



Governance

Our Management Board and Executive Committee

Our Management Board and Executive Committee provide a management structure designed to support our business, meet the needs of our stakeholders and comply with relevant rules and regulations. Our Executive Committee is comprised of our Management Board (that has ultimate responsibility for the overall management of Ahold Delhaize) and certain of our key officers.

Delivering our new strategy

The Executive Committee drives the vision and direction of the Company on behalf of the Management Board.

From left to right

Marc Croonen

Chief Sustainability,
Transformation and
Communications Officer

Jeff Carr

Chief Financial Officer

Frans Muller

Deputy Chief Executive Officer
and Chief Integration Officer

Hanneke Faber

Chief e-Commerce and
Innovation Officer

Dick Boer

President and
Chief Executive Officer

Kevin Holt

Chief Operating Officer,
Ahold USA

Abbe Luersman

Chief Human Resources
Officer

Pierre Bouchut

Chief Operating Officer,
Europe & Indonesia

Jan Ernst de Groot

Chief Legal Officer

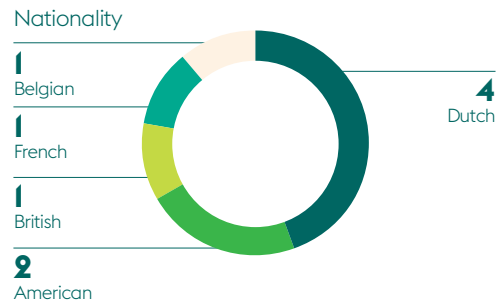
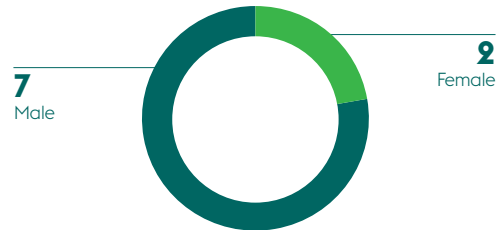


Our Management Board and Executive Committee

Our Management Board

Management Board and Executive Committee diversity

Gender



Dick Boer

President and Chief Executive Officer Chairman Management Board and Executive Committee

Dick Boer has served as Chief Executive Officer of Ahold Delhaize since July 24, 2016. Prior to the merger between Ahold and Delhaize, he had served as CEO of Ahold, appointed by the Supervisory Board on September 29, 2010, with an effective date of March 1, 2011. Before that, 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 and on May 3, 2007, shareholders appointed him to the Management Board.

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 a board member of The Consumer Goods Forum and steward of the Future of Health and Healthcare System at the World Economic Forum 2017. He is also vice chairman of the executive board of The Confederation of Netherlands Industry and Employers (VNO-NCW) and a member of the advisory board of fashion retailer G-star RAW.

Born: August 31, 1957

Nationality: Dutch



Frans Muller

Deputy Chief Executive Officer and Chief Integration Officer Member Management Board and Executive Committee

Frans Muller has served as Deputy Chief Executive Officer and Chief Integration Officer of Ahold Delhaize since July 24, 2016. In addition, Delhaize America, including the Food Lion and Hannaford brands, has reported to him on an interim basis since October 2016. Prior to the merger between Ahold and Delhaize, Frans served as President and CEO of Delhaize Group from 2013.

Before joining Delhaize Group, Frans had worked for German retailer Metro AG for more than 15 years. From 2006 until 2013, he was a member of the Metro AG Management Board; he served as CEO of Metro Cash & Carry from 2008 until 2013. He first joined Metro AG in 1997 as operations director; he then became managing director of its Dutch subsidiary, Makro. In 2002, Frans became a member of the board of Metro Cash & Carry International and was appointed regional director for Eastern Europe and Russia. He served as president for Asia Pacific and Russia / Ukraine from 2004 until he was appointed CEO of Metro Group Buying in 2005. From 1988 to 1997, Frans worked for KLM Cargo, serving in various management and executive positions in Amsterdam, Frankfurt, Vienna and Singapore.

Frans is the president of the European Retail Round Table (ERRT) and serves on the board of directors of the Food Marketing Institute Inc.

Born: March 30, 1961

Nationality: Dutch



Jeff Carr

Chief Financial Officer Member Management Board and Executive Committee

Jeff Carr has served as Chief Financial Officer of Ahold Delhaize since July 24, 2016. Prior to the merger between Ahold and Delhaize, Jeff joined Ahold on November 14, 2011, as acting member of the Management Board and CFO. Ahold's shareholders appointed him to the Management Board on April 17, 2012.

He began his career at Unilever, and held senior roles in finance at Associated British Foods, Reckitt Benckiser and Grand Metropolitan. From 2005 to 2009, he was group finance director and a member of the board at easyJet. Jeff was then appointed to the role of group finance director and a member of the board at FirstGroup, the leading transport operator in the UK and the U.S. Jeff has lived and worked in Europe and the U.S.

Born: September 17, 1961

Nationality: British



For more information about the duties of the Management Board, [see page 81](#)

Our Management Board and Executive Committee

Our Management Board *continued*



Pierre Bouchut

Chief Operating Officer Europe and Indonesia

Member Management Board and Executive Committee

Pierre Bouchut has been Ahold Delhaize's Chief Operating Officer Europe and Indonesia since July 24, 2016. Prior to the merger between Ahold and Delhaize, he had served as Executive Vice President and Chief Financial Officer of Delhaize Group since 2012.

Before joining Delhaize Group, Pierre was executive director of growth markets at Carrefour, overseeing operations in Latin America, Turkey, India, Indonesia and Malaysia. He also oversaw Carrefour's personal financial services and real estate operations worldwide. Pierre had joined Carrefour in 2009 as group chief financial officer.

Pierre began his career in 1979, first at Citibank Paris and then Bankers Trust France SA. In 1988, he joined McKinsey & Company as a consultant in the corporate finance and integrated logistics practices. Two years later, Pierre joined Group Casino, where he successively held the positions of chief financial officer, managing director and CEO responsible for both the French and international operations. In 2005, Pierre became chief financial officer at Schneider Group.

Pierre is a non-executive director and chairman of the audit committee of Hammerson PLC and a non-executive director and chairman of the audit committee of Firmenich SA.

Born: August 22, 1955

Nationality: French



Kevin Holt

Chief Operating Officer Ahold USA

Member Management Board and Executive Committee

Kevin Holt has been Chief Operating Officer Ahold USA since October 2016, after serving as Chief Operating Officer Delhaize America since July 24, 2016. Prior to the merger between Ahold and Delhaize, he was Executive Vice President of Delhaize Group and Chief Executive Officer of Delhaize America, starting in 2014.

Before joining Delhaize Group, Kevin served as president of retail operations for SuperValu. During his tenure there, the company owned the Albertsons, Jewel-Osco and Save-A-Lot chains and was the third largest food retailing company in the U.S.

Prior to SuperValu, Kevin worked for three years with Sears Holding Company and 14 years with Meijer, serving in various leadership positions including executive vice president of retail operations and senior vice president of information technology / services and strategic planning.

Kevin spent nine years at NCR delivering technology solutions to large and complex organizations before joining the retail industry.

Born: November 6, 1958

Nationality: American

Our Management Board and Executive Committee

Executive Committee members



Hanneke Faber

Chief e-Commerce and Innovation Officer
Member Executive Committee

Hanneke Faber has been Chief e-Commerce and Innovation Officer of Ahold Delhaize since July 24, 2016. Prior to the merger between Ahold and Delhaize, she served as Ahold's Chief Commercial Officer since September 1, 2013. Hanneke is responsible for eCommerce, digital personalization, customer loyalty and media sales.

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 held various senior roles in marketing and general management in both Europe and the U.S. Hanneke is a supervisory board member of Bayer AG and a member of the Leading Executives Advancing Diversity (LEAD) advisory board.

Born: April 19, 1969

Nationality: Dutch



Abbe Luersman

Chief Human Resources Officer
Member Executive Committee

Abbe Luersman was appointed as Chief Human Resources Officer and member of Ahold Delhaize's Executive Committee, effective July 24, 2016. She is responsible for Global Human Resources, including Talent and Diversity; Leadership and Development; Organizational Effectiveness and Design; and Total Rewards. Prior to the merger between Ahold and Delhaize, Abbe had served as Ahold's Chief Human Resources Officer and member of the Executive Committee from November 1, 2013.

Before that, Abbe worked for Unilever, where she held various HR leadership roles, most recently as head of human resources for Unilever Europe. Prior to Unilever, Abbe worked at Whirlpool Corporation, holding a number of senior roles in human resources, both in the United States and internationally.

Abbe is a member of the Catalyst advisory board and of the European Leadership Platform advisory board.

Born: December 4, 1967

Nationality: American



Jan Ernst de Groot

Chief Legal Officer
Member Executive Committee

Jan Ernst de Groot has served as Chief Legal Officer since July 24, 2016. Prior to the merger of Ahold and Delhaize, he was appointed Chief Legal Officer and member of Ahold's Executive Committee effective February 1, 2015. He is responsible for Ahold Delhaize's legal affairs, governance and compliance functions, product integrity and public affairs.

Before joining Ahold, Jan Ernst was general counsel and managing director at TNT Express. Prior to that, he worked for KLM Royal Dutch Airlines in a wide range of business and corporate roles, most recently as managing director and member of the board of management. Jan Ernst started his career at law firm De Brauw Blackstone Westbroek.

Jan Ernst is chairman of the supervisory council of Hivos, supervisory board member of ADG Dienstengroep and a board member of Hermitage Museum Amsterdam.

Born: April 11, 1963

Nationality: Dutch



Marc Croonen

Chief Sustainability, Transformation and Communications Officer
Member Executive Committee

Marc Croonen has been Ahold Delhaize's Chief Sustainability, Transformation and Communications Officer since July 24, 2016. Prior to the merger between Ahold and Delhaize, he was Executive Vice President and Chief Human Resources Officer at Delhaize Group starting in 2014.

Before joining Delhaize Group, Marc was human resources director for Europe, the Middle East and Africa at International Paper from 2012. Between 2010 and 2012, he was chief human resources officer at Dexia.

Marc began his career with the former Artois brewery. After serving as human resources manager here for nine years, he became head of human resources and communication at Volkswagen Belgium in 1995. In 1999, he joined Danone as human resources director for Northern Europe. From 2001 until 2010, Marc was employed by AB Inbev, including as head of human resources for Western Europe from 2005 onwards.

