

Governance

We are committed to a Corporate governance structure that best supports our business and meets the needs of our stakeholders.



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Our Executive Committee and Management Board¹



Dick Boer
President and
Chief Executive Officer
Chairman Management Board
and Executive Committee

Dick Boer (August 31, 1957) is a Dutch national. On September 29, 2010, the Supervisory Board appointed him Chief Executive Officer of Ahold, effective March 1, 2011. Prior to that date, Dick had served as Chief Operating Officer Ahold Europe since November 6, 2006.

Dick joined Ahold in 1998 as CEO of Ahold Czech Republic and was appointed President and CEO of Albert Heijn in 2000. In 2003, he became President and CEO of Ahold's Dutch businesses. Ahold's shareholders appointed him to the Management Board on May 3, 2007.

Prior to joining Ahold, Dick spent more than 17 years in various retail positions for SHV Holdings N.V. in the Netherlands and abroad and for Unigro N.V.

Dick is co-chair of The Consumer Goods Forum, member of the board of the European Retail Round Table, and a member of the executive board of The Confederation of Netherlands Industry and Employers (VNO-NCW). He is also a member of the advisory board of G-star.



Jeff Carr
Executive Vice President and
Chief Financial Officer
Member Management Board
and Executive Committee

Jeff Carr (September 17, 1961) is a British national. Ahold's shareholders appointed him to the Management Board on April 17, 2012. Jeff had first joined Ahold in November 2011 as acting member of the Management Board and Chief Financial Officer (CFO).

Before joining Ahold, Jeff was group finance director and a member of the board at UK-based FirstGroup, the leading transport operator in the United Kingdom and North America. He began his career at Unilever, and held senior roles in finance at easyJet, Associated British Foods, Reckitt Benckiser and Grand Metropolitan. Jeff has served as CFO of listed companies since 2005, and has lived and worked in Europe and the United States.



Lodewijk Hijmans van den Bergh
Executive Vice President
and Chief Corporate
Governance Counsel
Member Management Board
and Executive Committee

Lodewijk Hijmans van den Bergh (September 16, 1963) is a Dutch national. Ahold's shareholders appointed him to the Management Board on April 13, 2010. Lodewijk had first joined the Company on December 1, 2009, as acting member of the Management Board and Chief Corporate Governance Counsel.

Prior to joining Ahold, Lodewijk was a partner at Amsterdam-based law firm De Brauw Blackstone Westbroek N.V. Lodewijk is the deputy chairman of the board of the Royal Concertgebouw Orchestra and a member of the supervisory boards of HAL Holding N.V. and the board of trustees of Air Traffic Control in the Netherlands. He is also a member of the advisory boards of Rotterdam School of Management, Erasmus University and Champs on Stage.



James McCann
Executive Vice President and Chief
Operating Officer Ahold USA
Member Management Board
and Executive Committee

James McCann (October 4, 1969) is a British national. Ahold's shareholders appointed him to the Management Board on April 17, 2012. James had first joined Ahold on September 1, 2011, as acting member of the Management Board and Chief Commercial & Development Officer. On February 1, 2013, he became Chief Operating Officer Ahold USA.

Before joining Ahold, James was executive director for Carrefour France and a member of Carrefour's group executive board. During the previous seven years, he held leading roles in various countries for Tesco plc. Prior to that, he worked for Sainsbury's, Mars and Shell.

¹ The duties of the Management Board are described under Corporate Governance in this Annual Report.

Our Executive Committee and Management Board (continued)



Hanneke Faber
Chief Commercial Officer
Member Executive Committee

Hanneke Faber (April 19, 1969) is a Dutch national.

On August 21, 2013, the Supervisory Board appointed Hanneke as Chief Commercial Officer and member of the Executive Committee, effective September 1, 2013. She is responsible for leading the global online and customer loyalty initiatives, ensuring and accelerating an integrated approach to the first two pillars of Ahold's strategy, "increasing customer loyalty" and "broadening our offering."

Before joining Ahold, Hanneke was vice president and general manager Global Pantene, Head & Shoulders and Herbal Essences at Procter & Gamble. She began her career at Procter & Gamble in 1992 and has held various senior roles in marketing in both Europe and in the United States.



Sander van der Laan
Chief Operating Officer Ahold
Netherlands and Chief Executive
Officer Albert Heijn
Member Executive Committee

Sander van der Laan (September 30, 1968) is a Dutch national.

On August 21, 2013, the Supervisory Board appointed Sander to the Executive Committee, effective September 1, 2013. On March 1, 2011, he became Chief Operating Officer of Ahold Europe, and later CEO of Albert Heijn. He is responsible for business operations and continental strategy within Europe.

Sander joined Ahold in 1998 as Unit Manager for Albert Heijn. In March 2002, he became General Manager for Gall & Gall, and in May 2003 he was appointed EVP Marketing & Merchandising at Albert Heijn. In 2008, Sander was appointed CEO of Giant Carlisle in the United States, and in January 2010, he became General Manager of Albert Heijn. Prior to joining Ahold, he spent eight years in various positions for SCA and Unilever. Sander is co-chair of GS1 Nederland and a member of the executive board of ECR Europe. He is also the chairman of the VUmc CCA Foundation at the VU Medical Center in Amsterdam.



Abbe Luersman
Chief Human Resources Officer
Member Executive Committee

Abbe Luersman (December 4, 1967) is a U.S. national.

The Supervisory Board appointed Abbe as Chief Human Resources Officer and member of the Executive Committee, effective November 1, 2013. She is responsible for HR, leadership, and organizational design.

Before joining Ahold, Abbe worked for Unilever, where she has held various HR leadership roles, with her most recent being responsible for Human Resources for Unilever Europe. Prior to Unilever, Abbe worked at Whirlpool Corporation holding various senior roles in human resources, both in the United States and internationally.

Supervisory Board



Jan Hommen
Chairman

Chairman of the Selection and Appointment Committee

Jan Hommen (April 29, 1943) is a Dutch national. He was appointed to the Supervisory Board at the General Meeting of Shareholders on April 17, 2013. His term runs until 2017.

Jan was previously Vice Chairman of Ahold's Supervisory Board and served as Chairman of the Audit Committee from 2003 to 2007. He is the former CEO of ING Group N.V., former CFO and vice chairman of the board of management of Royal Philips Electronics N.V. and former CFO of Aluminum Company of America. He has held chairman positions on the supervisory boards of TNT N.V. and Reed Elsevier N.V. and was a member of the board of Campina. Currently he is the chairman of Brabantse Ontwikkelings Maatschappij Holding B.V., a member of the supervisory board of PSV N.V., and chairman of the supervising body of Maastricht Universitair Medisch Centrum. He is also a member of the boards of the Dutch Banking Association, the Royal Concertgebouw Orchestra and the University of Tilburg.



Judith Sprieser
Vice Chairman

Judith Sprieser (August 3, 1953) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2006, and her term runs until 2014. Judith is former CEO of Transora, Inc, which she founded in 2000. Prior to that, she was executive vice president and CFO of Sara Lee Corporation. She is a director of Allstate Corporation, Reckitt Benckiser plc, Intercontinental Exchange, Inc. and Experian Plc.



Stephanie Shern
Chairman of the Audit Committee

Stephanie Shern (January 7, 1948) is a U.S. national. She was first appointed to the Supervisory Board on May 18, 2005, and her term runs until 2017. Stephanie was with Ernst & Young for over 30 years, most recently as vice chairman and global director of retail and consumer products and a member of Ernst & Young's U.S. Management Committee. She is the lead director and chair of the audit committee of Gamestop and a member of the board of Scotts Miracle-Gro. Stephanie is also a member of the advisory board of Pennsylvania State University's accounting major program and a founding member of the Lead Director Network and of the Southwest Region of the United States Audit Committee Network, both organized by Tapestry Networks in the United States.



Rob van den Bergh
Chairman of the Remuneration Committee

Rob van den Bergh (April 10, 1950) is a Dutch national. He was appointed to the Supervisory Board on April 20, 2011, and his term runs until 2015. Rob is former CEO of VNU N.V. Prior to that, he held various other executive positions within VNU and was a member of the executive board from 1992 until his appointment as CEO in 2000. Rob is currently chairman of the supervisory board of N.V. Deli Maatschappij and a member of the supervisory boards of TomTom N.V., from which position he is to step down on May 1, 2014, Holding Nationale Goede Doelen Loterijen N.V. and Pon Holdings B.V. He is also chairman of the supervisory board of Isala Klinieken Foundation, a member of the investment committee of NPM Capital N.V. and a member of the advisory board of CVC Capital Partners.

Supervisory Board (continued)



Derk Doijer

Derk Doijer (October 9, 1949) is a Dutch national. He was first appointed to the Supervisory Board on May 18, 2005, and his term runs until 2017. Derk is a former member of the executive board of directors of SHV Holdings N.V. and, prior to that, held several executive positions in the Netherlands and South America. He is chairman of the supervisory boards of Corio N.V. and Lucas Bols Holdings B.V.



Mark McGrath

Mark McGrath (August 10, 1946) is a U.S. national. He was appointed to the Supervisory Board on April 23, 2008, and his term runs until 2016. Mark is a director emeritus of McKinsey & Company. He led the firm's Americas' Consumer Goods Practice from 1998 until 2004 when he retired from the company. Mark is a former director of GATX and of the University of Notre Dame's Kellogg Institute of International Studies. He is a member of the advisory councils of the University of Chicago Booth Graduate School of Business and Notre Dame's Kroc International Peace Studies Institute and a member of the Executive Committee of the Chicago Symphony Orchestra Association.



Ben Noteboom

Ben Noteboom (July 4, 1958) is a Dutch national. He was appointed to the Supervisory Board on April 28, 2009, and his term runs until 2017. Ben was formerly CEO and chairman of the executive board of Randstad Holding N.V. from March 2003 and is to step down on February 28, 2014. He had first joined Randstad in 1993 and held various senior management positions during his time with the company. Ben joined the executive board of Randstad in 2001. Ben is a member of the boards of the Holland Festival Foundation and the Cancer Center Amsterdam.

