to the long-term interests of the Company's stakeholders.

## Our procedures

### *Setting, revising, and execution*

The Remuneration Committee of the Supervisory Board is responsible for advising the Supervisory Board in relation to setting, revising, and executing the remuneration policies for the Management Board and Supervisory Board. The Remuneration Committee actively monitors internal and external developments to determine whether the Remuneration Policies are still aligned to and supportive of the Company's strategic and operational objectives. If the Committee believes circumstances so require, it may submit a proposal for the amendment of (one of) the Remuneration Policies to the Supervisory Board. If supported by the Supervisory Board, any and all proposals for amendment of (one of) the Remuneration Policies will subsequently be put to a vote by the General Meeting of Shareholders.

### *Discretion and derogation*

Within the Remuneration Policy for the Management Board, the Supervisory Board may exercise discretion in the execution of the policy and the related incentive plans, including but not limited to:

- the adjustment of the base salaries of the members of the Management Board;
- the substitution of companies in the labor market peer group and TSR peer group in case of de-listings, mergers, or other extraordinary circumstances;
- the adjustment, positive or negative, of the performance of the incentive plans in case of unforeseen or unusual circumstances occurring during the performance period;
- the determination of the underlying metrics of the Strategic Imperatives performance measure in the short-term incentive and the Sustainable Retailing performance measure in the long-term incentive.

In exceptional circumstances, in accordance with the principles of reasonableness and fairness, the Supervisory Board may, upon recommendation of the Remuneration Committee, deviate from the Remuneration Policy for the Management Board. Any and all deviations must be carefully considered, in alignment with the objectives and principles set out above, and applied in a consistent manner. The remit of the Supervisory Board to deviate from the Remuneration Policy for the Management Board is limited to (a) one-off cash bonuses or equity awards in a recruiting context, and (b) offering alternative benefits such as pensions or insurances with an equivalent value in an international context. All other deviations from the policies must always be presented for approval by shareholders.

### *Risk assessment*

A comprehensive analysis contemplating the various risks and scenarios associated with variable compensation elements is conducted regularly. This includes the calculation of remuneration under different scenarios, whereby different performance assumptions are examined.

### *Compliance*

The design and implementation of our Remuneration Policies are compliant with applicable laws and corporate governance requirements. Decisions related to remuneration are made in the context of the Company's Code of Ethics.

## **Additional background information to the proposal to adopt the Principles and Procedures**

The Principles and Procedures fundamentally continue our existing remuneration practice, articulating the principles and procedures that underpin our remuneration approach, and providing details on how we seek alignment with our various stakeholders. How we engage with our stakeholders is illustrated below.

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<b>Stakeholder</b>	<b>How stakeholder's interests are taken into consideration</b>
<b>Customers</b>	<p>Our business is built on our relationships with our customers. Our brands' associates meet our customers every day in our network of stores and pick-up points and through our delivery services. We stay tuned in to what they want through third-party surveys, consumer studies, focus groups, and through the immediate feedback they provide to our customer service departments, associates and websites, and through social media. This way, we know what they want and how we can keep adding value to their shopping experience, both in the short and the long term.</p> <p>Customers in our markets continue to tell us they are looking for value and want an easy shopping experience, supported by technology. They want high-quality products and are increasingly looking for options that are healthier while staying accessible and delicious. Customers also tell us they want to be informed about sustainable production and responsible consumption and they value products that are made with respect for people, animals, and the planet. They underline the importance of recycling, sustainable packaging, and the joint responsibility to minimize food waste.</p> <p>These items are incorporated into our strategy and represented in our incentive programs for the Management Board.</p>
<b>Associates</b>	<p>Our associates are at the center of our relationships with customers and communities. They bring our Leading Together strategy to life every day, working together to serve customers across stores, warehouses, and support offices. We strive to be a better place to work where our associates reflect the markets we serve and where their voices are heard and valued, they find purpose in their work, and they can grow and contribute to the fullest extent. For this reason, diversity and inclusion is a key focus area in all our businesses.</p> <p>We aim to run strong businesses that offer stable jobs and great career opportunities. Our businesses are committed to the principles of equal employment opportunities, freedom of association, and respecting legal rights to collective bargaining.</p> <p>In determining the employment conditions of their associates, our brands set compensation and benefits levels in line with job level and local market practices and regularly review remuneration practices, taking into account societal and market dynamics as well as economic conditions.</p>