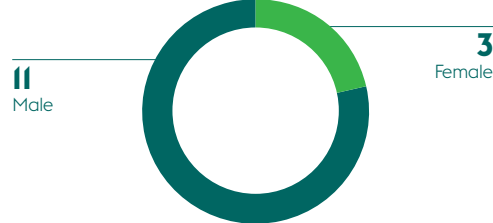
Born: January 28, 1961

Nationality: Belgian

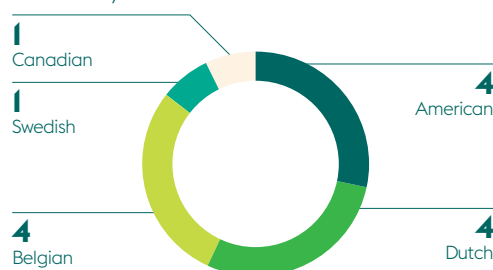
Supervisory Board

Supervisory Board diversity

Gender



Nationality



Mats Jansson

Chairman

Mats Jansson has served as Chairman of Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of its Governance and Nomination Committee. Prior to the merger between Ahold and Delhaize, he served as Chairman of Delhaize's Board of Directors starting in 2012.

Mats was CEO of the Scandinavian airline SAS from 2006 to 2010. Prior to that he served as president and CEO of Axel Johnson AB, CEO of Axfood, CEO of Karl Fazer Oy and CEO of Catena / Bilia. Mats began his career with ICA, holding positions of increasing responsibility over a period of more than 20 years and serving as president of ICA Detaljhandel and deputy CEO and chairman of the group from 1990 to 1994.

Currently, Mats is a member of the JPMorgan European Advisory Council, advisor to Prime Public Communications i Sverige AB and advisor to Advent Capital Management LLC.

Born: December 17, 1951

Nationality: Swedish



Jan Hommen

Vice Chairman

Jan Hommen has served on Ahold Delhaize's Supervisory Board since July 24, 2016 and is a member of the Governance and Nomination Committee. Prior to the merger between Ahold and Delhaize, he served as Chairman of Ahold's Supervisory Board since 2013.

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 KPMG the Netherlands and was CEO of ING Group N.V., CFO and vice chairman of the board of management of Royal Philips Electronics N.V. and CFO of Aluminum Company of America Inc.

Currently Jan is chairman of the supervisory board of Brabantse Ontwikkelings Maatschappij Holding B.V., chairman of the board of trustees of Tilburg University and United World College Nederland, and an advisor to Advent International PLC.

Born: April 29, 1943

Nationality: Dutch



Jacques de Vaucleroy

Vice Chairman

Jacques de Vaucleroy has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is member of the Audit, Finance and Risk Committee and the Governance and Nomination Committee. Prior to the merger between Ahold and Delhaize, he served on Delhaize's Board of Directors starting in 2005 and was Chairman of its Governance and Nomination Committee.

Jacques has spent most of his career within the ING group, where he was a member of the executive board and CEO of ING Insurance and Investment Management Europe. Jacques was a member of AXA Group's management committee and CEO of the company's Northern, Central and Eastern Europe business unit from 2010 until 2016. He also assumed global responsibility for the AXA Group's life and savings and health businesses from 2011 until 2016.

Currently Jacques is a member of the board of directors of Fidelity International Ltd and serves on the board of directors of several subsidiaries of Swiss Re Ltd. He is also a member of the advisory board of CVC Belgium.

Born: January 20, 1961

Nationality: Belgian

Supervisory Board *continued*



Jack Stahl

Chairman of the Audit, Finance and Risk Committee

Jack Stahl has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Audit, Finance and Risk Committee and a member of the Governance and Nomination Committee. Prior to the merger between Ahold and Delhaize, he served on Delhaize's Board of Directors from 2008 and was Chairman of its Audit and Finance Committee.

Jack is former president and CEO of Revlon. He started his professional career as an auditor at Arthur Andersen & Co. and then spent 22 years as an executive within the Coca-Cola Company, culminating in the role of president and chief operating officer. He also served as group president of Coca-Cola Americas and chief financial officer.

Jack is chairman of the board of managers of New Avon LLC and serves on the boards of Catalent Inc., Advantage Solutions LLC and the U.S. board of advisors of CVC Capital Partners Advisory Inc. He is also vice chairman and a member of the board of directors of The Boys and Girls Clubs of America.

Born: March 27, 1953

Nationality: American



Ben Noteboom

Chairman of the Governance and Nomination Committee

Ben Noteboom has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Governance and Nomination Committee and member of the Remuneration Committee. Prior to the merger between Ahold and Delhaize, he was first appointed to the Supervisory Board on April 28, 2009.

Ben is former CEO and chairman of the executive board of Randstad Holding N.V., to which he was appointed in 2001. He had first joined Randstad in 1993 and held various senior management positions during his time with the company.

Ben is a member of the supervisory board of Aegon N.V., chairman of its remuneration committee and a member of its audit committee. He is also a member of the supervisory board and audit committee of Wolters Kluwer N.V. and Koninklijke Vopak N.V., and a member of the boards of the Holland Festival Foundation and the Cancer Center Amsterdam.

Born: July 4, 1958

Nationality: Dutch



Bill McEwan

Chairman of the Remuneration Committee

Bill McEwan has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Remuneration Committee and a member of the Sustainability and Innovation Committee. Prior to the merger between Ahold and Delhaize, he served on Delhaize's Board of Directors as of 2011 and was Chairman of the Remuneration Committee.

Bill is the former president and CEO of Sobeys Inc., and was a member of the board of directors of its parent company, Empire Company Limited.

Between 1989 and 2000, Bill held a variety of progressively senior marketing and merchandising roles with Coca-Cola Limited and Coca-Cola Bottling as well as with The Great Atlantic and Pacific Tea Company (A&P), both in Canada and in the United States. Bill served as president of A&P's Canadian operations before his appointment as president and chief executive officer of the company's U.S. Atlantic Region.

Bill is a member of the board of Agrifoods International Cooperative Ltd, Ultima Foods and Aimia Inc.

Born: July 28, 1956

Nationality: Canadian



Rob van den Bergh

Chairman of the Sustainability and Innovation Committee

Rob van den Bergh has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Sustainability and Innovation Committee and member of the Remuneration Committee. Prior to the merger between Ahold and Delhaize, he was first appointed to the Supervisory Board on April 20, 2011.

Rob is former CEO of VNU N.V. Prior to that, he held various other executive positions within VNU he was a member of the executive board from 1992 and was appointed CEO in 2000.

Rob is chairman of the supervisory board of the Nationaal Museum van Wereldculturen, and a member of the supervisory boards of Pon Holdings B.V., Iddink Groep B.V. and Novamedia. He is also a member of the advisory board of CVC Capital Partners.

Born: April 10, 1950

Nationality: Dutch

Supervisory Board *continued*



Stephanie Shern

Stephanie Shern has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee. Prior to the merger between Ahold and Delhaize, she was first appointed to the Supervisory Board on May 18, 2005, and her final term runs until April 12, 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 chair of the audit committee of Gamestop and a member of the board and audit committee of Abercrombie & Fitch. 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.

Born: January 7, 1948

Nationality: American



Mark McGrath

Mark McGrath has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Governance and Nomination and Sustainability and Innovation Committees. He was first appointed to the Supervisory Board on April 23, 2008. 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 Aware Inc.

Mark serves on the advisory council of the University of Chicago's Booth Graduate School of Business. He is a trustee and serves on the executive committee of the Chicago Symphony Orchestra Association.

Born: August 10, 1946

Nationality: American



René Hooft Graafland

René Hooft Graafland has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee. Prior to the merger between Ahold and Delhaize, he was appointed to the Supervisory Board on April 16, 2014, with effect from January 1, 2015.

René previously held the position of CFO and member of the executive board of Heineken N.V. until April 2015. Before being appointed as a member of Heineken's executive board in 2002, he held various international management positions with the company in Europe, Asia and Africa.

René is a member of the supervisory board and chairman of the audit committee of Wolters Kluwer N.V. and a member of the supervisory board and of the audit committee of Koninklijke FrieslandCampina N.V. He is also chairman of the supervisory board of Royal Theatre Carré and chairman of the board of Stichting African Parks Foundation.

Born: September 24, 1955

Nationality: Dutch



Mary Anne Citrino

Mary Anne Citrino has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee. Prior to the merger between Ahold and Delhaize, she was appointed to the Supervisory Board on March 14, 2016.

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

Mary Anne was employed at Morgan Stanley for over 20 years, during which she served as the global head of consumer products investment banking, co-head of healthcare services investment banking, and as a mergers and acquisitions analyst.

Currently Mary Anne is a director of Dollar Tree, Inc. and member of its audit committee and nominating and corporate governance committee. She is a director of Aluminum Company of America Inc. and a member of its governance and nominating committee and public issues committee. Mary Anne is also chair of the audit committee and member of the finance, investment and technology committee of Hewlett Packard, Inc. and serves on the advisory council for the Center for Health and Wellbeing at Princeton University.

Born: April 24, 1959

Nationality: American

Supervisory Board *continued*



Johnny Thijs

Johnny Thijs has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Remuneration Committee. Prior to the merger between Ahold and Delhaize, he served on Delhaize's Board of Directors starting in 2014.

Johnny was the former CEO of Belgian Post from 2002 to 2014 and served as CEO of TerBeke from 2000 to 2002.

Johnny started his career in 1974 at Vanderelst N.V. (Rothmans group) as product and marketing manager for Belgium. In 1981, he was appointed to the role of marketing and sales manager at Masterfoods N.V. (Mars Inc.) for Belgium, the Netherlands, Germany and France. In 1986, Johnny moved to Côte d'Or-Jacobs Suchard. Five years later he joined Interbrew N.V. as executive vice president before becoming CEO for Europe, Asia Pacific and Africa from 1995 to 1999.

Johnny is chairman of the board of directors of Spadel SA, Betafence and Recticel, member of the board of directors of H. Essers and advisor to CVC Belgium and Lazard Frères Benelux.

Born: May 8, 1952

Nationality: Belgian



Patrick De Maeseneire

Patrick De Maeseneire has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit, Finance and Risk Committee. Prior to the merger between Ahold and Delhaize, he served on Delhaize's Board of Directors starting in 2015.

Patrick has been the CEO of Jacobs Holding AG, major shareholder of Barry Callebaut AG, since 2015. He is also chairman of the board of directors of Barry Callebaut. Patrick served as CEO of Adecco from 2009 to 2015, and as CEO of Barry Callebaut from 2002 to 2009.

Patrick started his professional career in 1980 as a consultant at Arthur Andersen. Between 1980 and 1997, he held executive positions at Wang, Apple, Sun International and the Belgian TV station VT.M.