Corporate governance

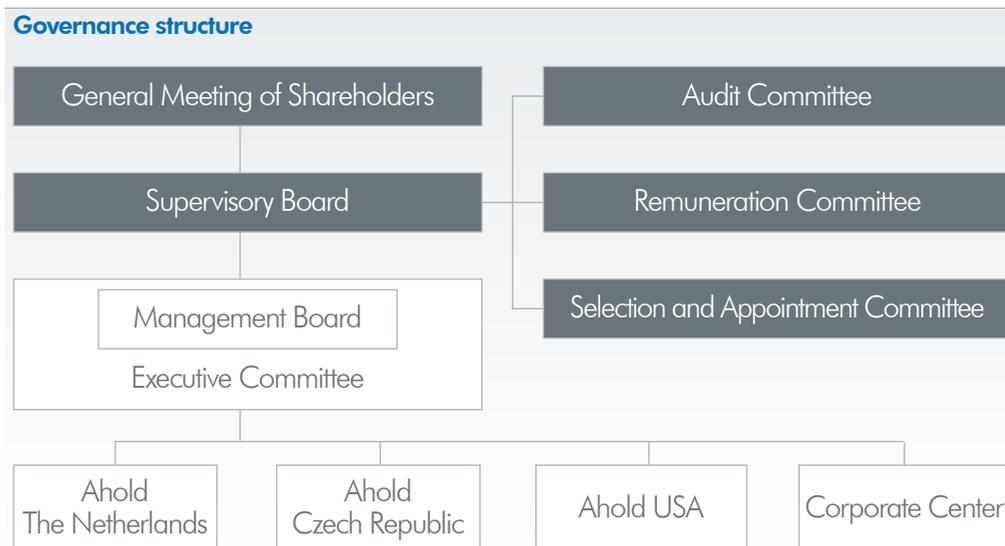
Ahold is committed to a corporate governance structure that best supports its business and meets the needs of its stakeholders and that complies with relevant rules and regulations.

This section contains an overview of Ahold's corporate governance structure and includes information required under the Dutch Corporate Governance Code.

Governance structure

Koninklijke Ahold N.V. (the Company) is a public company under Dutch law with a two-tier board structure. The Company's Management Board has ultimate responsibility for the overall management of Ahold. The Company also has an Executive Committee that is comprised of the Management Board as well as certain key officers of the Company, is led by the Chief Executive Officer and is accountable to the Management Board. The Management Board is supervised and advised by a Supervisory Board. The Management Board and the Supervisory Board are accountable to Ahold's shareholders.

The Company is structured to effectively execute its strategy and to balance local, continental and global decision-making. It is comprised of a Corporate Center and three platforms, Ahold Netherlands, Ahold Czech Republic and Ahold USA, each of which contains a number of businesses.



The following diagram shows the governance structure of Ahold and its businesses. A list of subsidiaries, joint ventures and associates is included in *Note 36* to the consolidated financial statements.

Management Board and Executive Committee

The Executive Committee manages the general affairs of Ahold and ensures that the Company can effectively implement its strategy and achieve its objectives. The Management Board is ultimately responsible for the actions and decisions of the Executive Committee, and the overall management of Ahold. For a more detailed description of the responsibilities of the Executive Committee and the Management Board, please refer to the rules of procedure in the corporate governance section of Ahold's public website at www.ahold.com.

Composition

According to Ahold's Articles of Association, the Management Board must consist of at least three members. The current members of the Management Board are: Dick Boer, President and Chief Executive Officer; Jeff Carr, Executive Vice President and Chief Financial Officer; Lodewijk Hijmans van den Bergh, Executive Vice President and Chief Corporate Governance Counsel; and James McCann, Executive Vice President and Chief Operating Officer Ahold USA. The current members of the Executive Committee are the members of the Management Board plus Sander van der Laan, Chief Operating Officer Ahold Netherlands and Chief Executive Officer Albert Heijn; Hanneke Faber, Chief Commercial Officer; and Abbe Luersman, Chief Human Resources Officer. The size and composition of the Management Board and the Executive Committee

and the combined experience and expertise of their members should reflect the best fit for the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in Ahold currently having a Management Board in which all four members are male and an Executive Committee in which five members are male and two are female. In order to increase gender diversity on the Management Board, in accordance with article 2:276 section 2 of the Dutch Civil Code, the Company pays close attention to gender diversity in the process of recruiting and appointing new Management Board members. In addition, the Company continues to recruit female executives, as demonstrated by the appointment of two women to the Executive Committee in 2013. Ahold also encourages the professional development of female employees, which has already led to the promotion of several women to key leadership positions across the Group.

Appointment, suspension and dismissal

The General Meeting of Shareholders can appoint, suspend, or dismiss a Management Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved, but a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised, regardless of the number of shares represented at the meeting, is required to adopt the proposal.

Management Board members are appointed for four-year terms and may be reappointed for additional terms not exceeding four years. The Supervisory Board may at any time suspend a Management Board member.

Corporate governance (continued)

Remuneration

On April 17, 2013, Ahold's General Meeting of Shareholders adopted its current remuneration policy for Management Board members. You can find details of this policy in *Remuneration*. For detailed information on the individual remuneration of Management Board members, see *Notes 31* and *32* to the consolidated financial statements.

Supervisory Board

The Supervisory Board is responsible for supervising and advising Ahold's Management Board and overseeing the general course of affairs and strategy of the Company. The Supervisory Board is guided in its duties by the interests of the Company and the enterprise connected with the Company, taking into consideration the overall good of the enterprise and the relevant interests of all its stakeholders.

The Supervisory Board is responsible for monitoring and assessing its own performance.

Ahold's Articles of Association require the approval of the Supervisory Board for certain major resolutions proposed to be taken by the Management Board, including:

- Issuance of shares
- Acquisitions, redemptions, repurchases of shares, and any reduction in issued and outstanding capital

Possible reappointment schedule of Management Board

Name	Date of birth	Date of first appointment	Date of possible reappointment
Dick Boer	August 31, 1957	May 3, 2007	2015
Jeff Carr	September 17, 1961	April 17, 2012	2016
Lodewijk Hijmans van den Bergh	September 16, 1963	April 13, 2010	2014
James McCann	October 4, 1969	April 17, 2012	2016

→ Allocation of duties within the Management Board and the adoption or amendment of the Rules of Procedure of the Executive Committee and the Management Board

→ Significant changes in the identity or the nature of the Company or its enterprise

Appointment

The General Meeting of Shareholders can appoint, suspend or dismiss a Supervisory Board member by an absolute majority of votes cast, upon a proposal made by the Supervisory Board. If another party makes the proposal, an absolute majority of votes cast, representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved but a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised, regardless of the number of shares represented at the meeting, is required. A Supervisory Board member is appointed for a four-year term and is eligible for reappointment. However, a Supervisory Board member may not serve for more than 12 years.

You can find more detailed information on the Supervisory Board in the *Supervisory Board report*. The following charters can be found in the corporate governance section of Ahold's public website at www.ahold.com: the Supervisory

Board Charter, the Audit Committee Charter, the Remuneration Committee Charter and the Selection and Appointment Committee Charter. The composition of the Supervisory Board, including its members' combined experience and expertise, independence, and diversity of age and gender, should reflect the best fit for the profile and strategy of the Company. This aim for the best fit, in combination with the availability of qualifying candidates, has resulted in Ahold currently having a Supervisory Board in which two members are female and five members are male. In order to increase gender diversity in the Supervisory Board in accordance with article 2:276 section 2 of the Dutch Civil Code, the Company pays close attention to gender diversity in the process of recruiting and appointing new Supervisory Board candidates.

Conflict of interest

Each member of the Management Board is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and to the other members of the Management Board and provide them with all relevant information. Each member of the Supervisory Board is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and provide him or her with all relevant information. The Chairman determines whether there is a conflict of interest. If a member of the Supervisory Board or a member of the Management Board has a conflict of interest with the Company, the member may not participate in the discussions and / or decision-making process on subjects or transactions relating to the conflict of interest. The Chairman of the Supervisory Board will arrange for such transactions to be disclosed in the Annual Report. No such transaction occurred in 2013. In accordance with best practice provision

III.6.4 of the Dutch Corporate Governance Code, Ahold reports that no transactions between the Company and legal or natural persons who hold at least 10% of the shares in the Company occurred in 2013.

Shares and shareholders' rights General Meeting of Shareholders

Ahold shareholders exercise their rights through annual and extraordinary General Meetings of Shareholders. Ahold is required to convene an annual General Meeting of Shareholders in the Netherlands each year, no later than six months after the end of the Company's financial year. Additional extraordinary General Meetings of Shareholders may be convened at any time by the Supervisory Board, the Management Board, or by one or more shareholders representing at least 10% of the issued share capital. The agenda for the annual General Meeting of Shareholders must contain certain matters as specified in Ahold's Articles of Association and under Dutch law, including the adoption of Ahold's annual financial statements. Shareholders are entitled to propose items for the agenda of the General Meeting of Shareholders provided that they hold at least 1% of the issued share capital or the shares that they hold represent a market value of at least €50 million. The adoption of such a proposal requires a majority of votes cast at the General Meeting of Shareholders representing at least one-third of the issued shares. If this qualified majority is not achieved but a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised is required to adopt the proposal, regardless of the number of shares represented at the meeting (unless the law or Articles of Association provide otherwise). Proposals for agenda items

Corporate governance (continued)

for the General Meeting of Shareholders must be submitted at least 60 days prior to the date of the meeting. The General Meeting of Shareholders is also entitled to vote on important decisions regarding the identity or the character of Ahold, including major acquisitions and divestments.