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For the majority of associates, remuneration is based on collective bargaining agreements structured primarily as fixed annual salaries or hourly wages. In addition, store managers and general management associates are eligible to receive an annual performance-based bonus. Associates in senior management positions are eligible for performance-based annual bonuses as well as Ahold Delhaize performance share grants that are linked to the long-term goals of the Company.

We consistently apply this approach to our Management Board, determining remuneration by establishing a relevant reference market, deciding on the desired target level within that reference market, and setting a variable-to-fixed ratio that is reflective of our performance culture. Members of the Management Board are offered benefits, such as pension, equal or similar to those offered to other associates within the same country.

Each year we calculate the pay ratio between the total remuneration of the respective members of the Management Board and the average remuneration of all associates across the group and convey the year-over-year changes. In addition, to put Ahold Delhaize's pay ratios into perspective, we also disclose Ahold Delhaize's position compared to its peers. We monitor the development of pay ratios both within the Company and in comparison with the peer group.

The Supervisory Board in conjunction with its Remuneration Committee closely monitors developments in the global, regional and local labor markets and takes these into account when making recommendations on the Management Board and Supervisory Board compensation.

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**Communities**

Our brands are closely connected to their communities, playing a role in the lives of millions of people every day. The brands engage with many different entities in their local communities, including food banks, governments, civic organizations, schools, research institutes, industry bodies, charitable organizations, franchisees and affiliates, and suppliers. Each brand partners locally with community organizations and collaborations to deliver on our strategy and improve outcomes for our stakeholders. This way we stay tuned on the topics and concerns that play a role in society at large.

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**Shareholders**

We strongly believe that by serving customers, associates and communities well, our businesses will prosper, and our shareholders will benefit. Our shareholders put their trust in us by investing in Ahold Delhaize financially, and we seek and value their input because it helps us become a better retailer. Investors and shareholders monitor our Company closely and support and challenge us on our strategy and how we manage our businesses. We communicate with them through quarterly disclosures and both financial and non-financial performance briefings – such as during our annual General Meeting of Shareholders and Capital Markets Days – and engage with them in formal and informal ways throughout the year. We encourage shareholders to come to the AGM and will always consider and reflect on the feedback they provide.

To demonstrate our commitment to long-term success, our disclosures cover both our financial as well as Environmental, Social and Governance (ESG)-related performance. We aim to be transparent about our progress on our Leading Together strategy, including performance against our targets to build a more sustainable business.

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## **10. Proposal to adopt the Remuneration Policy for the Supervisory Board (voting item)**

It is proposed to the General Meeting of Shareholders that the Remuneration Policy for the Supervisory Board as set out below is adopted. The Principles and Procedures introduced in agenda item 9 of this circular will, if adopted, be an integral part of the Remuneration Policy for the Supervisory Board. For the sake of brevity, the full text of the Principles and Procedures is not repeated below.

## Remuneration Policy for the Supervisory Board

### Benchmark peer group

As an international company, Ahold Delhaize wants to remain attractive for top leaders from the industry and beyond to continue to have a strong and diverse Supervisory Board. The competitiveness of the Supervisory Board remuneration levels is benchmarked every three years. In extraordinary circumstances, an intermediate adjustment might be considered.

The benchmark peer group is the same as used for the Management Board and consists of a total of 18 peer companies in Europe and the USA, as well as AEX and BEL20 listed companies. This labor market peer group reflects the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management.