Born: October 21, 1957

Nationality: Belgian



Dominique Leroy

Dominique Leroy has served on Ahold Delhaize's Supervisory Board since July 24, 2016 and is a member of the Sustainability and Innovation Committee. Prior to the merger between Ahold and Delhaize, she served on Delhaize's Board of Directors starting in 2015.

She began working at Belgacom SA in 2011 as vice president of sales for the consumer division. In 2012, Dominique held the position of executive vice president of the consumer business unit of Belgacom and was a member of the management committee of Belgacom Group.

Prior to this, Dominique worked for 24 years at Unilever. She was managing director at Unilever (Belgium) and member of the Unilever Benelux management committee.

Dominique has been the CEO of Proximus (formerly Belgacom) and a member of the board of directors of Proximus since 2014. She also serves as board member of the Proximus subsidiaries BICS, Be-Mobile and Proximus Art. In addition, Dominique serves as a board member at Lotus Bakeries and is chair of the international advisory board of the Solvay Brussels School of Economics and Management.

Born: November 8, 1964

Nationality: Belgian

Corporate governance

We have designed our corporate governance structure to best support our business, meet the needs of our stakeholders and comply with laws and regulations.

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

Governance structure

Koninklijke Ahold Delhaize N.V. ("the Company" or "Ahold Delhaize") is a public company under Dutch law, structured to execute our strategy and to balance local, regional and global decision-making.

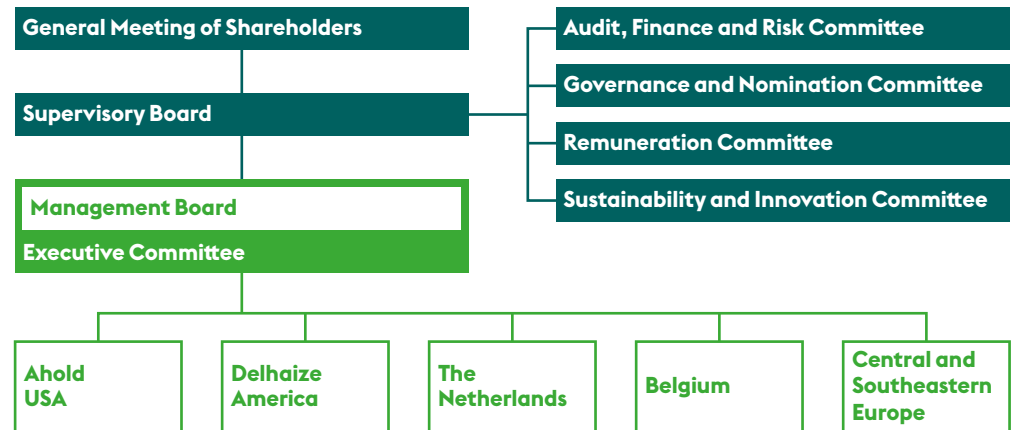
Our Company comprises a Global Support Office and five segments – Ahold USA, Delhaize America, The Netherlands, Belgium and Central and Southeastern Europe (CSE) – which are made up of a number of brands.

We have a two-tier board structure with a Supervisory Board and Management Board that are accountable to our shareholders. Our Management Board has ultimate responsibility for the overall management of Ahold Delhaize. The Management Board is supervised and advised by a Supervisory Board.

We also have an Executive Committee comprised of our Management Board and certain other key officers of the Company, which is led by the Chief Executive Officer. The Executive Committee has been established to involve a broader leadership team, including key functional leaders, in the decision-making process in order to best support our strategy and businesses while having the flexibility to adapt to developments in our industry.

The diagram below shows Ahold Delhaize's governance structure. A list of subsidiaries, joint ventures and associates is included in Note 36 to the consolidated financial statements.

Governance structure



Management Board and Executive Committee

Our Management Board has ultimate responsibility for the overall management of the Company and oversees all corporate governance activity. It is also responsible for the actions and decisions of the Executive Committee, which manages our general affairs and makes sure that we effectively implement our strategy and achieve our objectives.

Together, our Management Board and Executive Committee support our businesses, meet the needs of our stakeholders and make sure we comply with relevant rules and regulations.

For a more detailed description of the responsibilities of the Management Board and the Executive Committee, please refer to the Rules of Procedure in the governance section of Ahold Delhaize's public website at www.aholddelhaize.com.

Corporate governance *continued*

Composition of the Management Board and Executive Committee

According to our Articles of Association, the Management Board must consist of at least three members. The current members are: Dick Boer, President and Chief Executive Officer; Frans Muller, Deputy Chief Executive Officer and Chief Integration Officer; Jeff Carr, Chief Financial Officer; Pierre Bouchut, Chief Operating Officer Europe and Indonesia; and Kevin Holt, Chief Operating Officer Ahold USA. The current members of the Executive Committee are the members of the Management Board plus Hanneke Faber, e-Commerce and Innovation Officer; Abbe Luersman, Chief Human Resources Officer; Jan Ernst de Groot, Chief Legal Officer; and Marc Croonen, Chief Sustainability, Transformation and Communications Officer.

On March 14, 2016, the extraordinary General Meeting of Shareholders reappointed Jeff Carr for a second term and appointed Frans Muller, Pierre Bouchut and Kevin Holt to the Management Board with effect from the date of the merger between Ahold and Delhaize Group NV / SA ("Delhaize").

The size and composition of our Management Board and Executive Committee and the combined experience and expertise of their members should reflect the best fit for the Company's profile and strategy. This aim for the best fit, in combination with the availability of qualified candidates, has resulted in Ahold Delhaize, as of February 28, 2017, having a Management Board in which all five members are male and an Executive Committee in

which two members are female and seven members are male. In order to increase the gender diversity of the Management Board we pay close attention to gender diversity in the process of recruiting and appointing new Management Board members. We also encourage the professional development of female associates, which in the past year has also led to the promotion of several women to key leadership positions across the Company.

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 an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute 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. The other members of the Executive Committee are appointed, suspended and dismissed by the Supervisory Board.

Remuneration

On April 19, 2016, Ahold's General Meeting of Shareholders adopted our 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.

Possible reappointment schedule Management Board

Name	Date of first appointment	Year of possible reappointment
Dick Boer	May 3, 2007	2019
Jeff Carr	April 17, 2012	2020
Frans Muller	March 14, 2016*	2020
Pierre Bouchut	March 14, 2016*	2020
Kevin Holt	March 14, 2016*	2020

*Effective July 24, 2016

Supervisory Board

The Supervisory Board is responsible for supervising and advising our Management Board and overseeing the general course of affairs, strategy and operational performance 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 Delhaize'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
- Allocation of duties within the Management Board and the adoption or amendment of the Rules of Procedure of the Management Board and the Executive Committee
- Significant changes in the identity or the nature of the Company or its enterprise

Following the merger between Ahold and Delhaize, a presidium was introduced that regularly meets with the Chief Executive Officer and the Deputy Chief Executive Officer and Chief Integration Officer. The presidium is composed of the Chairman and first Vice Chairman of the Supervisory Board,

Corporate governance *continued*

Mats Jansson and Jan Hommen. Its main task is to prepare the agenda of Supervisory Board meetings, deal with the content of Supervisory Board meetings and to stay in close contact with the CEO and Deputy CEO.

You can find more detailed information on the Supervisory Board in the *Supervisory Board report*. The Rules of Procedure of the Supervisory Board can be found in the governance section of Ahold Delhaize's public website at www.aholddelhaize.com.

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 an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute 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 for two additional term of four years. From 2018 onwards, a Supervisory Board members is eligible for reappointment after his or her first term of four years, for one additional term of four years, followed by two additional terms of two years. A Supervisory Board member may not serve for more than 12 years.

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 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 2016. In accordance with best practice provision III.6.4 of the Dutch Corporate Governance Code, Ahold Delhaize 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 2016.

Shares and shareholders' rights

General Meeting of Shareholders

Ahold Delhaize's shareholders exercise their rights through annual and extraordinary General Meetings of Shareholders. We are 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 Delhaize's Articles of Association and under Dutch law, including the adoption of our annual financial statements. The General Meeting of Shareholders is also entitled to vote on important decisions regarding Ahold Delhaize's identity or character, including major acquisitions and divestments.

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. Proposals for agenda items for the General Meeting of Shareholders must be submitted at least 60 days prior to the date of the meeting.

Adoption of resolutions

Subject to certain exceptions provided by Dutch law or our Articles of Association, resolutions are passed by an absolute majority of votes cast without a requirement for a quorum.

Proposals submitted to the agenda by shareholders require an absolute 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 an absolute majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute majority of votes exercised is required to adopt the proposal, regardless of the number of shares represented at the meeting (unless the law or our Articles of Association provide otherwise).

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.

Corporate governance *continued*

Voting rights

Each common share entitles its holder to cast one vote. 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.

We encourage participation in our General Meetings of Shareholders. We use Deutsche Bank Trust Company Americas, the Depositary 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.

Neither Ahold Delhaize 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 28, 2017, the members of the board of SAPFAA are:

Member A:	J.L. van der Giessen
Member B:	C.W. de Monchy
Member C:	R. ter Haar, chairman

Ahold Delhaize 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

As of January 1, 2017, no cumulative preferred shares are outstanding. The Company entered into an option agreement with the Dutch foundation Stichting Ahold Continuïteit (SAC) designed to, in accordance with the purpose of SAC under its articles, potentially exercise influence in the event of a public offer or a potential change of control over the Company, to safeguard the interests of the Company and all stakeholders in the Company and to potentially resist, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, independence or identity.

SAC and the members of its board are independent from the Company. As of February 28, 2017, the members of the board of SAC are:

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

For details on Ahold Delhaize's cumulative preferred shares, see *Note 20* to the consolidated financial statements.

Issuance of additional shares and preemptive 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. On April 19, 2016, 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 19, 2017, and subject to the approval of the Supervisory Board.

Corporate governance *continued*

Upon the issuance of new common shares, holders of Ahold Delhaize's common shares have a preemptive 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 preemptive right does not apply to any issuance of shares to Ahold Delhaize associates. The General Meeting of Shareholders may decide to restrict or exclude preemptive rights. The General Meeting of Shareholders may also resolve to designate the Management Board as the corporate body authorized to restrict or exclude preemptive rights for a period not exceeding five years.

On April 19, 2016, the General Meeting of Shareholders has delegated to the Management Board, subject to the approval of the Supervisory Board, the authority to restrict or exclude the preemptive 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 19, 2017.