Dutch law prescribes a record date to be set 28 days prior to the date of the General Meeting of Shareholders to determine whether a person may attend and exercise the rights relating to the General Meeting of Shareholders. Shareholders registered at that date are entitled to attend and to exercise their rights as shareholders in relation to the General Meeting of Shareholders, regardless of a sale of shares after the record date. Shareholders may be represented by written proxy.

Ahold encourages participation in General Meetings of Shareholders. Ahold uses Deutsche Bank Trust Company Americas, the Depository for the Company's ADR facility, to enable ADR holders to exercise their voting rights, which are represented by the common shares underlying the ADRs.

Voting rights

Each common share entitles its holder to cast one vote. Subject to certain exceptions provided by Dutch law or Ahold's Articles of Association, resolutions are passed by a majority of votes cast. A resolution to amend the Articles of Association that would change the rights vested in the holders of a particular class of shares requires the prior approval of a meeting of that particular class. A resolution to dissolve the Company may be adopted by the General Meeting of Shareholders following a proposal of the Management Board made with the approval of the Supervisory Board. Any proposed resolution to wind up the Company must be disclosed in the notice calling the General Meeting of Shareholders at which that proposal is to be considered.

Neither Ahold nor any of its subsidiaries may cast a vote on any share they hold in the Company. These shares are not taken into account for the purpose of determining how many shareholders are represented or how much of the share capital is represented at the General Meeting of Shareholders.

Holders of depositary receipts of cumulative preferred financing shares may attend the General Meeting of Shareholders. The voting rights on the underlying shares may be exercised by the Stichting Administratiekantoor Preferente Financierings Aandelen Ahold (SAPFAA), a foundation organized under the laws of the Netherlands.

Cumulative preferred financing shares

All outstanding cumulative preferred financing shares have been issued to SAPFAA. Holders of depositary receipts can obtain proxies from SAPFAA. In accordance with its articles, the board of SAPFAA consists of three members: one A member, one B member and one C member. The A member is appointed by the general meeting of depositary receipt holders, the B member is appointed by the Company and the C member is appointed by a joint resolution of the A member and the B member. As of February 26, 2014, the members of the board of SAPFAA are:

Member A:	J.L. van der Giessen
Member B:	C.W. de Monchy
Member C:	H.J. Baeten, Chairman

Ahold pays a mandatory annual dividend on cumulative preferred financing shares, which is calculated in accordance with the provisions of article 39.4 of the Company's Articles of Association. For further details on cumulative preferred financing shares and the related voting rights, see Note 22 to the consolidated financial statements.

Cumulative preferred shares

No cumulative preferred shares are currently outstanding. Ahold entered into an option agreement with the Dutch foundation Stichting Ahold Continuïteit (SAC) designed to exercise influence in the event of a potential change of control over the Company, to safeguard the interests of the Company and all stakeholders in the Company and to resist, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, independence or identity. The purpose of SAC, according to its articles of association, is to safeguard the interests of the Company and all stakeholders in the Company and to resist, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, independence or identity.

As of February 26, 2014, the members of the board of SAC are:

Name	Principal or former occupation
W.G. van Hassel, Chairman	Former lawyer and former chairman Dutch Bar Association
G.H.N.L. van Woerkom	President & CEO of ANWB
J. van den Belt	Former CFO Océ
B. Vree	CEO APM Terminals Europe

SAC is independent from the Company. For details on Ahold's cumulative preferred shares, see Note 20 to the consolidated financial statements.

Issue of additional shares and pre-emptive rights

Shares may be issued following a resolution by the General Meeting of Shareholders on a proposal of the Management Board made with the approval of the Supervisory Board. The General Meeting of Shareholders may resolve to delegate this authority to the Management Board for a period of time not exceeding five years. A resolution of the General Meeting of Shareholders to issue shares, or to authorize the Management Board to do so, is also subject to the approval of each class of shares whose rights would be adversely affected by the proposed issuance or delegation. The General Meeting of Shareholders approved a delegation of this authority to the Management Board, relating to the issuance and/or granting of rights to acquire common shares up to a maximum of 10% of the issued common shares through October 17, 2014, and subject to the approval of the Supervisory Board.

Upon the issuance of new common shares, holders of Ahold's common shares have a pre-emptive right to subscribe to common shares in proportion to the total amount of their existing holdings of Ahold's common shares. According to the Company's Articles of Association, this pre-emptive right does not apply to any issuance of shares to employees of Ahold. The General Meeting of Shareholders may decide to restrict or exclude pre-emptive rights. The General Meeting of Shareholders may also resolve to designate the Management Board as the corporate body authorized to restrict or exclude pre-emptive rights for a period not exceeding five years. The General Meeting of Shareholders has delegated to the Management Board, subject to approval of the Supervisory Board, the authority to restrict or exclude the pre-emptive rights of holders of common shares upon the issuance of common shares and/or upon the granting of rights to subscribe for common shares through October 17, 2014.

Corporate governance (continued)

Repurchase by Ahold of its own shares

Ahold may only acquire fully paid shares of any class in its capital for a consideration following authorization by the General Meeting of Shareholders and subject to certain provisions of Dutch law and the Company's Articles of Association, if:

1. Shareholders' equity minus the payment required to make the acquisition is not less than the sum of paid-in and called-up capital and any reserves required by Dutch law or Ahold's Articles of Association; and
2. Ahold and its subsidiaries would not, as a result, hold a number of shares exceeding a total nominal value of 10% of the issued share capital.

The Management Board has been authorized to acquire a number of common shares in the Company or depository receipts for shares, as permitted within the limits of the law and the Articles of Association and subject to the approval of the Supervisory Board. Such acquisition of shares, at the stock exchange or otherwise, will take place at a price between par value and 110% of the opening price of the shares at Euronext Amsterdam by NYSE Euronext on the date of their acquisition. The authorization takes into account the possibility to cancel the repurchased shares. This authorization is valid through October 17, 2014. Ahold may acquire shares in its capital for no consideration or for the purpose of transferring these shares to employees through share plans or option plans, without such authorization.

Major shareholders

Ahold is not directly or indirectly owned or controlled by another corporation or by any government. The Company does not know of any arrangements that may, at a subsequent date, result in a change of control, except as described under "Cumulative preferred shares" above.

Significant ownership of voting shares

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM) if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

3%	5%	10%	15%	20%
25%	30%	40%	50%	60%
75%	95%			

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in the total outstanding capital or voting rights of Ahold. In addition, local rules may apply to investors.

Shareholder	Date of disclosure	Capital interest ²	Voting rights ²
Blackrock, Inc	February 17, 2014	2.99%	4.46%
Silchester International Investors LLP	September 18, 2013	3.00%	3.52%
Deutsche Bank AG	July 2, 2013	3.63%	4.26%
Mondrian Investment Partners Limited	September 27, 2012	4.26%	4.99%
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold ¹	July 13, 2012	20.19%	6.55%
ING Groep N.V. ¹	April 8, 2008	9.26%	4.92%
DeltaFort Beleggingen B.V. ¹	August 23, 2007	11.23%	3.82%

1 All of the outstanding cumulative preferred financing shares are held by SAPFAA, for which SAPFAA issued corresponding depository receipts to investors that were filed under ING Group N.V. and DeltaFort Beleggingen B.V. The interest on record for ING Groep N.V. and DeltaFort Beleggingen B.V. includes both the direct and real interest from the common shares as well as the indirect and / or potential interest from the depository receipts. Further details can be found on www.afm.nl.

2 In accordance with the filing requirements the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. Further details can be found at www.afm.nl.

The following table lists the shareholders on record in the AFM register on February 26, 2014, that hold an interest of 3% or more in the share capital of the Company.

For details on the number of outstanding shares, see Note 20 to the consolidated financial statements. For details on capital structure, listings, share performance and dividend policy in relation to Ahold's common shares, see *Investors*.

Articles of Association

Ahold's Articles of Association outline certain of the Company's basic principles relating to corporate governance and organization. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and Industry for Amsterdam and on Ahold's public website at www.ahold.com.

The Articles of Association may be amended by the General Meeting of Shareholders. A resolution to amend the Articles of Association may be adopted by an absolute majority of the votes cast upon a proposal of the Management Board. If another party makes the proposal, an absolute majority of votes cast representing at least one-third of the issued share capital, is required. If this qualified majority is not achieved but a majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes, regardless of the number of shares represented at the meeting, is required. The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

Auditor

The General Meeting of Shareholders appoints the external auditor. The Audit Committee recommends to the Supervisory Board the external auditor to be proposed for (re)appointment by the General Meeting of Shareholders. In addition, the Audit Committee evaluates and, where appropriate, recommends the replacement of the external auditors. On April 17, 2013, the General Meeting of Shareholders appointed PricewaterhouseCoopers Accountants N.V. as external auditor for the Company for the financial year 2013.

Corporate governance (continued)

Decree Article 10 EU Takeover Directive

According to the Decree Article 10 EU Takeover Directive, Ahold has to report on, among other things, its capital structure, restrictions on voting rights and the transfer of securities, significant shareholdings in Ahold, the rules governing the appointment and dismissal of members of the Management Board and the Supervisory Board and the amendment of the Articles of Association, the powers of the Management Board (in particular the power to issue shares or to repurchase shares), significant agreements to which Ahold is a party and which are put into effect, changed or dissolved upon a change of control of Ahold following a takeover bid, and any agreements between Ahold and the members of the Management Board or employees providing for compensation if their employment ceases because of a takeover bid.

The information required by the Decree Article 10 EU Takeover Directive is included in this Corporate governance section and under *Investors*, and the notes referred to in these sections or included in the description of any relevant contract.

Compliance with Dutch Corporate Governance Code

Ahold applies the relevant principles and best practices of the Dutch Corporate Governance Code applicable to the Company, to the Management Board and to the Supervisory Board, in the manner set out in the *Governance* section, as long as it does not entail disclosure of commercially sensitive information, as accepted under the code. The Dutch Corporate Governance Code was last amended on December 10, 2008, and can be found at www.commissiecorporategovernance.nl.

