Remuneration

Ahold's remuneration policy is prepared in accordance with the Dutch Corporate Governance Code. It 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.

Remuneration policy

Ahold's remuneration policy aims to attract, motivate and retain the best-qualified workforce, in a cost-effective way. The policy is reviewed annually. The current policy, which was adjusted to be simpler and more transparent than the previous policy, was submitted and approved in the 2013 annual General Meeting of Shareholders. It aligns with our Reshaping Retail strategy and better supports the Company's pay-for-performance culture. During the 2015 annual General Meeting of Shareholders, the amendments to the remuneration policy were approved.

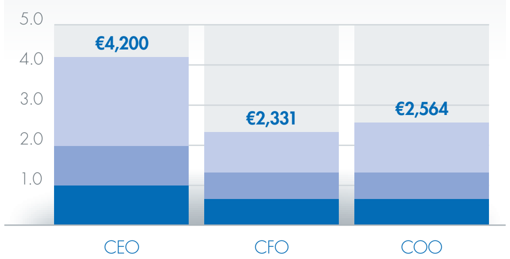
Further details on the Management Board members' employment agreements, individual remuneration, pension, shares, and other interests in Ahold are outlined in *Notes 31* and *32* to the consolidated financial statements.

Total Direct Compensation

Three elements of remuneration – a base salary, an annual cash incentive and a long-term equity-based component – are collectively referred to as Total Direct Compensation.

Although it is an important component of the overall remuneration package, the pension benefit is not part of Total Direct Compensation. Further details on Ahold's pension benefit are outlined in the chapter *Pensions and other contract terms*.

Total Direct Compensation
thousands



- Global Reward Opportunity (GRO)[2]
- ExCo Incentive Plan (EIP)[1]
- Base salary 2015

1 "EIP" represents the at-target opportunity.
2 "GRO" represents the at-target value award.

Benchmark

The competitiveness of the Management Board remuneration is benchmarked annually against the same peer group used to benchmark the performance of Ahold (see table below).

Ahold Peer Group		
Wal-Mart Stores	Costco	Supervalu
Carrefour	Kroger	Delhaize Group
Metro	Target	Staples
Tesco	Casino	

The peer group reflects Ahold's geographic operating areas and the markets most relevant to the recruitment and retention of top management. In addition, AEX market practice in the Netherlands is also taken into consideration. In addition to the level of overall remuneration, Ahold evaluates the composition of the Total Direct Compensation, including the risk profile and the level of fixed (base salary) and variable (annual and long-term incentives) components, on an annual basis.

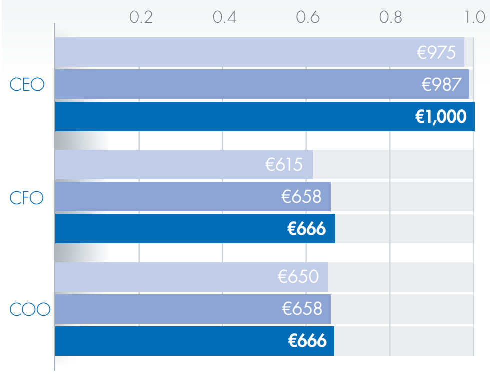
The target Total Direct Compensation level is typically around the median of the peer group.

In anticipation of potential changes to the peer group due to de-listing, mergers and / or other extraordinary circumstances, the Supervisory Board has defined a short list with substitutes. At the Supervisory Board's discretion, companies in the main peer group can be replaced by companies from the substitute list. In general, geographical spread is leading so, if a U.S.-based peer drops out, it is replaced by a U.S.-based company from the substitute list. For benchmarking purposes, from 2015 onwards, Casino replaced Safeway in the Ahold peer group. For relative TSR measurement, this substitution comes into effect for all unvested and to-be-granted GRO performance shares.

Base salary

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

Base salary
thousands



- Base salary 2013
- Base salary 2014
- Base salary 2015

Annual cash plan: ExCo Incentive Plan

The Management Board members participate in the ExCo Incentive Plan (EIP). The EIP uses three equally weighted financial measures: net sales growth (30%), operating margin (30%) and operating cash flow (30%) and one non-financial performance measure (10%) that relates to Responsible Retailing as described below.

The at-target payout of the EIP as a percentage of base salary is 100%, contingent on full achievement of the objectives, with a cap at 150% of the base salary.

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

The EIP includes a non-financial performance measure in addition to the quantitative financial performance measures. This non-financial measure 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), resulting in no payout.

Equity-based program: Global Reward Opportunity (GRO)

Global Reward Opportunity (GRO) is Ahold's broad-based, long-term equity incentive program, offered to approximately 5,000 associates globally. Under the GRO program, shares are granted through a three-year program. Participants in the GRO program benefit when the value they have created is reflected in the Company's share price.