Repurchase by Ahold Delhaize of its own shares

Ahold Delhaize 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 Delhaize's Articles of Association; and
2. Ahold Delhaize 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 depositary 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 19, 2017. Ahold Delhaize may acquire shares in its capital for no consideration or for the purpose of transferring these shares to associates through share plans or option plans, without such authorization. On January 9, 2017, the Company commenced a €1 billion share buyback program, with expected completion before the end of 2017.

Major shareholders

Ahold Delhaize 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*.

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 Delhaize'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 Ahold Delhaize's total outstanding capital or voting rights. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 28, 2017, that hold an interest of 3% or more in the share capital of the Company¹.

- BlackRock, Inc – 3.32% shareholding (5.05% voting rights) disclosed on January 12, 2016
- DeltaFort Beleggingen I B.V. – 10.82% shareholding (3.43% voting rights) disclosed on July 25, 2016²
- NN Group N.V. – 7.31% shareholding (3.00% voting rights) disclosed on September 1, 2016²
- Stichting Administratiekantoor Preferente Financieringsaandelen Ahold – 17.32% shareholding (5.49% voting rights) disclosed on July 25, 2016³

1. 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.
2. The interest on record for DeltaFort Beleggingen I B.V. and NN Group N.V. includes the indirect and / or potential interest from depositary receipts, as well as the direct and real interest from common shares.
3. SAPFAA holds all outstanding cumulative preferred financing shares and it issued corresponding depositary receipts to investors that were filed under DeltaFort Beleggingen I B.V. and NN Group N.V. Therefore, in relation to the outstanding cumulative preferred financing shares, disclosures are made by both SAPFAA (for the shares) and by DeltaFort Beleggingen I B.V. and NN Group N.V. (for the corresponding depositary receipts).

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 Delhaize's common shares, see *Investors*.

Corporate governance *continued*

Articles of Association

Our 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 our public website at www.aholddelhaize.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 an absolute majority of the votes is in favor of the proposal, then a second meeting may be held. In the second meeting, only an absolute 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.

External auditor

The General Meeting of Shareholders appoints the external auditor. The Audit, Finance and Risk 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, Finance and Risk Committee evaluates and, where appropriate, recommends the replacement of the external auditor.

On April 19, 2016, the General Meeting of Shareholders appointed PricewaterhouseCoopers Accountants N.V. as external auditor for the Company for the financial year 2016.

Corporate governance *continued*

Decree Article 10 EU Takeover Directive

According to the Decree Article 10 EU Takeover Directive, we have to report on, among other things, our capital structure, restrictions on voting rights and the transfer of securities, significant shareholdings in Ahold Delhaize, 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 Delhaize is a party and which are put into effect, changed or dissolved upon a change of control of Ahold Delhaize following a takeover bid, and any agreements between Ahold Delhaize and the members of the Management Board or associates 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

We apply 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. For the financial year 2016, the Company applied the Dutch Corporate Governance Code of December 10, 2008, which can be found at www.commissiecorporategovernance.nl. As of the financial year 2017, the revised Dutch Corporate Governance Code of December 8, 2016, is being applied.

At the Extraordinary General Meeting of Shareholders on March 3, 2004, our shareholders consented to apply the Dutch Corporate Governance Code. Ahold Delhaize continues to seek ways to improve its corporate governance, including 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 management reports “Vaststellingsbesluit nadere voorschriften inhoud bestuursverslag” last amended on November 1, 2015 (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, 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 Delhaize'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 section under *How we manage risk*.

- The information regarding the functioning of Ahold Delhaize's General Meeting of Shareholders and the authority and rights of our 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 Delhaize's Management Board and 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 our Management Board, and overseeing the general course of affairs, strategy and operational performance 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 Delhaize's Supervisory Board determines the number of its members. The Supervisory Board profile is published on Ahold Delhaize's public website at www.aholddelhaize.com. The Supervisory Board is of the opinion that its current composition is in accordance with this profile, in terms of combined experience and expertise, independence, and variety of ages and genders. The Supervisory Board profile is updated regularly.

The Rules of Procedure of the Supervisory Board state 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 Delhaize's Supervisory Board.

On March 14, 2016, the Extraordinary General Meeting of Shareholders reappointed Mark McGrath for a third term and appointed Mary Anne Citrino. On the same date, Mats Jansson, Jacques de Vaucleroy, Jack Stahl, Bill McEwan, Johnny Thijs, Dominique Leroy and Patrick De Maeseneire were appointed subject to and with effect from the date of the merger between Ahold and Delhaize. On this date, i.e., July 24, 2016, Derk Doijer stepped down from the Supervisory Board. At the annual General Meeting of Shareholders on April 12, 2017, Jan Hommen and Ben Noteboom will be nominated for reappointment.

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 Ahold Delhaize's profile and strategy. This aim for the best fit, in combination with the availability of qualified candidates, has resulted in Ahold Delhaize currently having a Supervisory Board in which three members are female and 11 members are male. In order to increase gender diversity on the Supervisory Board, we pay close attention to gender diversity in the process of recruiting and appointing new Supervisory Board candidates.

Induction

Ongoing education is an important part of good governance. New members of our Supervisory Board attend a multiple-day induction program at our businesses in the U.S. and the Netherlands and at the Global Support Office in Zaandam at which they are briefed on their responsibilities and informed by senior management on the financial, social, corporate responsibility, human resources, governance, legal and reporting affairs of our Company and businesses. Throughout the year, all members of our Supervisory Board visit several of our brands, 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.

Supervisory Board report *continued*

Diversity profile Supervisory Board

Name	Date of birth	U.S.	Netherlands	Belgium	International experience	Retail	Food industry	Finance	Social / employment	Sustainability	Disclosure / Communication	Marketing	Management experience	Gender
Mats Jansson	December 17, 1951				•	•	•	•		•			•	M
Jan Hommen	April 29, 1943		•		•			•	•	•	•		•	M
Jacques de Vaucleroy	January 20, 1961			•	•			•		•			•	M
Jack Stahl	March 27, 1953	•			•			•		•	•		•	M
Ben Noteboom	July 4, 1958		•		•			•	•	•		•	•	M
Bill McEwan	July 28, 1956				•	•	•			•	•	•	•	M
Rob van den Bergh	April 10, 1950		•		•			•		•	•		•	M
Stephanie Shern	January 7, 1948	•			•	•		•			•	•	•	F
Mark McGrath	August 10, 1946	•			•	•	•					•	•	M
René Hooft Graafland	September 24, 1955		•		•		•	•			•	•	•	M
Mary Anne Citrino	April 24, 1959	•			•	•	•	•					•	F
Johnny Thijs	May 8, 1952			•	•		•	•	•	•		•	•	M
Patrick De Maeseneire	October 21, 1957			•	•			•	•	•	•	•	•	M
Dominique Leroy	November 8, 1964			•	•			•		•	•	•	•	F

Possible reappointment schedule Supervisory Board*

Name	Date of first appointment	Reappointment for second and third term	End of current appointment
Mats Jansson	March 14, 2016***		2020
Jan Hommen	October 1, 2013		2017
Jacques de Vaucleroy	March 14, 2016***		2020
Jack Stahl	March 14, 2016***		2020
Ben Noteboom	April 28, 2009	2013	2017
Bill McEwan	March 14, 2016***		2020
Rob van den Bergh	April 20, 2011	2015	2019
Stephanie Shern	May 18, 2005	2009/2013	2017
Mark McGrath	April 23, 2008	2012/2016	2020
René Hooft Graafland	April 16, 2014**		2018
Mary Anne Citrino	March 14, 2016		2020
Johnny Thijs	March 14, 2016***		2020
Patrick De Maeseneire	March 14, 2016***		2020
Dominique Leroy	March 14, 2016***		2020

*In its decision to nominate its members for reappointment, the Supervisory Board will take into account their tenure in the Board of Directors of Delhaize Group, prior to their appointment to the Supervisory Board. **Effective January 1, 2015 ***Effective July 24, 2016

Supervisory Board report *continued*

Meetings and activities of the Supervisory Board

The merger of Ahold and Delhaize, halfway through 2016, was implemented by Delhaize Group merging into Ahold, with the entity renamed Ahold Delhaize. Consequently, this Supervisory Board report takes the activity at Ahold as a starting point.

In 2016, the Supervisory Board held seven meetings in person and three meetings by conference call.

The Management Board attended the meetings. The other members of the Executive Committee, as well as other senior 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 external auditor attended the meeting of March 1, 2016, at which the 2015 Annual Report and financial statements were recommended for adoption by the annual General Meeting of Shareholders.

The members of the Supervisory Board take it upon themselves to review specific operations or activities of the Company outside of the scheduled meetings of the Supervisory Board. They also have regular contact with various layers of management in the Company. These informal consultations ensure that the Supervisory Board remains well-informed about the running of the Company's operations.

The Supervisory Board assessed its own performance over 2016, that of its committees and its individual members, as well as the performance of the Management Board and its individual members during a private meeting. The outcome of a survey among all Supervisory Board members provided the framework for discussions. The Supervisory Board was positive, overall, about the performance of its committees and the Management Board and satisfied with the performance of the Supervisory Board. The Board determined it works well together, with all members fully contributing to discussions. As part of the outcome of the assessment, the Supervisory Board will have continuous focus on its own size and structure and the further introduction to the Company and its businesses following the merger. Among other topics, the Supervisory Board is closely following the integration activities in the Company.

During 2016, the Supervisory Board reviewed matters related to all aspects of the activities, results, strategy and management of the Company. 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 January 2016, the Supervisory Board held a conference call to discuss Ahold's Q4 / full year 2015 trading statement and preparations for the merger.

- During a meeting in January 2016, the Supervisory Board approved the final prospectus included in Ahold's F-4 registration statement, the EU prospectus and the demerger proposal, to hive-down the assets and liabilities and legal relationships of Delhaize Group after the merger. In addition, the Supervisory Board approved the agenda and explanatory notes for Ahold's Extraordinary General Meeting of Shareholders in March 2016, including the proposal to approve the merger with Delhaize Group, a proposal to return €1 billion to the holders of common shares by means of a capital repayment and reverse stock split prior to the merger, proposed (re-)appointments of Management and Supervisory Board members, and the proposal to amend the remuneration of the Supervisory Board with effect from the merger.
- In March 2016, the Supervisory Board met to discuss Ahold's Q4 / full year 2015 results and the 2015 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, reviewed Ahold's responsible retailing initiatives and approved its 2015 Responsible Retailing Report. Furthermore, the Supervisory Board approved the Ahold portion of the joint and interdependent remedy package by Ahold and Delhaize Group as part of the antitrust approval processes in the U.S. and Europe. The Supervisory Board also received updates on Ahold's businesses in the U.S.,

the Netherlands (including Belgium and Germany) and the Czech Republic, including eCommerce businesses, the functioning of IT systems and information security, the enterprise risk management and significant legal proceedings with potential impact on Ahold.