Ahold's shareholders consented to apply the Dutch Corporate Governance Code during the Extraordinary General Meeting of Shareholders on March 3, 2004. Ahold continues to seek ways to improve its corporate governance by measuring itself against international best practice.

Corporate Governance statement

The Dutch Corporate Governance Code requires companies to publish a statement concerning their approach to corporate governance and compliance with the Code. This is referred to in article 2a of the decree on additional requirements for annual reports "Vaststellingsbesluit nadere voorschriften inhoud jaarverslag" last amended on January 1, 2010 (the Decree). The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree, which are incorporated and repeated here by reference, can be found in the following sections of this Annual Report:

- The information concerning compliance with the Dutch Corporate Governance Code (published at www.commissiecorporategovernance.nl), as required by article 3 of the Decree, can be found in the section *Compliance with the Dutch Corporate Governance Code*

- The information concerning Ahold's risk management and control frameworks relating to the financial reporting process, as required by article 3a sub a of the Decree, can be found in the relevant sections under *How we manage risk*

- The information regarding the functioning of Ahold's General Meeting of Shareholders and the authority and rights of Ahold's shareholders, as required by article 3a sub b of the Decree, can be found in the relevant sections under *Shares and shareholders' rights*

- The information regarding the composition and functioning of Ahold's Management Board and the Company's Supervisory Board and its committees, as required by article 3a sub c of the Decree, can be found in the relevant sections under *Corporate governance*

- The information concerning the inclusion of the information required by the Decree Article 10 EU Takeover Directive, as required by article 3b of the Decree, can be found in the section *Decree Article 10 EU Takeover Directive*

Supervisory Board report

The Supervisory Board is an independent corporate body responsible for supervising and advising Ahold's Management Board and overseeing the general course of affairs and strategy of the Company.

The Supervisory Board is guided in its duties by the interests of the Company and the enterprise connected with the Company, taking into consideration the overall good of the enterprise and the relevant interests of all its stakeholders.

Composition of the Supervisory Board

Ahold's Supervisory Board determines the number of its members. The Supervisory Board profile is published on Ahold's public website at www.ahold.com. The composition of the Supervisory Board should match this profile in terms of combined experience and expertise, independence, and variety of ages and genders. The Supervisory Board is of the opinion that its composition is currently in accordance with the profile. The Supervisory Board profile is updated regularly.

The Supervisory Board Charter states that if a member is concurrently a member of another company's Supervisory Board, the main duties arising from and / or the number and nature of any other supervisory board memberships must not conflict or interfere with that person's duties as a member of Ahold's Supervisory Board. On April 17, 2013, the General Meeting of Shareholders appointed Jan Hommen as member of the Supervisory Board and reappointed Derk Doijer and Stephanie Shern for a third term and Ben Noteboom for a second term. René Dahan and Tom de Swaan resigned from the Supervisory Board during 2013. On April 16, 2014, Judith Sprieser will be nominated for reappointment.

Induction

Ongoing education is an important part of good governance. New members of the Supervisory Board attend a multiple-day induction program at Ahold's Corporate Center in Zaandam at which they are briefed on their responsibilities as members of the Supervisory Board and informed by senior management on the financial, social, corporate responsibility, human resources, governance, legal and reporting affairs of the Company and its businesses. Throughout the year, all members of the Supervisory Board visit several of Ahold's businesses, operations and other parts of the Company to gain greater familiarity with senior management and to develop deeper knowledge of local operations, opportunities and challenges.

Diversity profile Supervisory Board

Name	Date of birth	American	Netherlands	International experience	Retail	Food industry	Finance	Social / employment	CR	Disclosure / communication	Marketing	Management experience	Gender
Jan Hommen	April 29, 1943			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Derk Doijer	October 9, 1949			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>	
Stephanie Shern	January 7, 1948			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Judith Sprieser	August 3, 1953			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Mark McGrath	August 10, 1946			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Ben Noteboom	July 4, 1958			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					
Rob van den Bergh	April 10, 1950			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Retirement and reappointment schedule

Name	Date of initial appointment	Date of reappointment	Date of possible reappointment
Jan Hommen	April 17, 2013		2017*
Derk Doijer	May 18, 2005	April 17, 2013	–
Stephanie Shern	May 18, 2005	April 17, 2013	–
Judith Sprieser	May 18, 2006	April 13, 2010	2014
Mark McGrath	April 23, 2008	April 17, 2012	2016
Ben Noteboom	April 28, 2009	April 17, 2013	2017
Rob van den Bergh	April 20, 2011		2015

* Jan Hommen will not be available for reappointment in 2017.

Supervisory Board report (continued)

Meetings and activities of the Supervisory Board

In 2013, the Supervisory Board held seven meetings in person and two meetings by conference call. The members of the Management Board attended the meetings. The other members of the Executive Committee as well as other senior corporate, continental and local management were regularly invited to be present. The Supervisory Board held several private meetings without other attendees to independently review certain issues and to discuss matters related to the functioning of the Management and Supervisory Boards. The then external auditor attended the meeting on February 26 and 27, 2013, at which the 2012 Annual Report and financial statements were recommended for adoption by the annual General Meeting of Shareholders. The Supervisory Board assessed its own performance over 2013, that of its committees and its individual members, as well as the performance of the Management Board and its individual members through a survey, followed by one-on-one meetings with the Chairman and a private meeting (partly) attended by the CEO. The Supervisory Board was positive, overall, about its own performance as well as the performance of its committees and the Management Board. Findings of the assessment included the intentions to strengthen the financial expertise within the Supervisory Board in view of the resignation of Mr. De Swaan and to monitor closely the effect of the new management structure including the Executive Committee and Management Board. The members of the Supervisory Board have regular contact with the members of the Management Board and other Company management outside of the scheduled meetings of the Supervisory Board. These informal consultations ensure that the Supervisory Board remains well-informed about the running of the Company's operations.

During 2013, the Supervisory Board reviewed matters related to all significant aspects of Ahold's activities, results, strategies and management. During its meetings throughout the year, the Supervisory Board reviewed reports from its various committees and regularly assessed the functioning of the Management Board, the organizational strategy, talent management and succession planning.

→ In February 2013, the Supervisory Board met to discuss the Q4 2012 results and 2012 Annual Report and financial statements, including related reports from the internal and external auditors and a report from the Management Board on the Company's internal control system. The Supervisory Board supported the dividend proposal and approved the agenda and explanatory notes for the Annual General Meeting of Shareholders in April 2013, including a proposal to amend the Company's Articles of Association, a proposal for the nomination of the external auditor and a proposal related to the Company's remuneration policy. The Supervisory Board established the annual compensation of the Management Board members in accordance with the Company's remuneration policy and with the assistance of the Remuneration Committee.

→ Also in February 2013, the Supervisory Board reviewed Ahold's responsible retailing initiatives and approved its 2012 Responsible Retailing Report. The Board also received updates on the European and U.S. businesses, the functioning of IT systems, the enterprise risk management of the Group and major legal proceedings with potential impact on Ahold.

→ The successive quarterly figures of 2013 and related reports and updates were discussed in June, August and November 2013, respectively.

→ Prior to the Annual General Meeting of Shareholders on April 17, 2013, the Supervisory Board met to review updates on the European and U.S. businesses as well as mergers and acquisitions projects. These projects were also discussed during a meeting of the Supervisory Board in May 2013. In that same meeting, the Supervisory Board approved a proposal from the Management Board to change the top management structure of the Company and to incorporate an Executive Committee.

→ In July, the Supervisory Board met in the United States to visit the Ahold USA divisions and to review the Company's strategy as part of the annual strategic planning cycle, including specific reviews of several strategic growth options and the intended closing of Stop & Shop stores in New Hampshire.

→ The Supervisory Board visited bol.com in the Netherlands during its meeting in August 2013 and the Company's Giant Carlisle stores in the Philadelphia area in October 2013. During the October meeting, the Supervisory Board reviewed strategic initiatives, market developments and competitive activities in its European and U.S. businesses as well as appropriate responses. The Supervisory Board also reviewed and approved the Company's long-term business and finance plans.

→ In November 2013, the Supervisory Board met to discuss and approve the annual budget for 2014. They again reviewed market developments and competitive activities as well as appropriate responses. The Supervisory Board reviewed and supported the proposal for a €1 billion capital repayment and a reverse stock split. The agenda for the Extraordinary General Meeting on January 21, 2014, was approved by the Supervisory Board in December 2013.

Attendance, independence

Except in one case, and for a valid reason, all Supervisory Board members attended all Supervisory Board meetings in 2013. All Supervisory Board members made adequate time available to give sufficient attention to the matters concerning Ahold. The Supervisory Board confirms that as of February 26, 2014, all Supervisory Board members are independent within the meaning of provision III.2.2 of the Dutch Corporate Governance Code.

Board Attendance	Date of appointment / (resignation) during the year	Number of meetings held	Number of meetings attended
Jan Hommen	October 2013	2	2
Judith Sprieser		7	7
Stephanie Shern		7	6
Rob van den Bergh		7	7
Derk Doijer		7	7
Mark McGrath		7	7
Ben Noteboom		7	7
Rene Dahan	(October 2013)	5	5
Tom de Swaan	(October 2013)	5	5

Supervisory Board report (continued)

Remuneration

The annual remuneration of the members of the Supervisory Board was determined by the General Meeting of Shareholders on April 17, 2013. Remuneration is subject to a yearly review by the Supervisory Board.

Chairman Supervisory Board	€85,000
Vice Chairman Supervisory Board	€65,000
Member Supervisory Board	€55,000
Chairman Audit Committee	€17,500
Member Audit Committee	€12,000
Chairman Remuneration Committee	€12,000
Member Remuneration Committee	€9,000
Chairman Selection and Appointment Committee	€12,000
Member Selection and Appointment Committee	€9,000
Travel compensation ¹ intercontinental	€7,500
Travel compensation ¹ continental	€2,500

¹ Travel compensation per round trip air travel.