European Peers	U.S. Peers	AEX and BEL20
Tesco	Kroger	Unilever
Carrefour	Costco	Philips
Metro Cash & Carry	Target	Heineken
Casino Guichard Perrachon	Walgreens Boots Alliance	Randstad
J Sainsbury	Best Buy	Akzo Nobel
W M Morrison	Lowe's	AB InBev

To accommodate potential changes in the labor market peer group due to de-listings, mergers or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies. In general, geographical composition is leading in replacement determination. For example, if a US-based company is dropped, it is generally replaced by a US-based company.

The target remuneration level is typically at or near the median, while consideration is given to the size of Ahold Delhaize relative to the peer group.

### Remuneration

Given the nature of the responsibilities of the Supervisory Board as an independent body, remuneration is not tied to the performance of the Company and therefore only comprises fixed remuneration, delivered in cash. In addition to a base fee, members of the Supervisory Board are offered committee fees and travel time compensation contingent upon their activities and responsibilities. All remuneration is denominated and delivered in Euro. Currency conversion risks are not covered by the company.

### Base fees

The base fees offered to members of the Supervisory Board reflect the Company's size and complexity, as well as the responsibilities of the members and the time spent on their role.

Chair Supervisory Board	€ 200,000
Vice Chair	€ 125,000
Member Supervisory Board	€ 90,000

### Committee fees

The chair and members of the Supervisory Board's committees are offered a supplementary fee for the additional responsibilities they take on.

Chair Audit, Finance and Risk Committee	€ 30,000
Member Audit, Finance and Risk Committee	€ 15,000
Chair Other Committee	€ 20,000
Member Other Committee	€ 12,500

### Travel time compensation fee

Supervisory Board members are offered a travel time compensation of € 7,500 per intercontinental round trip and € 2,500 per continental round trip.

### Shareholding

Members of the Supervisory Board are entitled to hold (privately acquired) shares in the Company.

### Pensions and other contract terms

#### Pension

Members of the Supervisory Board are not eligible to participate in any benefits program offered by the company to its associates, including but not limited by pension plans.

#### Loans

The Company does not provide loans to members of the Supervisory Board, nor does the Company issue guarantees to the benefit of members of the Supervisory Board.

#### Term

Members of the Supervisory Board shall be on the Supervisory Board for a maximum period of four years and shall thereafter be eligible for re-appointment for another four-year period. The member of the Supervisory Board may then be reappointed for a period of two years, which appointment may be extended by at most two years.

#### Resignation

Members of the Supervisory Board shall resign in accordance with the retirement schedule prepared by the Supervisory Board. No notice period or termination fees are applicable.

## **11. Proposal to appoint Mr. F. van Zanten as new member of the Supervisory Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to appoint Mr. Frank van Zanten as a member of the Supervisory Board. The proposed appointment is for a term starting immediately after the present AGM and ending on the day of the annual General Meeting of Shareholders to be held in 2024, which is the fourth year after the year of appointment.

Mr. Van Zanten (February, 1967) is a Dutch national, and is Chief Executive Officer of Bunzl plc, a specialist international distribution and services group. Additionally, he serves as a non-executive director of Grafton Group plc until April 29, 2020.

Mr. Van Zanten holds an MBA from the Rotterdam School of Management.

The Supervisory Board recommends appointing Mr. Van Zanten in view of his seasoned and extensive international experience and expertise from a highly complex, multi-product distribution business. Since Bunzl plc. is a supplier of the Company, Mr. Van Zanten will refrain from discussions and/ or decisions related to Bunzl to avoid any semblance of a conflict of interest.

Mr. van Zanten holds no shares in the Company and is independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

## **12. Proposal to appoint Ms. H.A. Weir as new member of the Supervisory Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to appoint Ms. Helen Weir as a member of the Supervisory Board. The proposed appointment is for a term starting immediately after the present AGM and ending on the day of the annual General Meeting of Shareholders to be held in 2024, which is the fourth year after the year of appointment.

Ms. Weir (August 17, 1962) is a British national, who has had a distinguished career as Finance Director of a number of large consumer focused companies including Marks and Spencer plc, John Lewis Partnership, Lloyds Banking Group plc and Kingfisher plc.