- Also in March 2016, the Supervisory Board approved the agenda and explanatory notes for the annual General Meeting of Shareholders in April 2016, including the proposal to amend the remuneration policy of the Management Board with effect from the merger and the proposal for the nomination of the external auditor. 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.
- Prior to the annual General Meeting of Shareholders on April 19, 2016, the Supervisory Board met to discuss the progress of preparation for the merger, and to review updates on Ahold's U.S., Dutch, Czech and eCommerce businesses.
- The 2016 quarterly results and related reports and updates were discussed in May, August and November 2016.
- In July 2016, the Supervisory Board held a meeting at which it reviewed strategic initiatives and market developments in Ahold's businesses and approved various Company policies and procedures that became effective immediately after the merger.

Supervisory Board report *continued*

- Effective July 24, 2016, the Supervisory Board composition changed in accordance with the merger terms and the resolutions passed at the Extraordinary General Meeting of Shareholders on March 14, 2016. Mats Jansson succeeded Jan Hommen as Chairman of the Supervisory Board.
- The Supervisory Board in its new composition met for the first time after the merger in August 2016, and was updated on integration activities and the divestment processes in the U.S. and Belgium.
- In October 2016, the Supervisory Board met to review strategic initiatives and market developments in Ahold Delhaize's brands and governance structures of its brands in the U.S. The Supervisory Board also approved the pro forma key historical data, which provides a comparative basis to facilitate assessment of the performance of the combined company.
- In November 2016, the Supervisory Board met to discuss and approve the Company's long-term business and finance plans, and annual budget for 2017.
- The Supervisory Board visited various stores and distribution centers throughout the year.

Attendance, independence

Except for a limited number of occasions, and for valid reasons, all Supervisory Board members attended all Supervisory Board meetings in 2016. In all cases, the Supervisory Board members who were not able to attend made sure they were represented. All Supervisory Board members made adequate time available to give sufficient attention to matters concerning Ahold and Ahold Delhaize.

The Supervisory Board confirms that during 2016, and on February 28, 2017, all Supervisory Board members were independent within the meaning of provision III.2.2 of the Dutch Corporate Governance Code.

Board attendance	Number of meetings held	Number of meetings attended
Mats Jansson*	3	3
Jan Hommen	10	10
Jacques de Vaucleroy*	3	3
Jack Stahl*	3	3
Ben Noteboom	10	9
Bill McEwan*	3	3
Rob van den Bergh	10	8
Stephanie Shern	10	9
Mark McGrath	10	8
René Hooft Graafland	10	9
Mary Anne Citrino*	5	4
Johnny Thijs*	3	2
Patrick De Maeseneire*	3	3
Dominique Leroy*	3	3
Derk Doijer**	7	4

* As per appointment.

**Derk Doijer resigned on July 24, 2016.

Remuneration

The annual remuneration of the members of the Supervisory Board was determined by the Extraordinary General Meeting of Shareholders on March 14, 2016. Remuneration is subject to an annual review by the Supervisory Board.

Chairman Supervisory Board	€220,000
Vice Chairman (and member of the presidium)	€180,000
Vice Chairman	€125,000
Member Supervisory Board	€90,000
Chairman Audit, Finance and Risk Committee	€30,000
Member Audit, Finance and Risk Committee	€15,000
Chairman Other Committee	€20,000
Member Other Committee	€12,500
Travel compensation intercontinental per round trip	€7,500
Travel compensation continental per round trip	€2,500

Committees of the Supervisory Board

The Supervisory Board has four committees to which certain tasks are assigned. The committees have advisory powers and provide the Supervisory Board with regular updates on their meetings. The composition of each committee is detailed in the following table.

	Audit, Finance and Risk Committee	Governance and Nomination Committee	Remuneration Committee	Sustainability and Innovation Committee
Mats Jansson (Chairman)		Member		
Jan Hommen (Vice Chairman)		Member		
Jacques de Vaucleroy (Vice Chairman)	Member	Member		
Jack Stahl	Chairman	Member		
Ben Noteboom		Chairman	Member	
Bill McEwan			Chairman	Member
Rob van den Bergh			Member	Chairman
Stephanie Shern	Member			
Mark McGrath		Member		Member
René Hooft Graafland	Member			
Mary Anne Citrino	Member			
Johnny Thijs			Member	
Patrick De Maeseneire	Member			
Dominique Leroy				Member

Supervisory Board report *continued*

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee (previously the Audit Committee) assists the Supervisory Board in its responsibility to oversee Ahold Delhaize's financing, financial statements, financial reporting process and system of internal business controls and risk management. The Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Senior Vice President Internal Audit, Senior Vice President Accounting, Reporting, Risk & Controls and representatives of the external auditor are invited to, and attend, the Audit, Finance and Risk Committee meetings. Other members of senior staff and the external auditor are invited when the Audit, Finance and Risk Committee deems it necessary or appropriate.

The Audit, Finance and Risk 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, Finance and Risk 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 2016, the Audit, Finance and Risk Committee held five meetings in person. Throughout the year, the Audit, Finance and Risk Committee closely monitored the financial closing process and reviewed the publication of quarterly results. Updates on internal controls were provided during all Audit, Finance and Risk Committee meetings. The Audit, Finance and Risk Committee was informed regularly on compliance and reviewed and received regular updates on the Company's whistleblower programs.

The Audit, Finance and Risk 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, Finance and Risk Committee further discussed items including:

- Quarterly interim reports
- Ahold's 2015 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
- The Company's finance structure
- Treasury
- Tax
- Pensions
- Guarantees
- Insurance
- Appointment of the external auditor
- Code of Conduct and Guide for Ethical Business Conduct

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

The Supervisory Board has determined that Stephanie Shern, René Hooft Graafland, Jack Stahl and Patrick De Maeseneire are "Audit Committee Financial Experts" within the meaning of the Dutch Corporate Governance Code.

Supervisory Board report *continued*

Governance and Nomination Committee

In 2016, the Governance and Nomination Committee (previously the Selection and Appointment Committee) held three meetings in person, all of which the Chief Executive Officer was invited to attend. The Committee's main areas of focus were long-term succession planning for the Supervisory Board and management development. The Selection and Appointment Committee was also involved in organizational and management changes and overall succession and management development processes at the Company as well as governance matters.

Remuneration Committee

In 2016, the Remuneration Committee held four meetings in person, all of which the Chief Executive Officer was invited to attend.

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

See *Remuneration* for more information on our remuneration policy, which aims to help us attract, motivate and retain the best-qualified workforce, in a cost effective way.

Sustainability and Innovation Committee

The Sustainability and Innovation Committee was established after the merger between Ahold and Delhaize. In 2016, the Sustainability and Innovation Committee held two meetings in person, both of which the Chief Executive Officer was invited to attend. The Committee's main areas of focus were Ahold Delhaize's sustainable retailing strategy and eCommerce.

Conclusion

The Supervisory Board is of the opinion that during the year 2016, 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 satisfactory and enabled it to carry out its duties towards all the Company's stakeholders.

The Supervisory Board would like to thank Derk Doijer for his highly valued contributions to the Company, and Jan Hommen for his dedicated chairmanship of the Supervisory Board until July 24, 2016, the date of the merger.

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

Supervisory Board Zaandam, the Netherlands

February 28, 2017

How we manage risk

Taking risks in a responsible way is key to being able to fulfill our stakeholders' expectations.

In order to meet our Better Together objectives, we must be agile and entrepreneurial so that we can respond quickly and effectively to rapid changes in the retail landscape, and take advantage of business opportunities whenever and wherever they exist. Meeting these challenges requires us to take risks in a responsible way. Having a proactive approach to risk management that is embedded in our business processes benefits our decision-making and helps us 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.

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

As of our merger date, Ahold Delhaize has applied one shared Governance, Risk Management and Compliance (GRC) Framework. We rolled out a global manual of key policies, principles and procedures that apply to all Ahold Delhaize brands. We continue to integrate our global policies and procedures and will have this completed in 2017.

Governance, Risk Management & Compliance Framework



Risk management and internal control

Enterprise risk management

Ahold Delhaize's enterprise risk management (ERM) program is designed to provide executive management with an understanding of the Company's key business risks and associated risk management practices. Within each business, management identifies the principal risks to the achievement of the business objectives and the actions needed to mitigate these risks. Senior executives periodically review these risks and the related mitigation practices. The observations 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 ERM process. Ahold Delhaize'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. Both former Ahold and former Delhaize Group companies used a comprehensive risk management program. The risks outlined in these programs have been aggregated into a new enterprise risk management report for Ahold Delhaize. We plan to fully integrate our risk management program in 2017.

Risk appetite

Risk boundaries are set through our strategy, code of conduct / ethics, bill of authority, budgets and other policies. Our risk appetite differs by objective category:

Strategic

In pursuing our Better Together strategy, Ahold Delhaize is prepared to take risks in a responsible way that takes our stakeholders' interests into account. Through our annual strategic cycle, we follow a logical and systematic process of analysis, dialogue and planning to optimize our decision-making. We use a fact-based analysis of our different markets and brands to support our strategic decision-making process in a way that considers financial, economic, social and political impacts.

Operational

The core promises of our Company: "A better place to shop," "A better place to work" and "A better neighbor" guide the day-to-day running of our businesses. Risks related to our promises should be balanced with the related rewards. We seek to minimize the downside impact of operational failures.

Financial

With respect to financial risks, Ahold Delhaize has a prudent financing strategy, including a balanced combination of self-insurance and commercial insurance coverage. We are committed to maintaining an investment-grade credit rating and are averse to any risks that could jeopardize the integrity of our financial reporting. Our financial risk management and risk appetite are explained in more detail in Note 30 of the consolidated financial statements.

How we manage risk *continued*

Three lines of defense model



Compliance

At Ahold Delhaize, an essential part of our strategic framework is behaving according to our values. One of Ahold Delhaize's values is "Integrity," which means that the Company and all its associates do the right thing to earn customers' trust. We strive to comply with applicable laws and regulations everywhere we do business.

Control framework

The Ahold Delhaize control framework incorporates risk assessment, control activities and monitoring into our business practices at entity-wide and functional levels. A three lines of defense model has been adopted to provide reasonable assurance that risks to achieving important objectives are identified and mitigated.