Committees of the Supervisory Board

The Supervisory Board has three permanent committees to which certain tasks are assigned. The committees provide the Supervisory Board with regular updates of their meetings. The Chairman of the Supervisory Board attends all committee meetings. The composition of each committee is detailed in the following table.

	Audit Committee	Remuneration Committee	Selection and Appointment Committee
Jan Hommen, Chairman			Chairman
Judith Sprieser, Vice Chairman	Member	Member	
Stephanie Shern	Chairman	Member	
Rob van den Bergh		Chairman	Member
Derk Doijer	Member		Member
Mark McGrath		Member	Member
Ben Noteboom		Member	Member

Audit Committee

The Audit Committee assists the Supervisory Board in its responsibility to oversee Ahold's financing, financial statements, financial reporting process and system of internal business controls and risk management. The Chief Executive Officer, Chief Financial Officer, Chief Corporate Governance Counsel, Senior Vice President Internal Audit, Senior Vice President Accounting, Reporting, Risks & Controls and representatives of the external auditor are invited to and also attend the Audit Committee meetings. Other members of senior staff are invited when the Audit Committee deems it necessary or appropriate. The Audit Committee determines how the external auditor should be involved in the content and publication of financial reports other than the financial statements. The Management Board and the Audit Committee report to the Supervisory Board annually on their dealings with the external auditor, including the auditor's independence. The Supervisory Board takes these reports into account when deciding on the nomination for the appointment of an external auditor that is submitted to the General Meeting of Shareholders.

In 2013, the Audit Committee held three meetings in person and two conference calls to review the publication of quarterly results and the Annual Trading Statement. In October 2013, Tom de Swaan stepped down as Chairman of the Audit Committee and was succeeded by Stephanie Shern.

Throughout the year, the Audit Committee closely monitored the financial closing process. Updates on internal controls were provided during all Audit Committee meetings. The Audit Committee was informed regularly on litigation and related exposure and reviewed and received regular updates on Ahold's whistleblower program.

The Audit Committee was closely involved in the evaluation of Ahold's external auditor, in accordance with provision V.2.3 of the Dutch Corporate Governance Code.

The Audit Committee further discussed items including:

- Quarterly interim reports
- Annual trading statement
- 2012 Annual Report including the financial statements
- Review and approval of the internal audit plan
- Review of and discussions on the findings in the internal audit letter and the management letter of the external auditor
- Ahold's finance structure
- Treasury
- Capital investments
- Tax
- Pensions
- Guarantees
- Enterprise risk management
- Reputational issues
- Insurance
- Appointment of the external auditor
- Code of Conduct

The Audit Committee and the Chairman of the Audit Committee also held private individual meetings with the Chief Executive Officer, Chief Financial Officer, Senior Vice President Internal Audit and external auditor.

Supervisory Board report (continued)

In a separate private meeting, the Audit Committee carried out a self-evaluation on the basis of written questionnaires, which provided the framework for discussions on its own functioning as well as that of its individual members. This review concluded that the Audit Committee's composition, its work processes, the scope and depth of its activities, its interfaces with the Management Board and the Supervisory Board, and the personal contribution of each individual committee member are satisfactory and adequately serve the Company's needs. Furthermore, the review concluded that the Audit Committee wanted to intensify its contact with second level financial management. Following this conclusion, the Audit Committee held meetings with financial management.

The Supervisory Board has determined that Stephanie Shern and Judith Sprieser are "Audit Committee Financial Experts" within the meaning of the Dutch Corporate Governance Code.

Selection and Appointment Committee

In 2013, the Selection and Appointment Committee held five meetings. The Chief Executive Officer was invited to most of these meetings. Its main areas of focus were long-term succession planning for the Supervisory Board and management development. It was also involved in organizational and management changes at Ahold Europe and Ahold USA and discussed overall succession and management development processes at Ahold. During one of its meetings, the Selection and Appointment Committee evaluated its own functioning and concluded that its composition and activities are satisfactory and adequately serve the Company's needs.

Remuneration Committee

The main responsibilities of the Remuneration Committee include:

- Preparing proposals for the Supervisory Board on the remuneration policy for the Management Board, to be adopted by the General Meeting of Shareholders
- Preparing proposals on the remuneration of individual members of the Management Board
- Advising on the level and structure of compensation for senior personnel other than members of the Management Board

The current members of the Remuneration Committee are Supervisory Board members Rob van den Bergh (Chairman), Stephanie Shern, Judith Sprieser, Mark McGrath, and Ben Noteboom. In 2013, the Remuneration Committee met five times. The Chief Executive Officer was invited to most of these meetings. For more information on the remuneration policy, see *Remuneration*. During one of its meetings, the Remuneration Committee evaluated its own functioning and concluded that its composition and activities are satisfactory and adequately serve the Company's needs.

Conclusion

The Supervisory Board is of the opinion that during the year 2013, its composition, mix and depth of available expertise; working processes; level and frequency of engagement in all critical Company activities; and access to all necessary and relevant information and the Company's management and staff were fully satisfactory and enabled it to carry out its duties towards all the Company's stakeholders.

The Supervisory Board would like to thank Ahold's shareholders for the trust they have put in the Company and its management. The Supervisory Board also wishes to express its appreciation for the continued dedication and efforts of the Management Board and all Ahold's associates.

Supervisory Board

Zaandam, the Netherlands
February 26, 2014

How we manage risk

Having a structured and consistent approach to managing risks and uncertainties is key to being able to fulfill our stakeholders' expectations.

In order to meet our Reshaping Retail objectives, Ahold needs to be agile and entrepreneurial to respond quickly and effectively to rapid changes in the retail landscape. Having a well-established and embedded risk management approach benefits our decision-making processes to create and preserve value. Managing risks and unpredictable conditions in a timely way increases the likelihood that we will achieve our business objectives, while ensuring compliance with internal and external requirements.

Ahold strives for a culture of openness and transparency in which identified risks are disclosed proactively and unexpected events are reported as soon as they occur. Risk management is an integral part of responsible leadership.

Risk management and internal control

Enterprise risk management

Ahold's enterprise risk management program is designed to provide executive management with an understanding of the Company's key business risks and associated risk management practices. Within each continent, management identifies the principal risks to the achievement of important business objectives and the actions needed to mitigate these risks. Senior executives periodically review these risks and the related mitigation practices. The findings are aggregated into an enterprise risk management report that is presented to the Executive Committee and the Supervisory Board. Executive management is required to review the principal risks and risk management practices with the Executive Committee as a regular part of the business planning and performance cycle. In turn, the Executive Committee provides complementary insights into existing and emerging risks that are subsequently included in the program. Ahold's enterprise risk management program influences the formation of controls and procedures, the scope of internal audit activities and the focus of the business planning and performance process.

Risk appetite

Risk boundaries are set through our strategy, Code of Conduct, bill of authority and policies. Our risk appetite differs by objective area:

→ Strategic

In pursuing our strategic ambition to grow, Ahold is prepared to take risks in a responsible way that takes our stakeholders' interests into account.

→ Operational

The core promise of our Company: "better every day," applies to the day-to-day running of our businesses and describes our commitment to be a better place to shop, a better place to work, and a better neighbor. Risks related to our promises will be in balance with the related rewards.

→ Financial and reporting

With respect to financial risks, Ahold has a prudent financing strategy, including a balanced combination of self-insurance and commercial insurance coverage¹. The Company is committed to maintaining a strong investment grade credit rating. In relation to financial reporting, Ahold uses a classification matrix to evaluate and report issues.

→ Compliance

At Ahold, an essential part of responsible retailing is behaving according to our values. One of Ahold's values is "Doing what's right," which means that the Company and all its employees are responsible for acting with honesty, integrity, and respect for others. We strive to comply with applicable laws and regulations everywhere we do business.

Control framework

We maintain the Ahold Business Control Framework (ABC Framework), which incorporates risk assessment, control activities and monitoring into our business practices at entity-wide and functional levels. The aim of the ABC Framework is to provide reasonable assurance that risks to achieving important objectives are identified and mitigated. The ABC Framework is based on the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO ERM).

We have developed uniform governance and control standards in areas such as ethical conduct, agreements, accounting policies and product integrity. These and other Executive Committee-approved policies and procedures are incorporated into the ABC Framework as mandatory guidelines for all of Ahold's consolidated entities. Local management is responsible for business operations, including risk mitigation and compliance with laws and regulations. Authority limits have been established to ensure that all expenditures and decisions are approved by the appropriate levels of management.

Our key control requirements are documented in Ahold Control Memoranda (ACMs). Compliance with the ACMs is mandatory for all of Ahold's fully-owned entities. The ACMs cover controls relating to financial reporting and various other business processes. They include the requirement for management to assess the operating effectiveness of all ACM key controls.

¹ For further information related to the self-insurance program see Note 24 to the consolidated financial statements

How we manage risk (continued)

Our Global Code of Conduct (the "Code") focuses on Ahold's core value "Doing what's right" and establishes Group-wide principles and rules with regard to employee conduct. It is intended to help each employee understand and follow relevant compliance and integrity rules and know when and where to ask for advice or report a breach of the Code. The principles of the Code apply to all employees of Ahold and its operating companies. Employees of defined grade levels have been trained and acknowledge compliance with the Code on an annual basis. The full Code is available in the corporate governance section of Ahold's public website at www.ahold.com.

Monitoring and assurance

We use a comprehensive business planning and performance review process to monitor the Company's performance. This process covers the adoption of strategy, budgeting and the reporting of current and projected results. We assess business performance according to both financial and non-financial targets. In order to meet business needs and the requirements of the Dutch Corporate Governance Code, we have a Group-wide management certification process in place, which requires that the executive management team members at each of our reporting entities send letters of representation to the Chief Corporate Governance Counsel on a quarterly basis. These letters confirm whether they are in compliance with Ahold's global Code of Conduct, policies on fraud prevention and detection,

accounting and internal control standards, and disclosure requirements. Compliance with Ahold's responsible retailing standards is confirmed through bi-annual letters of representation. Both our Internal Control and Internal Audit functions help to ensure that we maintain and improve the integrity and effectiveness of our system of risk management and internal control. Internal Audit undertakes regular risk-based, objective and critical audits. These functions also monitor the effectiveness of corrective actions undertaken by management, including significant audit findings.