Helen Weir holds several non-executive positions. She serves as an non-executive director of Greencore Group plc., an Ireland-based international manufacturer of convenience foods. She is Chair of the Audit Committee of Bata Brands S.A. a family owned shoe company. She also serves as Senior Independent Director at Superdry Plc., a UK based fashion retailer. Lastly, she is also a non-executive director of Cineworld Group plc and Just Eat plc. The latter company is in the process of being taken over by Takeaway.com, a Dutch food delivery company. She will resign from the board of Just Eat after the completion of that process.

Ms. Weir holds an MA from Oxford University and an MBA from Stanford University. She is also a qualified accountant (FCMA).

The Supervisory Board recommends appointing Ms. Weir in view of her extensive retail and FMCG experience as well as financial expertise obtained during a 25 year career as a CFO.

Ms. Weir holds no shares in the Company and is independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

### **13. Proposal to re-appoint Ms. M.A. Citrino as member of the Supervisory Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to re-appoint Ms. Mary Anne Citrino as a member of the Supervisory Board. The proposed appointment is for a term starting immediately after the present AGM and ending on the day of the annual General Meeting of Shareholders to be held in 2024, which is the fourth year after the year of re-appointment.

Mary Anne Citrino (April 24, 1959) is an American national. She has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee and the Sustainability and Innovation Committee. Prior to this, she was appointed to the Ahold Supervisory Board on March 14, 2016.

Ms. Citrino is a senior advisor to Blackstone. She joined the Blackstone Advisory Partners Group as senior managing director in 2004.

Currently, Ms. Citrino is a director of Aluminum Company of America Inc. and a member of its governance and nominating committee and public issues committee. Ms. Citrino is chair of the audit committee and member of the finance, investment and technology committee of Hewlett Packard, Inc. Ms. Citrino also serves as non-executive director and member of the board risk committee of Barclays plc.

The Supervisory Board recommends re-appointing Ms. Citrino giving her valued contributions during her term and in view of her financial and management experience in international businesses.

Ms. Citrino holds no shares in the Company and is independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

### **14. Proposal to re-appoint Ms. D.Y.M. Leroy as member of the Supervisory Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to re-appoint Ms. Dominique Leroy as a member of the Supervisory Board. The proposed appointment is for a term starting immediately after the present AGM and ending on the day of the annual General Meeting of Shareholders to be held in 2024, which is the fourth year after the year of re-appointment.

Dominique Leroy (November 8, 1964) is a Belgian national. She has served on Ahold Delhaize's Supervisory Board since July 24, 2016 and is member of the Governance and Nomination Committee and the Sustainability and Innovation Committee. Prior to this, she served on Delhaize's Board of Directors starting in 2015.

Dominique Leroy previously held the position of CEO and member of the board of directors of Proximus (formerly Belgacom) until September 2019. Before being appointed as a member of the board of directors of Proximus, she held various management positions with the company. Prior to this, Ms. Leroy worked at Unilever for 24 years.

Ms. Leroy is an independent board member for the French construction materials group Saint Gobain and an external independent advisor at Bain & Company.

The Supervisory Board recommends re-appointing Ms. Leroy giving her valued contributions during her term and in view of her management experience in international businesses and her knowledge and experience of IT, consumer goods and marketing related matters.

Ms. Leroy holds no shares in the Company and is independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

### **15. Proposal to re-appoint Mr. W.G. McEwan as member of the Supervisory Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to re-appoint Mr. Bill McEwan as a member of the Supervisory Board. The proposed appointment is for a term starting immediately after the present AGM and ending on the day of the annual General Meeting of Shareholders to be held in 2022, which is the second year after the year of re-appointment.

Bill McEwan (July 28, 1956) is a Canadian national. He has served on Ahold Delhaize's Supervisory Board since July 24, 2016 as Vice-Chairman and is Chairman of the Remuneration Committee and a member of the Sustainability and Innovation Committee.