Our key control requirements are documented in the Ahold Delhaize Manual. This Manual provides consistent guidance on the key policies and principles that were immediately applicable to our businesses as of the merger date. Various other former Delhaize Group and Ahold charters, policies and procedures have not yet been fully integrated and will be added in the coming year.

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

In a time of significant transition and change, our new company has carried forward the unwavering commitment to integrity that was also at the core of Ahold and Delhaize Group prior to the merger. We are in the process of creating a single Code of Ethics that will apply across Ahold Delhaize. Until this is launched in 2017, the "Code of Conduct" and the "Guide for Ethical Business Conduct" (collectively referred to as the "Codes") apply to our businesses and associates with the same expectation: that they conduct business in accordance with ethical principles, internal policies and procedures, and applicable laws and regulations. The Codes are intended to help each associate understand and follow relevant compliance and ethics principles and rules, and to know when and where to ask for advice or report a compliance or ethics breach, which includes the use of a whistleblower line. The principles in the Codes apply to all associates of Ahold Delhaize and its operating businesses. Associates of certain defined grade levels have been trained in and acknowledge compliance with the Codes on an annual basis. The full Codes are available in the corporate governance section of Ahold Delhaize's public website at www.aholddelhaize.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 Legal Officer on a quarterly basis. These letters confirm whether the reporting entities are in compliance with Ahold Delhaize's Codes, policies on fraud prevention and detection, accounting and internal control standards, and disclosure requirements.

As a consequence of the Ahold Delhaize merger, Ahold Delhaize is classified as a U.S. registrant, which implies that Ahold Delhaize should comply with the Sarbanes Oxley Act (SOx) as of financial year 2016. SOx Section 404 requires that management perform an assessment of the Internal Controls over Financial Reporting (ICFR) to confirm both the design and operational effectiveness of the controls.

Both our Risk & Controls 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.

How we manage risk *continued*

Governance, Risk Management and Compliance Committee

After the merger, the former Ahold Governance, Risk Management and Assurance (GRA) Committee was replaced by the Governance, Risk Management and Compliance (GRC) Committee. The GRC Committee oversees the Company's governance, risk management and compliance processes. The GRC Committee is chaired by the Chief Legal Officer and (i) advises the Executive Committee on matters concerning the GRC Framework, including an overall GRC vision and strategy, (ii) oversees activities to develop and maintain a fit-for-purpose GRC Framework and (iii) engages with Ahold Delhaize's senior management on important developments in the context of GRC. To support local management and feed into the GRC Committee, each of our brands operates a local GRC committee.

During 2016, the GRA and GRC Committee met periodically. In addition to Ahold Delhaize's Chief Legal Officer (Chairman), the Chief Executive Officer and the Chief Financial Officer sit on the GRC Committee, along with the heads of Legal of our main businesses and other members of management responsible for our governance, risk management, compliance and assurance functions.

Declaration

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

Ahold Delhaize supports the Dutch Corporate Governance Code and makes the following declaration in accordance with best practice provision II.I.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 2016 financial statements do not contain any material misstatements. This assessment was based on the criteria set out in COSO: Internal Control – Integrated Framework 2013. 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, the Management Board determined that the Company's financial reporting systems are adequately designed and operated effectively in 2016 and provide reasonable assurance that the financial statements are free of material misstatement.

The above statement on internal controls should not be construed as a statement in response to the requirements of Section 404 of the U.S. Sarbanes-Oxley Act.

Risk factors

The principal risk factors that may impede the achievement of Ahold Delhaize'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 GRC Framework, and the monitoring systems described above are the principal means by which we identify and manage these risks. Management is not aware of any critical failings in these systems as of year-end 2016.

The following overview of risks relating to Ahold Delhaize should be read carefully when evaluating the Company's business, its prospects and the forward-looking statements contained in this Annual Report. Any or more of the following risks, when materialized, could have a material adverse effect on Ahold Delhaize'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.

Our principal risks remain substantially unchanged from 2015. The risk related to the Ahold Delhaize merger has been updated to reflect the completion of the merger and current focus on the integration. The aggregation of risks to the Ahold Delhaize enterprise risk management report did not result in new principal risks, although nuances have been identified and processed.

No significant incidents, which substantially impacted the business and its results, have occurred during 2016.

The risks described below are not the only risks the Company faces. There may be risks or additional risks of which we are currently unaware 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 Delhaize'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 Delhaize's principal risks and uncertainties¹

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
Business continuity (O) Disruption of critical business processes may result in non-availability of products for customers	A better place to shop	<ul style="list-style-type: none"> • Dependence on IT (legacy) systems • Centralized facilities • Dependence on logistics service providers • Dependence on suppliers of strategic own-brand products and services • Cyber threats • Events of an exceptional nature 	<ul style="list-style-type: none"> • Business continuity governance structure • Business continuity strategic guidelines and tactical policy • Business continuity framework with guidance and procedures • Business continuity and disaster recovery plans • Insurance program 	While Ahold Delhaize continues to maintain and invest in business continuity and disaster recovery plans, business interruptions could have a material adverse effect on the Company's financial position, results of operations, liquidity, customer perception and reputation
Competitive environment and economic conditions (S) Changes to the competitive landscape and a weak macroeconomic climate without appropriate response could threaten Ahold Delhaize's ability to achieve its strategic objectives	Our sustainable business model	<ul style="list-style-type: none"> • Consumer value perception (price, assortment, quality) • Changing customer behavior (e.g., online shopping) and competition • Lack of distinctiveness • Consumer purchasing power under pressure • Inflationary forces impacting cost of goods sold • Pressure on margin 	<ul style="list-style-type: none"> • Research and monitoring of consumer behavior • Price benchmarking competition • Analysis of economic developments • Actively monitoring and developing eCommerce business • Approved strategies • Promotional activities • Building more personalized customer relationships • Strengthening own brands 	Ahold Delhaize is focused on the execution of its strategic promises. Unforeseen effects could impair the effectiveness of Ahold Delhaize's strategy and reduce the anticipated benefits of its price repositioning and cost savings programs or other strategic initiatives. These factors may have a material adverse effect on the Company's financial position, results of operations and liquidity. For more information see <i>Business review</i>

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

How we manage risk *continued*

Ahold Delhaize's principal risks and uncertainties¹

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
Information security and privacy (O, C) A lack of security around, or non-compliance with, privacy requirements for customer or associate data might negatively impact strategic initiatives relating to customer loyalty	A better place to shop A better place to work	<ul style="list-style-type: none"> • Consumer confidence • Sensitivity of data • Changing or conflicting privacy regulations • Use of third parties to process and store data • Global security threats • Growth of online sales • Revoking of EU-U.S. Safe Harbor agreement for personal data export to U.S. 	<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 • Incident reporting process • Cyber insurance coverage 	Ahold Delhaize's business operations generate and maintain confidential commercial and personal information concerning customers, associates, suppliers and the Company. Data breaches with disclosure of confidential information to unintended third parties may negatively impact Ahold Delhaize's corporate reputation and competitive position or result in litigation or regulatory action. This could have a material adverse effect on Ahold Delhaize's financial position
Labor (O) Ahold Delhaize's brands might not be able to negotiate extensions or replacements on acceptable terms, or face unfavorable expectations or demands from trade unions	A better place to work Our sustainable business model	<ul style="list-style-type: none"> • People management and associate engagement • Expiring collective bargaining agreements • Relationships with the relevant trade unions • Ahold Delhaize merger 	<ul style="list-style-type: none"> • Associate engagement survey and response • Performance management cycle • Contract negotiation process • Functions that support relationships with trade unions • Contingency plans 	A work stoppage or other event due to the failure of one or more of Ahold Delhaize's brands to renegotiate a collective bargaining agreement, or otherwise, could be disruptive to our businesses, lead to adverse publicity and have a material adverse effect on the Company's results of operations and financial position
Legislative and regulatory environment (C) A changing legislative and regulatory environment might increase the cost of doing business, tax levels and the complexity of our operations	Our sustainable business model	<ul style="list-style-type: none"> • Compliance deadlines • Increased and targeted enforcement • Government budget deficits • Public opinion / pressure • International and national tax developments • Local regulatory changes • Diversity of jurisdictions • Changing political climate 	<ul style="list-style-type: none"> • Knowledge and awareness of regulations • Monitoring, review and reporting on changes • Operational procedures and guidance • Education of regulators and public policymakers, e.g., through industry associations • Tax policy 	Ahold Delhaize'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 Delhaize's operations and reduce its profitability. See further discussion of the consequences of the legislative and regulatory risks below

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

How we manage risk *continued*

Ahold Delhaize's principal risks and uncertainties¹

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
Merger Ahold Delhaize (S) We could be unable to realize the expected benefits of the merger	Our sustainable business model Our promises	<ul style="list-style-type: none"> Integration of the businesses more difficult, costly or time consuming than expected Excessive workload and lack of focus Key staff leaving the company 	<ul style="list-style-type: none"> Governance structure with a Transformation Steering Committee, direct Executive Committee involvement and Supervisory Board oversight Integration management office, plans and processes Use of external specialists Synergy targets 	If Ahold Delhaize is unable to realize cost savings, synergies, growth opportunities or other benefits, this could have a material adverse effect on the Company's reputation or have a material adverse effect on Ahold Delhaize's financial position
Pension plan funding (F) Ahold Delhaize is exposed to the financial consequences of a number of defined benefit pension plans covering a large number of its associates in the Netherlands and in the United States, as well as multi-employer plans (MEP) covering both pensions and other benefits	Our sustainable business model	<ul style="list-style-type: none"> Insolvency or bankruptcy of MEP participants Low interest rates Changing pension laws Longevity Increasing U.S. healthcare costs 	<ul style="list-style-type: none"> Governance structure Yearly MEP risk assessment study Monitoring MEPs / participants 	<p>A decrease in equity returns or interest rates may negatively affect the funding ratios of Ahold Delhaize's pension funds, which could lead to higher pension charges and contributions payable. According to Dutch law and / or contractually agreed funding arrangements, Ahold Delhaize may be required to make additional contributions to its pension plans if minimum funding requirements are not met. In addition, a significant number of union associates 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 Delhaize and the other participating employers. The bankruptcy of a participating MEP employer could result in Ahold Delhaize assuming a larger proportion of that plan's funding requirements</p> <p>In addition, Ahold Delhaize may be required to pay significantly higher amounts to fund U.S. associate 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 <i>Note 23</i> to the consolidated financial statements</p>

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

How we manage risk *continued*

Ahold Delhaize's principal risks and uncertainties¹

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
Product safety (O, C) The consumption of own-brand products or other food or non-food products, or food fraud in the supply chain could result in our customers' injury, illness or death	A better place to shop	<ul style="list-style-type: none"> • Internationalization of the supply chain • Incidents across the world • Increased number of own-brand products • Speed of communications (social media) 	<ul style="list-style-type: none"> • Product safety policies • Control standards for food and non-food products • Standard operating procedures • Dedicated product integrity guidance and controls in the brands • Monitoring of performance in the business • Tracing of product origins and conditions of production • Third-party certification • Insurance program 	Though it has mitigating actions in place, Ahold Delhaize 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
Strategic initiatives (S) Activities are increasingly undertaken in the form of projects. Ahold Delhaize might not be able to deliver on the objectives of its strategic projects	Our sustainable business model Our promises	<ul style="list-style-type: none"> • Changing retail environment • Dependencies between projects and operational activities • Availability of required capabilities 	<ul style="list-style-type: none"> • Ahold Delhaize's governance structure • Approved strategies • Program and project management • Business review process 	Ahold Delhaize is implementing its Better Together strategy. 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 Delhaize's financial position, results of operations and liquidity

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 linked to our strategy above, the Company has risks in the following areas:

Sustainable 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 Delhaize's brands and reputation may suffer if it does not adequately address relevant sustainability issues affecting the food retail industry. We have integrated sustainable retailing into our Better Together strategy to ensure that it is part of our daily business, and that we continue to improve our performance, with a focus on three strategic areas: promoting healthier eating, reducing food waste and creating healthy and inclusive workplaces. Through the implementation of our strategy, we aim to strengthen the communities where we operate. We also have the responsibility to our shareholders to control our tax costs as described in our Tax Policy.