Governance, Risk management and Assurance Committee

The Governance, Risk management and Assurance (GRA) Committee oversees governance, risk management and assurance processes. The GRA Committee is chaired by the Chief Corporate Governance Counsel and (i) advises the Executive Committee on all matters concerning the GRA Framework, including an overall GRA vision and strategy, (ii) oversees activities to develop and maintain a fit-for-purpose GRA Framework and (iii) engages with Ahold's senior management on important developments in the context of GRA.

During 2013, the GRA Committee met twice. In addition to Ahold's Chief Corporate Governance Counsel (Chairman), the Chief Financial Officer sits on the GRA Committee, as do other members of management responsible for governance, risk management, compliance and assurance functions.

Declaration

Annual declaration on risk management and control systems regarding financial reporting risks

Ahold supports the Dutch Corporate Governance Code and makes the following declaration in accordance with best practice provision II.1.5:

The Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve important business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

With respect to financial reporting, management has assessed whether the risk management and control systems provide reasonable assurance that the 2013 financial statements do not contain any material misstatements. This assessment was based on the criteria set out in COSO: Internal Control – Integrated Framework. It included tests of the design and operating effectiveness of entity level controls, transactional controls at significant locations, and relevant general computer controls. Any control weaknesses not fully remediated at year end were evaluated. Based on this assessment, management determined that the Company's financial reporting systems are adequately designed and operated effectively in 2013 and provide reasonable assurance that the financial statements are free of material misstatement.

Risk factors

The principal risk factors that may impede the achievement of Ahold's objectives with respect to strategy, operations, financial and compliance matters are described in the following section. The enterprise risk management system, the governance and control standards incorporated within our ABC Framework, and the monitoring systems described above are the principal means by which we manage these risks. Management is not aware of any important failings in these systems as of year-end 2013.

The following overview of risks relating to Ahold should be read carefully when evaluating the Company's business, its prospects and the forward-looking statements contained in this Annual Report. Any of the following risks could have a material adverse effect on Ahold's financial position, results of operations and liquidity or could cause actual results to differ materially from the results contemplated in the forward-looking statements contained in this Annual Report.

The risks described below are not the only risks the Company faces. There may be additional risks that we are currently unaware of or risks that management believes are immaterial or otherwise common to most companies, but which may in the future have a material adverse effect on Ahold's financial position, results of operations, liquidity and the actual outcome of matters referred to in the forward-looking statements contained in this Annual Report. For additional information regarding forward-looking statements, see the *Cautionary notice*.

How we manage risk (continued)

Ahold's principal risks and uncertainties¹

Strategy	Description of risk	Key risk drivers	Risk mitigating actions	Potential consequence
Better place to shop	Business and IT continuity (O) Disruption of critical business processes may result in non-availability of products for customers	<ul style="list-style-type: none"> – Dependency on IT systems – Dependency on supply chain – Centralized facilities – Dependency on logistics service providers – Dependency on suppliers of strategic own-brand products and services 	<ul style="list-style-type: none"> – Business continuity governance structure – Business continuity strategic guidelines and tactical policy – Business continuity framework with guidance, procedures and document templates – Business continuity management plans – Insurance program 	Ahold continues to maintain and invest in business continuity management plans. However, these measures cannot fully prevent business interruptions that could have a material adverse effect on the Company's revenues, customer perception and reputation
Better place to work	Collective bargaining (O) Ahold's businesses might not be able to negotiate extensions or replacements on acceptable terms, which could result in work stoppages	<ul style="list-style-type: none"> – Expiring contracts – Relationships with the relevant trade unions – Business disruption – Adverse publicity 	<ul style="list-style-type: none"> – Contract negotiation process – Human Resource functions to support relationships with trade unions – Contingency plans 	A significant portion of the employees of Ahold's businesses are represented by unions under collective bargaining agreements. A work stoppage due to the failure of one or more of Ahold's businesses to renegotiate a collective bargaining agreement, or otherwise, could have a material adverse effect on the Company's results of operations and financial position
Business model	Economic conditions and competitive advantage (S) Uncertainty about the macro-economic climate and changes to the competitive landscape might threaten Ahold's ability to achieve its strategic business plan	<ul style="list-style-type: none"> – Price perception – Consumer confidence and unemployment – Consumers' decreasing purchasing power – Changes in the retail landscape and competition 	<ul style="list-style-type: none"> – Research and monitoring of consumer behavior – Price benchmarking competition – Analysis of economic developments – Promotional activities – Building more personalized customer relationships – Strengthening own brands (e.g. new brand AH BASIC and repositioning Simply Enjoy own brand) 	<p>Ahold is focused on the execution of its strategic pillars and promises. Unforeseen effects could impair the effectiveness of Ahold's strategy and reduce the anticipated benefits of its price repositioning, and cost savings programs or other strategic initiatives. Inflationary forces impacting cost of goods sold might be difficult to pass on to consumers. These factors may have a material adverse effect on the Company's financial position, results of operations and liquidity.</p> <p>For more information see <i>Our strategy</i></p>

¹ Risk objectives: strategic (S), operational (O), financial (F) and compliance (C) risks listed in alphabetical order.

How we manage risk (continued)

Ahold's principal risks and uncertainties¹

Strategy	Description of risk	Key risk drivers	Risk mitigating actions	Potential consequence
Better place to shop	<p>Information security (O)</p> <p>A lack of security around, or non-compliance with, privacy requirements for customer data might negatively impact strategic initiatives relating to customer loyalty</p>	<ul style="list-style-type: none"> – Consumer confidence – Sensitivity of data – Privacy regulations – Use of third parties to process and store data – Global security threats – Growth of online sales 	<ul style="list-style-type: none"> – Strategic and tactical information security policy and guidelines – Information security governance – Control standards for information management and security – Payment Card Industry (PCI) and privacy compliant control framework – Information security capabilities – Information security awareness program – Cyber insurance coverage 	<p>Ahold's business operations generate and maintain confidential commercial and personal information concerning customers, employees, suppliers and the Company. Disclosure of confidential information to unintended third parties may negatively impact Ahold's corporate reputation and competitive position or result in litigation or regulatory action. This could have a material adverse effect on Ahold's financial position</p>
Simplicity	<p>Legislative and regulatory environment (C)</p> <p>A changing legislative and regulatory environment increases the cost of doing business, tax levels and the complexity of our operations</p>	<ul style="list-style-type: none"> – Compliance deadlines – Increased and targeted enforcement – Government budget deficits – Public opinion / pressure 	<ul style="list-style-type: none"> – Knowledge and awareness of regulations – Monitoring, review and reporting on changes – Operational procedures and guidance 	<p>Ahold's activities are subject to various laws and regulations in each local market where it operates. The cost of compliance with any of these laws could impact Ahold's operations and reduce its profitability. See further discussion of consequences of the legislative and regulatory risks below</p>
Responsible retailing	<p>Product safety (O, C)</p> <p>Customers might become injured or ill from the consumption of own-brand products or other food or non-food products, or as a result of food fraud in the supply chain</p>	<ul style="list-style-type: none"> – Internationalization of the supply chain – Customer trust in brands – Incidents across the world – Increased number of own-brand products – Speed of communications 	<ul style="list-style-type: none"> – Product safety policies – Control standards for food and non-food products – Standard operating procedures – Dedicated product integrity departments at Corporate Center and both continents – Monitoring of continental performance – Third-party certification 	<p>Though it has mitigating actions in place, Ahold may face product safety problems, including disruptions to the supply chain caused by food-borne illnesses and negative consumer reaction to incidents, which may have a material adverse effect on the Company's reputation, results of operations and financial position</p>

¹ Risk objectives: strategic (S), operational (O), financial (F) and compliance (C), risks listed in alphabetical order.

How we manage risk (continued)

Ahold's principal risks and uncertainties¹

Strategy	Description of risk	Key risk drivers	Risk mitigating actions	Potential consequence
Business model	<p>Pension plan funding (F) Ahold is exposed to the financial consequences of various pension and health care risks</p>	<ul style="list-style-type: none"> – Insolvency or bankruptcy of Multi-employer pension plan (MEP) participants – Decreasing interest rates – Poor stock market performance – Changing pension laws – Increasing U.S. healthcare costs 	<ul style="list-style-type: none"> – Governance structure – Yearly MEP risk assessment study – Restructuring healthcare and pension plans (see Note 23 to the consolidated financial statements) – Monitoring MEPs / participants 	<p>Ahold has a number of defined benefit pension plans covering a large number of its employees in the Netherlands and in the United States. A decrease in equity returns or interest rates may negatively affect the funding ratios of Ahold's pension funds, which could lead to higher pension charges and contributions payable. According to Dutch law and / or contractually agreed funding arrangements, Ahold may be required to make additional contributions to its pension plans in case minimum funding requirements are not met.</p> <p>In addition, a significant number of union employees in the United States are covered by MEPs. An increase in the unfunded liabilities of these MEPs may result in increased future payments by Ahold and the other participating employers. The bankruptcy of a participating MEP employer could result in Ahold assuming a larger proportion of that plan's funding requirements.</p> <p>In addition, Ahold may be required to pay significantly higher amounts to fund U.S. employee healthcare plans in the future. Significant increases in healthcare and pension funding requirements could have a material adverse effect on the Company's financial position, results of operations and liquidity. For additional information, see Note 23 to the consolidated financial statements</p>
Our promises and pillars	<p>Strategic projects (S) Ahold might not be able to deliver on the objectives of its strategic projects</p>	<ul style="list-style-type: none"> – Growth strategy – Changing retail environment – Dependencies between projects and operational activities – Availability of required capabilities 	<ul style="list-style-type: none"> – Ahold's new Executive Committee (ExCo) governance structure – Ownership of strategic pillars at ExCo level – Pillar program and reporting – Promises reporting 	<p>Ahold is continuing with its strategy to reshape the way we do business and drive growth. Activities are increasingly undertaken in the form of projects.</p> <p>If the Company is not able to deliver on the objectives of its underlying strategic projects, the realization of key elements of its strategy may be at risk. This could have a material adverse effect on Ahold's financial position, results of operations and liquidity</p>

¹ Risk objectives: strategic (S), operational (O), financial (F) and compliance (C), risks listed in alphabetical order.