Mr. McEwan is the former president and CEO of Sobeys Inc. and was a member of the board of directors of its parent company, Empire Company Limited. Between 1989 and 2000, Mr. McEwan held a variety of progressively senior marketing and merchandising roles with Coca-Cola Limited and Coca-Cola Bottling as well as with The Great Atlantic and Pacific Tea Company (A&P), both in Canada and in the United States. Mr. McEwan served as president of A&P's Canadian operations before his appointment as president and chief executive officer of the company's U.S. Atlantic Region. Mr. McEwan is a member of the board of Aimia Inc.

As announced at the time of the merger between Ahold and Delhaize in 2016, the Supervisory Board, in its decision to nominate its members for reappointment, will take into account their tenure in the board of directors of the former Delhaize Group, prior to their appointment to the Supervisory Board. Mr. McEwan has served on the Delhaize Board since 2011. In line with the announcement and the Dutch Corporate Governance Code, the Supervisory Board recommends re-appointing Mr. McEwan for a term of two years for reasons of continuity as well as in view of his management experience and extensive knowledge and experience of retail and food industry related matters.

Mr. McEwan holds 7,125 American Depositary Receipts in the Company and is independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

### **16. Proposal to re-appoint Mr. K.R. Holt as member of the Management Board and proposal for an individual exception to the Remuneration Policy of the Management Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to re-appoint Mr. Kevin Holt for an additional term as a member of the Management Board. The proposed

re-appointment is for a four-year term, ending on the day of the annual General Meeting of Shareholders to be held in 2024, which is the fourth year after the year of re-appointment. This proposal includes the proposal for an individual exception to the Remuneration Policy of the Management Board.

Kevin Holt (November 6, 1958) is a U.S. national. The Company's shareholders appointed him to the Management Board on March 14, 2016. Mr. Holt has served as Chief Executive Officer Ahold Delhaize USA since January 1, 2018. Prior to that, Mr. Holt had been Chief Operating Officer Ahold USA since October 2016, after serving as COO Delhaize America since July 24, 2016.

He had earlier served as Executive Vice President of Delhaize Group and CEO of Delhaize America, starting in 2014. Before joining Delhaize Group, Mr. Holt was president of retail operations for SuperValu. During his tenure there, the company owned the Albertsons, Jewel-Osco and Save-A-Lot chains and was the third-largest food retailing company in the United States. Prior to SuperValu, Mr. Holt worked for three years with Sears Holding Company and 14 years with Meijer, serving in various leadership positions, including executive vice president of retail operations and senior vice president of information technology/services and strategic planning. Before joining the retail industry, Mr. Holt spent nine years at NCR delivering technology solutions to large and complex organizations.

The Supervisory Board proposes to re-appoint Mr. Holt given the several long-term strategic and operational initiatives that are ongoing at Ahold Delhaize USA. These initiatives will take an estimated two to four years to complete. Should his role in these initiatives be concluded before the end of the four-year term, Mr. Holt and the Company will have the option to end Mr. Holt's assignment as per the annual General Meeting of Shareholders to be held in 2022. As executive leadership transition and continuity is critical, Mr. Holt would then subsequently remain attached to the Company as an advisor to the Management Board until December 31, 2022, after which he would retire. During his tenure as advisor to the Management Board, Mr. Holt would remain eligible for the same remuneration as before.

#### Proposal for an individual exception to the Remuneration Policy of the Management Board

In determining the remuneration of members of the Management Board, the Company considers the remuneration paid to executives in comparable positions at other companies. The objective is to establish Target Total Direct Compensation around the median of the market most relevant in relation to recruitment and retention of top management. In order to align Mr. Holt with his local retail market peers, the General Meeting of Shareholders approved an individual exception to the remuneration policy of the Management Board on April 12, 2017, so that the Supervisory Board can determine the remuneration for the CEO Ahold Delhaize USA (Mr. Holt) on the basis of a local reference market. This individual exception can be found on [www.aholddelhaize.com](http://www.aholddelhaize.com).