In addition to addressing risks to our brand and reputation, our Better Together and Sustainable Retailing strategies will position us well against the following other risks: an inability to meet our customers' changing needs for healthy and sustainable products; increasing costs due to waste or negative externalities in our supply chain; negative impact to our associate engagement if we don't support associates' changing expectations of employers; lack of suppliers able to meet improved safety and sustainability standards; and regulations related to climate impact.

For more information see *Our Better Together Strategy*.

Insurance programs (F)

Ahold Delhaize manages its insurable risks through a combination of self-insurance and commercial insurance coverage. A large part of our operations is self-insured for workers' compensation, general liability, property, vehicle accident and certain healthcare-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 Delhaize 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 sustainable manner, taking into account the applicable regulations of the jurisdictions in which we operate. As a result of Ahold Delhaize'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 authorities in the jurisdictions where Ahold Delhaize operates may review 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 Delhaize's financial position, results of operations and liquidity. In addition, any review by the authorities could cause Ahold Delhaize to incur significant legal expenses and divert management's attention from the operation of our businesses.

How we manage risk *continued*

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

Ahold Delhaize 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; workplace safety; public health including food and non-food safety; environmental protection; alcoholic beverage, tobacco and pharmaceutical sales; and information security. Ahold Delhaize and its businesses are also subject to a variety of laws governing the relationship with associates, including but not limited to minimum wage, overtime, working conditions, healthcare, 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 Delhaize or its businesses and thus could affect Ahold Delhaize's financial condition or results of operations. Ahold Delhaize 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 Delhaize's ability to realize certain acquisitions, divestments, partnerships or mergers.

From time to time, Ahold Delhaize and its businesses are parties to legal and regulatory proceedings in a number of countries, including the United States, and may be subject to investigations or inquiries, including but not limited to investigations or inquiries by the competition authorities related to alleged violations of competition laws in jurisdictions where they conduct business. Based on the prevailing regulatory environment or economic conditions in the markets in which Ahold Delhaize businesses operate, litigation, investigations or inquiries may increase in frequency and materiality. These legal and regulatory proceedings may include matters involving personnel and employment issues, personal injury, antitrust claims, franchise claims and other contract claims and matters. We estimate our exposure to these legal and regulatory proceedings and establish provisions 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 Delhaize's remuneration policy was prepared in accordance with the Dutch Corporate Governance Code 2008. It was adopted at the General Meeting of Shareholders on April 19, 2016. The remuneration policy became effective on July 24, 2016, the first calendar day after the merger of Ahold and Delhaize was finalized.

Remuneration philosophy

Ahold Delhaize's remuneration policy is aligned with the Company's strategy and supports a strong and aligned performance culture. Our remuneration policy aims at attracting, motivating and retaining the best-qualified talent.

Management Board remuneration policy

The Supervisory Board designed the Management Board's remuneration policy to align with the Company's strategy and to support its pay-for-performance culture, while aiming to be effective, transparent and simple. While developing the remuneration policy, we carried out scenario analyses to determine the risks to which variable remuneration may expose the Company.

The basic elements of the Total Direct Compensation provided to Management Board members are (1) a base salary, (2) an annual cash incentive and (3) a long-term equity based program. In line with our overall remuneration philosophy, the Management Board's Total Direct Compensation is structured and more heavily weighted on variable short- and long-term incentives tied to the realization of financial and societal performance criteria. These performance criteria are a cornerstone of the Company's strategy.

The short-term incentive is focused on the key financial metrics of a retail organization: sales growth, operating margin and operating cash flow. Our focus and goal is to expand market share, while at the same time grow margins to increase profitability and manage capital spending and expenses prudently to secure strong and sustainable cash flow.

The long-term incentive is measured against (i) our internal measure on Return on Capital (RoC), (ii) our external measure of the Company's share performance relative to that of its peers: Total Shareholder Return (TSR) and (iii) the Company's contribution to society through sustainability objectives. Performance for our long-term incentives is measured over a revolving three-year period.

The structure of our remuneration policy aligns the focus of the Management Board with the interests of the Company's shareholders, our local communities and society at large. Compensation and awards are tied to and dependent on the delivery of our strategy in a responsible and sustainable way.

Market competitive pay

The competitiveness of the Management Board remuneration is benchmarked annually against a labor market peer group that reflects the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management. Since Ahold Delhaize is a Dutch-headquartered company, the AEX market practice in the Netherlands is included. The peer group consists of 18 companies, including peer companies in Europe and the U.S. as well as AEX-listed companies.

European peers	U.S. peers	AEX
Tesco	Kroger	Unilever
Carrefour	Costco	Philips
Metro	Target	Heineken
Casino Guichard Perrachon	Walgreen Boots Alliance	Randstad
J Sainsbury	Best Buy	Akzo Nobel
W M Morisson	Staples	Relx

In anticipation of potential changes to the labor market peer group due to delisting, mergers or other extraordinary circumstances, the Supervisory Board has the discretion to include substitute comparable companies. In general, geographical composition leads in determining a replacement company: for example, if a U.S.-based company drops out, it is replaced by another U.S.-based company.

The composition (risk profile) of the Total Direct Compensation levels is also taken into account when benchmarking base salary levels. The target Total Direct Compensation level is typically around the median, with base salary levels slightly below the median and long-term incentives at the higher end of the market to support the pay-for-performance culture and long-term focus.

Base salary

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

Remuneration *continued*

Annual cash incentive plan: Executive Committee Incentive Plan

The Management Board members participate in the Executive Committee Incentive Plan (EIP). The EIP is an annual cash incentive plan that uses three equally weighted financial measures: sales growth (30%), underlying operating margin (30%) and operating cash flow (30%), as well as personal objectives (10%). 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 in the event of above-target performance.

Long-term equity-based program: Global Reward Opportunity

The Management Board members participate in the Company's long-term incentive program: Global Reward Opportunity (GRO). Under the GRO program, shares are granted through a three-year program. The vesting of these performance shares is subject to performance over a period of three years. The GRO program employs two financial measures: RoC (40%) and TSR (40%). In addition, a non-financial performance measure (20%) related to sustainable retailing targets is included.

In line with market practice, the target value of the long-term incentives granted under the program differentiates per role. For the CEO, the target value is 235% of base salary; for the Deputy CEO and U.S. COOs, the target value is 200% of base salary; for the CFO, the target value is 175% of base salary; and for the COO Europe the target value is 150% of base salary.

The total GRO award is comprised of three portions of shares, linked to RoC, TSR and sustainability targets, respectively.

Linked to RoC

Of the total GRO award, the first 40% is linked to a three-year RoC target. Dependent on performance, the number of shares that eventually vest may range between zero and a maximum of 150% of the number of shares granted.

Linked to TSR

Another 40% of the total GRO award is linked to TSR (share price growth and dividends paid over the performance period), with performance at vesting benchmarked against the TSR performance of a TSR peer group. The number of shares that vest depends on the Company's relative ranking in the peer group. An independent external adviser determines the ranking based on TSR performance. No shares will vest to Management Board members if the Company ranks below the seventh position in the performance peer group. The table below indicates the percentage of performance shares that vests based on the Company's ranking.

Company ranking	Shares that will vest as % of originally granted amount
Ranking 1	175%
Ranking 2	150%
Ranking 3	125%
Ranking 4	110%
Ranking 5	100%
Ranking 6	80%
Ranking 7	50%
Ranking 8 – 14	0%

TSR performance peer group	
Tesco	Kroger
Carrefour	Costco
Metro	Target
Casino Guichard Perrachon	Walgreen Boots Alliance
J Sainsbury	Best Buy
W M Morisson	Staples
	Walmart

In anticipation of potential changes to the performance peer group due to delisting, mergers or other extraordinary circumstances, the Supervisory Board has the discretion to include substitute comparable companies.

Linked to sustainable retailing

For the remaining 20% of the total GRO award, the performance at vesting is measured using sustainable retailing targets. This measure relates to the Company's sustainable retailing strategic ambitions. The targets set under this non-financial performance measure are both qualitative and quantitative. Dependent on performance, the number of shares that eventually vest can range between zero and a maximum of 150% of the number of shares granted.

Shareholding 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. The sale of a portion of the shares is permissible 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 personal share purchases.

Claw-back

A claw-back provision is applicable to the Management Board members' annual cash incentive plan (EIP) as well as the long-term equity incentive program (GRO).

Remuneration *continued*

Pensions and other contract terms

Pension

All existing pension arrangements in the Netherlands have been brought in line with the applicable fiscal pension regulations. The pension plan for Management Board members is calculated similarly to that of all other associates of the Company in the Netherlands and is referred to as a defined benefit plan, based on career average salary. The (current) retirement age is 67. The pensionable salary is capped at around €100,000 (2016: € 97,474). Each Management Board member working on a Dutch contract pays a pension premium contribution identical to that of all other Ahold Delhaize associates in the Netherlands. In addition, Management Board members receive a gross (age-dependent) pension allowance and can choose to participate in a Net Pension Arrangement by investing the net (after tax) amount. The Net Pension Arrangement is identical to that of all other associates of the Company in the Netherlands whose pensionable salary exceeds the cap. Participation in this Net Pension Arrangement is voluntarily.