How we manage risk (continued)

In addition to the principal risks and uncertainties as linked to our strategy above, the Company has additionally risks in the following areas:

→ Responsible retailing (S, O)

Increased regulatory demands, stakeholder awareness and the growing sentiment that large retailers must address sustainability issues across the entire supply chain mean that Ahold's brands and reputation may suffer if it does not adequately address relevant corporate responsibility issues affecting the food retail industry. Ahold has integrated responsible retailing into its Reshaping Retail strategy to ensure that responsible retailing is part of the daily business. For more information see Ahold's Responsible Retailing Report 2013.

→ Insurance programs (F)

Ahold manages its insurable risks through a combination of self-insurance and commercial insurance coverage. Our U.S. operations are self-insured for workers' compensation, general liability, vehicle accident and certain health care-related claims. Self-insurance liabilities are estimated based on actuarial valuations. While we believe that the actuarial estimates are reasonable, they are subject to changes caused by claim reporting patterns, claim settlement patterns, regulatory economic conditions and adverse litigation results. It is possible that the final resolution of some claims may require us to make significant expenditures in excess of our existing reserves. In addition, third-party insurance companies that provide the fronting insurance that is part of our self-insurance programs require us to provide certain collateral. We take measures to assess and monitor the financial strength and credit-worthiness of the commercial insurers from which we purchase insurance. However, we remain exposed to a degree of counterparty credit risk with respect to such insurers. If conditions of economic distress

were to cause the liquidity or solvency of our counterparties to deteriorate, we may not be able to recover collateral funds or be indemnified from the insurer in accordance with the terms and conditions of our policies.

→ Other financial risks (F)

Other financial risks include foreign currency translation risk, credit risk, interest rate risk, liquidity risk and contingent liabilities to third parties relating to lease guarantees. For information relating to these financial risks, see Note 30 and Note 34 to the consolidated financial statements.

→ Unforeseen tax liabilities (C)

Because Ahold operates in a number of countries, its income is subject to taxation in differing jurisdictions and at differing tax rates. Significant judgment is required in determining the consolidated income tax position. We seek to organize our affairs in a tax-efficient and balanced manner, taking into account the applicable regulations of the jurisdictions in which we operate. As a result of Ahold's multi-jurisdictional operations, it is exposed to a number of different tax risks including, but not limited to, changes in tax laws or interpretations of such tax laws. The tax authorities in the jurisdictions where Ahold operates may audit the Company's tax returns and may disagree with the positions taken in those returns. An adverse outcome resulting from any settlement or future examination of the Company's tax returns may result in additional tax liabilities and may adversely affect its effective tax rate, which could have a material adverse effect on Ahold's financial position, results of operations and liquidity. In addition, any examination by the tax authorities could cause Ahold to incur significant legal expenses and divert management's attention from the operation of its business.

→ Risks related to the legislative and regulatory environment and litigation (C)

Ahold and its businesses are subject to various federal, regional, state and local laws and regulations in each country in which they operate, relating to, among other areas: zoning; land use; antitrust restrictions; work place safety; public health including food and non-food safety; environmental protection; alcoholic beverage, tobacco and pharmaceutical sales; and information security. Ahold and its businesses are also subject to a variety of laws governing the relationship with employees, including but not limited to minimum wage, overtime, working conditions, health care, disabled access and work permit requirements. The cost of compliance with, or changes in, any of these laws could impact the operations and reduce the profitability of Ahold or its businesses and thus could affect Ahold's financial condition or results of operations. Ahold and its businesses are also subject to a variety of antitrust and similar laws and regulations in the jurisdictions in which they operate, which may impact or limit Ahold's ability to realize certain acquisitions, divestments, partnerships or mergers.

From time to time, Ahold and its businesses are parties to legal and regulatory proceedings in a number of countries, including the United States. Based on the prevailing regulatory environment or economic conditions in the markets in which Ahold businesses operate, litigation may increase in frequency and materiality. These legal and regulatory proceedings may include matters involving personnel and employment issues, personal injury, antitrust claims, contract claims and other matters. We estimate our exposure to these legal proceedings and establish accruals for the estimated liabilities where it is reasonably possible to estimate and where the potential realization of a loss contingency is more likely than not. The assessment of exposures and ultimate outcomes of legal and regulatory proceedings involves uncertainties. Adverse outcomes of these legal proceedings, or changes in our assessments of proceedings, could potentially result in material adverse effects on our financial results. For further information, see Note 34 to the consolidated financial statements.

Remuneration

Ahold's remuneration policy is prepared in accordance with the Dutch Corporate Governance Code and was adopted at the General Meeting of Shareholders on April 17, 2013.

Remuneration policy 2013

Ahold's remuneration policy aims at attracting, motivating and retaining the best-qualified talent. The policy is reviewed annually. This year the Supervisory Board decided on and shareholders approved (on April 17, 2013), several changes to the remuneration policy going forward. The aim was to make the policy more effective by simplifying it and increasing its transparency.

In addition, the adjusted policy aligns with Ahold's Reshaping Retail strategy and better supports the Company's pay for performance culture.

Ahold's remuneration policy is focused on Total Direct Compensation, which is benchmarked against a pre-defined peer group.

Overview of Total Direct Compensation

	Purpose and link to strategy	Policy	Changes 2012 vs 2013	Determinations
Base salary	The base salary supports the recruitment and retention of ExCo members with the required skills and experience to implement Ahold's strategy.	→ Base salaries are quoted in euros and were reviewed in April 2013.	→ None in policy, only regular salary increase.	Effective on January 1, 2013, base salaries were increased as follows: <ul style="list-style-type: none"> – CEO to €975,000 (1.0%) – CFO to €615,000 (2.5%) – COO Ahold USA to €650,000 (8.3%) – CCGC to €537,500 (1.4%)
ExCo Incentive Plan (EIP)	The EIP is aligned with the new Ahold strategy and supports the Company's pay for performance culture.	<ul style="list-style-type: none"> → Target level (as % of base salary): 100% → Maximum bonus (as % of base salary): 150% → Calculation of the annual incentive: 90% based on Ahold's financial results at year end and 10% on responsible retailing performance. 	<ul style="list-style-type: none"> → A responsible retailing performance measure has been added. → The Return on Net Assets (RoNA) measure has been replaced by operating cash flow performance. 	The financial performance resulted in a financial multiplier of 89%. The responsible retailing performance resulted in a RR multiplier of 100%, which is adjusted by the performance of the financial results. The above resulted in the following EIP pay out: <ul style="list-style-type: none"> – CEO: €867,750 – CFO: €547,350 – COO Ahold USA: €578,500 – CCGC: €478,375
Global Reward Opportunity (GRO)	The use of shares in the GRO program allows participants to benefit from the value that has been accrued during the course of the plan. In addition, the GRO program helps to align the global goals and Ahold's local businesses.	<ul style="list-style-type: none"> → Target levels (as % of base salary): → CEO and COO Ahold USA: 185% → CFO and CCGC: 150% 	<ul style="list-style-type: none"> → A Return on Capital (RoC) performance hurdle at vesting has been added. → The link with the short-term performance is no longer applied on the performance shares at grant, but only on the conditional shares. → Vesting period of three years for all conditional and performance shares. 	<p>On April 18, 2013, the following numbers of shares were granted:</p> <ul style="list-style-type: none"> – CEO: 147,281 – CFO: 75,325 – COO Ahold USA: 98,188 – CCGC: 65,834 <p>On April 18, 2013, the following numbers of shares have vested:</p> <ul style="list-style-type: none"> – CEO: 91,612 – CCGC: 30,472

Further details on the Management Board members' employment agreements, individual remuneration, pension, shares, and other interests in the Company are outlined in Notes 31 and 32 to the consolidated financial statements.

Remuneration (continued)

Total Direct Compensation

The basic elements of the Total Direct Compensation provided to Ahold's ExCo members are (1) a base salary, (2) an annual cash incentive and (3) a long-term equity-based program. Another important component of the overall remuneration package is the pension benefit; however, this component is not regarded as part of Total Direct Compensation.

Benchmarking

To assess the competitiveness of the overall remuneration provided to the ExCo, the package is benchmarked annually. The peer group used for this purpose is the same as that used to benchmark the performance of the Company (see table below). This peer group reflects Ahold's geographic operating areas and the markets most relevant to the recruitment and retention of top management. In addition, AEX market practice in the Netherlands is considered, as Ahold is based in the Netherlands. The composition (risk profile) of the Total Direct Compensation levels is taken into account when benchmarking these levels. The target Total Direct Compensation level is typically around the median.

Wal-Mart Stores	Costco	Supervalu
Carrefour	Kroger	Delhaize Group
Metro	Target	Staples
Tesco	Safeway	

Base salary

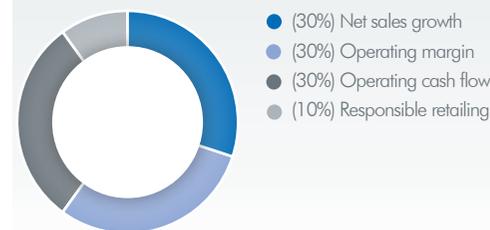
The level of the base salary of the members of the ExCo is derived from the benchmarking of Total Direct Compensation. Adjustment of the base salary is at the discretion of the Supervisory Board.