In accordance with the Articles of Association, the Supervisory Board proposes to the General Meeting of Shareholders to approve the further alignment of the compensation of Mr. Holt to the US Retail Market by increasing the at-target award under the long-term equity-based program (GRO) by 35% (from 200% to 235% of base salary).

#### Implications

The current salary of Mr. Holt amounts to US\$ 1,087,514 per annum. The at-target Total Direct Compensation per annum amounts to US\$ 4,350,057. This positions Mr. Holt at the lower end of the US retail labor market reference group. If the proposal to increase the at-target award under the long-term equity-based program is adopted, the at-target Total Direct

Compensation per annum will amount to US\$ 4,730,687. This would position Mr. Holt slightly below the median of the US Retail Market Peer Group.

Mr. Holt currently holds 30,644 shares in the Company.

## **17. Proposal to appoint Ms. N. Knight as a new member of the Management Board (voting item)**

In accordance with the Articles of Association, the Supervisory Board proposes to appoint Ms. Natalie Knight as a member of the Management Board. The proposed appointment is for a four-year term ending on the day of the annual General Meeting of Shareholders to be held in 2024, which is the fourth year after the year of appointment.

Natalie Knight (June 14, 1970) is a U.S. national. Ms. Knight will join Ahold Delhaize on March 1, 2020, as Executive Vice President Finance and member of the Executive Committee. Before joining Ahold Delhaize, she served as CFO of Arla Foods, a global dairy company based in Denmark, where she oversaw the company's Finance, Legal, and IT functions. In addition, Ms. Knight led the company's digital strategy process and has driven significant cash generation and working capital improvements.

Prior to joining Arla Foods, Ms. Knight worked 17 years at Adidas, a global sportswear manufacturer, serving in several financial roles including Investor Relations and M&A, where she led the acquisition of Reebok for adidas. She then served as CFO of adidas North America, where she led major cross-functional cost reductions and operational transformation efforts, returning the company to record profitability following the financial crisis of 2008/2009. Ms. Knight's last role with adidas was as SVP of Group Functions Finance, leading a finance team in strategic and financial support for the Group's Global Operations, Procurement, Finance, Real Estate, Legal, HR, IT and Executive functions.

### **Agreed Package**

- Base Salary: € 660.000
- At-target annual cash incentive (as a percentage of base salary): 100%. Maximum bonus opportunity capped at 150%.
- At-target long-term share-based incentive (as a percentage of base salary) 175%. Maximum LTI opportunity capped at 150%, resulting in an overall LTI max of 262,5%

### **Other relevant components**

- No guaranteed bonus.
- No company loans.
- Notice period: 12 months for the Company, 6 months for Ms. Knight.
- Severance arrangement is a one-year base salary.
- Appointment subject to shareholder approval and the term of appointment is four years.
- Ms. Knight will participate in the Dutch pension scheme.
- Ms. Knight will receive a housing allowance.
- Ms. Knight will receive one-off awards to be granted in performance shares as outlined below.

### **One-off awards**

In recognition of Ms. Knight's long-term incentive that was outstanding and forfeited at the time of resignation at Arla Foods, it is proposed to grant two awards with a grant value of € 600,000 each, which will vest the day after the annual General Meeting of Shareholders of Ahold Delhaize in 2021 and 2022 respectively and will further be subject to the terms and

conditions of the LTI plan (including performance targets), as well as the five-year holding period from the date of grant as applicable to members of the Management Board.

Ms. Knight currently holds no shares in the Company.