Members of the Management Board working on a non-Dutch contract will be offered pensions in line with local practices.

Loans

Ahold Delhaize does not provide loans or advances to members of the Management Board. Nor does the Company issue guarantees to the benefit of members of the Management Board.

Additional arrangements

In addition to the remuneration of the Management Board members, a number of additional arrangements apply. These include expense allowances, medical insurance and accident insurance, use of company cars and, if applicable, expatriate allowances, which apply to other senior associates and are in line with market practice in the Netherlands. In addition, third-party tax services will be provided to ensure compliance with the relevant legislative requirements.

(Service) Agreements

The term of appointment for all Management Board members is four years. If the Company terminates the (service) 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 (service) agreement for four years is not continued in the event the Management Board member is not reappointed.

The agreement may be terminated by the Company with a notice period of 12 months and by the Management Board member with a notice period of six months.

Future outlook

For 2017, no adjustments to the remuneration policy are expected.

2016 Management Board remuneration

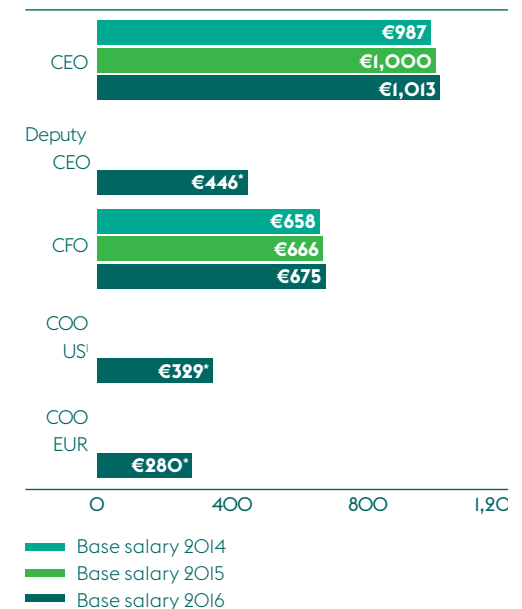
The Management Board remuneration for 2016 is in accordance with the Management Board remuneration policies applicable in 2016. Up to the date of the merger between Ahold and Delhaize, the Ahold remuneration policy applied. This policy was adopted at the General Meeting of Shareholders on April 17, 2013, and amendments were adopted at the General Meeting of Shareholders on April 15, 2015.

Ahold Delhaize's remuneration policy, adopted at the General Meeting of Shareholders on April 19, 2016, applies as of July 24, 2016 – the first calendar day after the merger of Ahold and Delhaize was finalized.

2016 Base salary

The base salaries of members of the (former Ahold) Management Board were increased by 1.75% effective March 28, 2016. No changes to base salaries were made at the time of the merger.

Base salary thousands



* For the members appointed to the Management Board in 2016, the 2016 base salary reflects a partial year.

¹ COO U.S. refers to the COO Delhaize America for the period up to October 1, 2016 and the COO Ahold USA for the period starting October 1, 2016. The salary of the COO U.S. has been converted from U.S. dollars into euros using the year-to-date average \$/€ exchange rate of 0.912519.

Remuneration *continued*

2016 Annual cash incentive plan: EIP

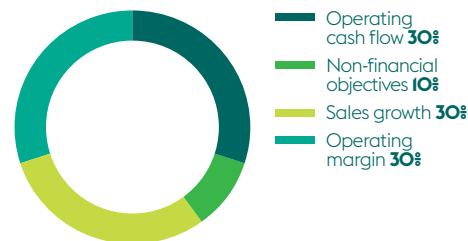
The ExCo Incentive Plan (EIP) for performance year 2016 has been determined pro rata for the period up to the merger between Ahold and Delhaize and after the merger became effective on July 24, 2016.

For the period up to the merger, the EIP uses three equally weighted financial measures: sales growth (30%), operating margin (30%) and operating cash flow (30%). In addition, one non-financial performance measure (10%) is included that relates to our Responsible Retailing strategic ambitions. Targets set under this non-financial performance measure are qualitative. The score under the non-financial component is linked to the performance of the financial components. If the financial multiplier is zero, the score on the non-financial component will also be zero (regardless of the achieved score on the non-financial component).

For the period after the merger, the EIP uses the same three equally weighted financial measures: sales growth (30%), underlying operating margin (30%) and operating cash flow (30%). In addition, personal objectives (10%) are included.

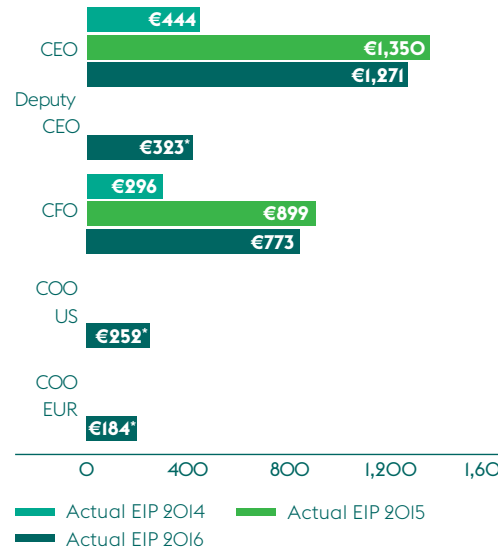
Ahold Delhaize does not disclose the actual targets per performance measure, as this is considered to be commercially sensitive information.

2016 EIP Performance measures



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 in the event of above-target performance.

Actual EIP thousands



* For the members appointed to the Management Board in 2016, the 2016 EIP reflects a partial year.

- 2016 EIP represents accrued annual cash incentives to be paid in 2017 and subject to shareholder approval of the financial statements.
- For former Ahold management board members, the EIP for the year 2016 has been determined pro rata for the period up to the merger and after the merger became effective. For former Delhaize management board members, the 2016 EIP reflects a partial year and has been determined pro rata for the period after the merger became effective. The overall 2016 performance multiplier was 108%. This reflects our results being modestly ahead of target. In addition to our financial performance, being a responsible retailer remains a key priority. We are pleased with our progress in 2016 on our previously established responsible retailing targets and commitments. The individual EIP amounts also include the component linked to individual performance. In recognition of outstanding leadership leading up to and since the completion of the merger, the Supervisory Board increased the EIP payout for the CEO by 11% for 2016, in line with the parameters of the Company's Remuneration Policy.
- COO U.S. refers to the COO Delhaize America for the period up to October 1, 2016, and the COO Ahold USA for the period starting October 1, 2016. The EIP of the COO U.S. has been converted from U.S. dollars into euros using the year-to-date average \$ / € exchange rate of 0.912519.

Remuneration *continued*

2016 Long-term equity-based program: GRO

The Management Board members participate in Ahold Delhaize's long-term equity-based incentive program, GRO. The 2016 GRO award was made in the open period following the merger. This grant date was a one-time exception to the consistent grant policy in order to ensure a grant could be made to all members of the Management Board on the same date in 2016. This 2016 award will vest on the regular vesting date in 2019: the day after the annual General Meeting of Shareholders. Future GRO awards will continue to be made on the regular annual award date, which is also the day after the annual General Meeting of Shareholders.

The vesting of the GRO performance shares is subject to performance over a period of three years and the GRO program employs two financial measures: Return on Capital (40%) and Total Shareholder Return (40%). In addition, a non-financial performance measure (20%) is included related to responsible retailing / sustainability targets. For this purpose, performance is measured on the basis of both an external and internal target. The Dow Jones Sustainability Index (the external target) measures how the Company performs on sustainability against peers in the sector. Healthy sales (the internal target) is the measure we use to drive performance against our company objective of facilitating healthier eating.

2016 GRO grant

To calculate the number of shares to be granted, the at-target value of the award is divided by the average share price over the six-month period preceding the regular annual award date. Scenario analyses are prepared regularly to estimate the possible future payout levels.

At-target grant and maximum vesting performance shares

	Performance shares			Total at-target grant	Total maximum vesting
	RoC (40%)	TSR (40%)	Sustainability (20%)		
CEO	94%	94%	47%	235%	376%
Deputy CEO	80%	80%	40%	200%	320%
CFO	70%	70%	35%	175%	280%
COO US	80%	80%	40%	200%	320%
COO EU	60%	60%	30%	150%	240%

All percentages constitute a percentage of base salary

2016 GRO share grant calculation – Example CEO

	At-target share grant (% of base salary)	Award value (base salary * at-target grant %)	Number of shares granted (award value divided by six-month average share price)
RoC performance shares	94%	955.999	48.680
TSR performance shares	94%	955.999	48.680
Sustainability performance shares	47%	477.999	24.340
	235%	2.389.997	121.700

Table assumes base salary of €1,017,020 and six-month average share price preceding the regular annual award date of €19.63

2016 GRO share grant calculation – Example CFO

	At-target share grant (% of base salary)	Award value (base salary * at-target grant %)	Number of shares granted (award value divided by six-month average share price)
RoC performance shares	70%	474.609	24.168
TSR performance shares	70%	474.609	24.168
Sustainability performance shares	35%	237.305	12.084
	175%	1.186.523	60.420

Table assumes base salary of €678,013 and six-month average share price preceding the regular annual award date of €19.63

Treatment of outstanding performance shares

The outstanding performance shares awarded under the Ahold GRO program (for former Ahold management board members) and the Delhaize European long-term incentive plan (for former Delhaize management board members) have been rolled over into Ahold Delhaize's GRO program.

As a consequence of the merger, the outstanding (non-vested) performance share awards remaining from the Ahold GRO plan have been split into two parts. One part, which is related to the full performance years prior to the year of the merger (2012, 2013, 2014 and 2015, where applicable), has been assessed against the performance of Ahold, as a stand-alone company on the basis of the existing performance measures. Based on the performance realized in those years this portion of the award has been assessed and transformed into restricted Ahold Delhaize shares. These restricted shares are not subject to additional performance criteria, but will be subject to the remaining vesting period and continued employment. The other portion, which is related to the performance during the year of the merger and beyond (2016 and 2017), will be assessed against the financial measures of Ahold Delhaize's long-term equity-based plan. The outstanding conditional shares will continue to be subject to the remaining vesting period and continued employment.

Outstanding (non-vested) performance shares awarded under the Delhaize European long-term incentive plan have similarly been converted into Ahold Delhaize restricted shares and shares subject to meeting the performance measures of the Ahold Delhaize GRO plan.

This is an extract, please refer to **www.aholddelhaize.com** for the full version of the Annual Report 2016