Annual cash incentive plan

The ExCo's adjusted annual cash incentive plan uses three equally weighted financial measures: net sales growth (30%), operating margin (30%) and operational cash flow (30%). In addition, a non-financial performance measure (10%) is included that relates to responsible retailing targets. The at-target payout as a percentage of base salary is 100%, contingent on full achievement of the objectives, with a cap at 150% of the base salary. Ahold does not disclose the required performance levels of the measures, as this is considered commercially sensitive information.

The actual 2013 EIP payout is 89% of base salary.

2013 EIP Performance measures and weighting



In addition to quantitative financial targets, we have also set non-financial targets that relate to our responsible retailing strategic ambitions. These non-financial targets are more qualitative and are therefore monitored in a more qualitative way. Targets set are aspirational, ambitious and aim mainly to provide a sense of direction rather than a required end-state. They are also intended to facilitate a dialogue between Ahold's ExCo and all relevant stakeholders. The additional information provided by the ExCo should enable the Supervisory Board to determine the ultimate score on RR.

To ensure there is a quantifiable aspect to the non-financial component and avoid any potential opportunity loss to the participant (as it is not possible to "overscore" on the non-financial component), the calculation of the score under the non-financial component is linked to the performance of the financial components. In short, the achieved financial multiplier is applied to the score on the non-financial component. If the financial multiplier is zero, the score on the non-financial component will be zero (regardless of the achieved score on the non-financial component) resulting in no pay-out.

Equity-based program: Global Reward Opportunity

Under the Global Reward Opportunity (GRO) program, shares are granted through a three-year program. The program consists of two components: shares with a performance hurdle at grant (conditional share grant) and shares with a performance hurdle at vesting (performance share grant).

The at-target value of the shares to be granted is divided by the average share price over the six months preceding the date of grant to calculate the number of shares. No adjustment for risk has or will be made.

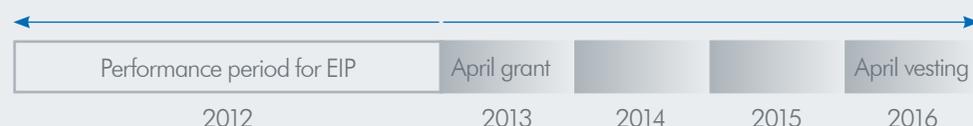
Scenario analyses are prepared regularly to estimate possible future payout levels. These analyses are included in the annual evaluation of the remuneration policy, each of its components and the mix of these components (the risk profile of the package).

Remuneration (continued)

Conditional share grant

The target value to be granted under the conditional share grant component for the ExCo is 50% of base pay. Furthermore, the actual value of the conditional share grant is subject to a performance condition at grant. The performance condition is the multiplier of the EIP of the preceding year (with a range between 0% and a maximum of 150%). The maximum grant value is 75% of base salary.

Timeline for 2013 conditional GRO grant



Considering the above and the link with the EIP, the Conditional GRO grant can be considered as a deferred bonus plan, with a mandatory conversion into shares.

Calculation example

Assuming an at-target conditional share grant value of €100,000 and an annual incentive multiplier for the preceding year of 0.8, the value to be granted would be $0.8 \times €100,000 = €80,000$. Assuming, furthermore, a six-month average share price preceding the date of grant of €10.00, the number of shares to be conditionally granted would be 8,000. The number of conditionally granted shares is also the maximum number of shares that can vest. For more specifics on the maximum vesting per ExCo member, see table below.

Performance share grant

The target value to be granted under the performance share grant is differentiated for the ExCo per role to align this component with market practice. For the CEO and the U.S.-based COO, it has been increased to 135% of base salary and for the CFO and the CCGC the grant value remains 100% of base salary. The vesting of the performance shares is subject to a performance hurdle at vesting after a performance period of three years.

Half of the performance share grant is linked to a three-year return on capital target. The number of shares that eventually vest depends on performance and can range between 0% and a maximum of 150% of the number of shares granted.

For the other half of the grant, the performance at vesting is measured using TSR (share price growth and dividends paid over the performance period) benchmarked against the TSR performance of a peer group (see table "benchmarking.") The number of shares that will vest depends on Ahold's relative ranking in the peer group. An independent external advisor determines the ranking based on TSR performance. No shares will vest to ExCo members if Ahold ranks below the sixth position. The table below indicates the percentage of performance shares that could vest based on Ahold's ranking.

Company ranking

Rank	%	Rank	%	Rank	%	Rank	%
1	175%	4	100%	7	0%	10	0%
2	150%	5	75%	8	0%	11	0%
3	125%	6	50%	9	0%	12	0%

In anticipation of potential changes to the peer group due to delisting, mergers or other extraordinary circumstances, the Supervisory Board has the discretion to include comparable companies from a predetermined list of substitutes.

If a company drops out of the "main" peer group, it is replaced by the company on the substitute list (e.g., Sainsbury or Casino) that has the highest TSR performance.

Calculation example

Assuming an at-target performance share grant value of €100,000 and a six-month average share price preceding the date of grant of €10.00, the number of shares to be conditionally granted would be 10,000. In case of below threshold performance, no shares would vest. When maximum performance is achieved, 162.5% (i.e., $(50\% \times 150\%) + (50\% \times 175\%)$) of the shares granted may vest. In this example, a total number of 16,250 ($10,000 \times 162.5\%$) would vest. For more specifics on the maximum vesting per ExCo member, see table below.

	Target award (as % of base pay) ²	Maximum vesting conditional shares (as % of base pay) ²	Maximum vesting performance shares (as % of base pay) ²	Total maximum vesting (as % of base pay) ²
CEO	185%	75%	219%	294%
CFO	150%	75%	163%	238%
COO Ahold USA	185%	75%	219%	294%
CCGC	150%	75%	163%	238%

¹ The final EIP multiplier is based on the achievement of the objectives of the EIP, with a cap at 150% of the base salary.

² Under the assumption of a flat share price.

Remuneration (continued)

History of grant vesting

Analysis shows that the GRO program generated a higher value in the case of an above-target performance and a lower value in the case of a below-par performance. The expectation is that the introduction of the company multiplier for one-third of the grant (the conditional share grant only; the performance share grant will be granted at target) will have a stabilizing effect.

Share holding requirements and ownership guidelines

Management Board members must retain the shares awarded under the GRO program for a period of at least five years from the grant date. A portion of the shares is allowed to be sold to finance tax due at the date of vesting. All members of the Management Board are required to hold shares in the Company with a value equal to 150% of their base salary. The holding may be built up by retaining all after-tax shares from the GRO program and does not require additional purchases.

	Number of common shares ^{1,2}	% of base salary
Dick Boer	265,824	360%
Jeff Carr	10,000	21%
Lodewijk Hijmans vd Bergh	14,626	36%
James McCann	110,000	224%

¹ Share price on December 29, 2013, was €13.22.

² Vested GRO shares or purchased shares.

As long as the 150% is not reached the Management Board is not allowed to sell any shares, except for tax purposes under the GRO program.

Claw-back

A claw-back clause is applicable to all grants under the annual cash incentive plan and the GRO program to the Management Board members.

Pension and other contract terms

Pension

The pension plan for Management Board members is identical to that of all other Ahold employees in the Netherlands (including the other members of the ExCo) and is referred to as a defined benefit plan, based on career average salary (at Ahold). The normal retirement age is 65. Under this plan, each Management Board member pays a pension premium contribution of approximately 3.5% of his or her pension-bearing salary. During 2012, the Ahold Pension Fund plan was amended. The plan amendments have become effective in two phases: the first on January 1, 2013, and the second on January 1, 2014. The pension accrual for future benefits has been lowered from 2.25% to 2% as of January 1, 2014, contributions from participants will be gradually increased and the income offset component will be gradually lowered. The employer contribution and the conditional additional funding rules remain the same.

Loans

Ahold does not provide loans or advances to members of the ExCo or the Supervisory Board. There are no loans or advances outstanding. Ahold does not issue guarantees to the benefit of members of the ExCo or the Supervisory Board. There have been no such guarantees issued.

Additional arrangements

In addition to the remuneration allocated to ExCo members, a number of additional arrangements apply. These include expense allowances, medical insurance and accident insurance, and are in line with standard practice in the Netherlands.

Employment agreements

The term of appointment for all Management Board members is set at four years, while the term of employment is indefinite. If the Company terminates the employment agreement of any member of the Management Board, the severance payment is limited to one year's base salary. The same applies if an initial employment agreement for four years is not continued because the Management Board member is not reappointed. The employment agreements may be terminated by Ahold with a notice period of 12 months and by the Management Board member with a notice period of six months.

Future outlook

For 2014 no adjustments to the remuneration policy are expected.

Vesting of shares under the GRO plan

On February 28, 2014, a maximum of 2.3 million conditional shares granted in 2011 to Ahold employees under the mid-term component of the Global Reward Opportunity (GRO) equity-based long-term incentive plan, 2.8 million performance shares granted in 2009 to Ahold employees under the long-term component of the GRO plan, and 0.1 million matching shares granted in 2009 to Ahold employees under the mid-term component of the GRO plan are expected to vest. Vesting is subject to the participant being employed by the Company on the applicable vesting date. On the vesting date, participants are eligible, subject to the GRO plan rules, to sell all or part of the shares vested.

On April 17, 2014, a maximum of 0.2 million conditional shares granted in 2011 to members of the Management Board under the mid-term component of the GRO plan and 0.2 million performance shares granted in 2009 to members of the Management Board under the long-term component of the GRO plan are expected to vest with continuing and retired Board members who received the grants. Except to finance tax due on the vesting date, members of the Management Board cannot sell the conditional shares for a period of at least five years following the grant date, or until the end of their employment, if this period is shorter.

The Company will use treasury shares for delivery of the vested shares.

Declarations

This is an extract, please refer to the full copy of the Annual Report 2013