### **18. Proposal to re-appoint PricewaterhouseCoopers Accountants N.V. as external auditor for financial year 2020 (voting item)**

It is proposed to the General Meeting of Shareholders that PricewaterhouseCoopers Accountants N.V. will be re-appointed as the external auditor of the Company for the financial year 2020. The Supervisory Board has assessed the relationship with the external auditor as part of its consideration of the 2019 financial statements, based on a report from the Management Board and the evaluation and recommendation of the Audit, Finance and Risk Committee. The Supervisory Board confirms that its recommendation is free from influence by a third party and that no clause of a contract as referred to in article 16(6) of the EU regulation no. 537/2014 restricts the resolution of the General Meeting. Based on this assessment, it is proposed to the General Meeting to appoint PricewaterhouseCoopers Accountants N.V. as external auditor of the Company for the financial year 2020.

### **19. Authorization to issue shares (voting item)**

In accordance with article 2:96, paragraphs 1 and 5, of the Dutch Civil Code, it is proposed to authorize the Management Board to issue common shares or grant rights to acquire common shares, subject to the approval of the Supervisory Board. In accordance with current corporate governance practices the proposal is limited to a period of 18 months from the date of this AGM, i.e. until and including October 8, 2021, and to a maximum of 10% of the issued share capital. When this authorization will be approved, the current authorization will no longer be utilized.

The authority to issue shares or to grant rights to acquire shares is intended for the issue of common shares or the granting of rights to acquire common shares in respect of share-based compensation plans for employees, to provide the possibility to react in a timely and flexible manner in respect of the financing of the Company and in connection with or on the occasion of mergers, acquisitions and/or (strategic) alliances.

### **20. Authorization to restrict or exclude pre-emptive rights (voting item)**

It is proposed to the General Meeting of Shareholders to authorize the Management Board for a period of 18 months from the date of this AGM, i.e. until and including October 8, 2021, to restrict or exclude, subject to the approval of the Supervisory Board, pre-emptive rights in relation to the issue of common shares or the granting of rights to acquire common shares.

This proposal is made in accordance with article 2:96a, paragraph 6 of the Dutch Civil Code. In accordance with the proposal under agenda item 19, this proposal is limited to a period of 18 months from the date of this AGM i.e. until and including October 8, 2021. Pursuant to the Articles of Association, if less than 50% of the issued and outstanding capital is represented, this proposal can only be adopted by a majority of at least two-thirds of the votes cast. If 50% or more of the issued and outstanding capital is represented, a simple

majority is sufficient to adopt this proposal. When this authorization will be approved, the current authorization will no longer be utilized.

## **21. Authorization to acquire common shares (voting item)**

It is proposed to the General Meeting of Shareholders to authorize the Management Board for a period of 18 months from the date of this Annual General Meeting of Shareholders, i.e. until and including October 8, 2021, to acquire common shares in the Company subject to the approval of the Supervisory Board.

The purpose of this proposal is to give the Management Board the authorization to reduce the Company's share capital in order to return capital to the Company's shareholders, and/or to cover obligations under share-based compensation plans, or for other purposes.

The proposal is made in accordance with article 2:98, paragraph 4 of the Dutch Civil Code. Shares may be acquired at the stock exchange or otherwise, at a price for each share between par value and 110% of the opening price at Euronext Amsterdam N.V. at the date of the acquisition provided that the Company and its subsidiaries will not hold more than 10% of the issued common share capital in the Company.

When this authorization will be approved, the current authorization will no longer be utilized.

## **22. Cancellation of shares (voting item)**

It is proposed to the General Meeting of Shareholders to cancel any or all shares in the issued share capital of the Company currently held or acquired by the Company (or of which the corresponding depositary receipts are held or acquired by the Company) under the authorization referred to under agenda item 21. The number of shares that will be cancelled (whether or not in a tranche) shall be determined by the Management Board. The cancellation may be executed in one or more tranches.

Pursuant to the relevant statutory provisions, cancellation may not be effected earlier than two months after a resolution to cancel shares is adopted by the Management Board and publicly announced; this will apply for each tranche. The purpose of this proposal is cancellation of shares currently held by the Company or which (or depositary receipts thereof) have been acquired in accordance with the proposal under agenda item 21 to the extent that any common shares shall not be used to cover obligations under share-based compensation plans or for other purposes.

## **23. Closing (including Q&A)**

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