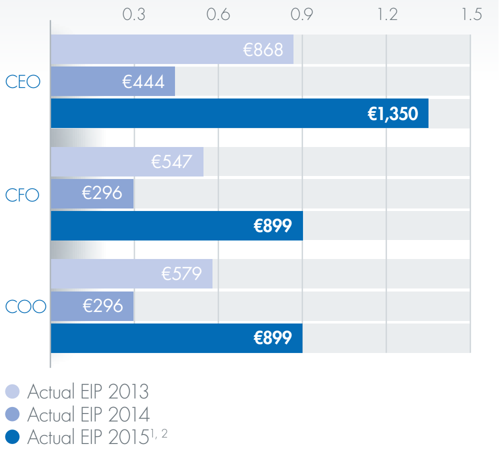
Under the GRO program, three types of shares are granted: one type of conditional share and two types of performance shares.

Conditional shares are shares awarded with a performance hurdle at grant and no performance hurdle at vesting. Performance shares are awarded with either a Return on Capital performance hurdle at vesting or with a Total Shareholder Return hurdle at vesting.

The at-target value of the shares to be granted is divided by the average share price over the six-month period preceding the grant date to calculate the number of shares to be granted.

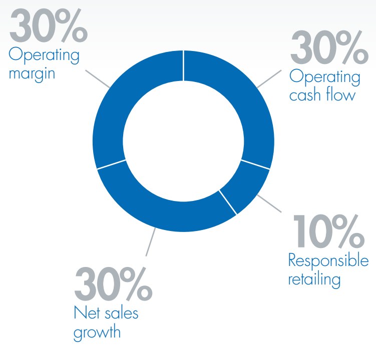
Scenario analyses are prepared regularly to estimate possible future payout levels.

Actual EIP
thousands

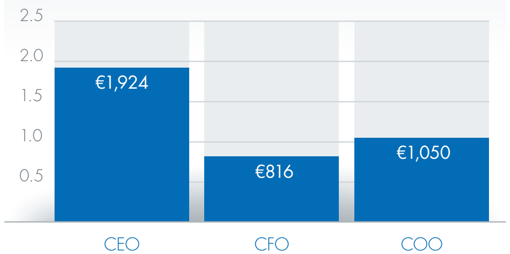


1 2015 EIP represents accrued annual cash incentives to be paid in 2016 and subject to shareholder approval.
2 We reported strong financial results during the year, reflecting good performance across our key markets and formats. The strong financial performance consisted of robust sales that exceeded our targets, combined with consistent operating margin and operating cash flow of slightly below and above target, respectively. In addition to our financial performance, being a responsible retailer remains a key priority. We are pleased with our progress in 2015 and that we were able to meet most of our previously established responsible retailing targets and commitments. This strong performance results in an overall weighted EIP performance of 135% of target.

2015 EIP Performance measures



2015 Management Board GRO grant value
thousands



The 2015 GRO grant value consists of a conditional grant value with a 45% multiplier plus the at-target RoC and TSR performance grants.

Conditional share grant

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

Timeline for 2015 conditional GRO grant

Performance period for EIP	April grant			April vesting
2014	2015	2016	2017	2018

Performance share grant

The target value to be granted under the performance share grant is different for each Management Board position, to align this component with market practice. For the CEO the target grant value is 170% of base salary, for the U.S.-based COO the target grant value is 135% of base salary and for the CFO the grant value is 100% of base salary. The vesting of the performance shares is subject to a performance hurdle at vesting after a performance period of three years.

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

For the other half of the performance grant, the performance at vesting is measured using relative total shareholder return (TSR). Relative TSR measures share price growth plus dividends paid over the performance period benchmarked against the TSR performance of Ahold's peer group (see table under *Benchmarking*). The number of shares that will vest depends on Ahold's relative ranking in the peer group. An independent external advisor determines the ranking. The table below indicates the percentage of performance shares that will vest based on Ahold's ranking. No shares will vest to Management Board members if Ahold ranks below the sixth position.

2014-2015 GRO program rank	1	2	3	4	5	6	7	8	9	10	11	12
Percentage of performance shares vesting	175%	150%	125%	100%	75%	50%	0%	0%	0%	0%	0%	0%

At-target grant and maximum vesting (conditional and performance shares)

The at-target grant and maximum vesting (conditional and performance shares) per Management Board member can be summarized as follows:

	At-target grant conditional shares	At-target grant performance shares RoC	At-target grant performance shares TSR	Total at-target grant conditional and performance	Maximum vesting conditional shares	Maximum vesting performance shares	Total maximum vesting
CEO	50%	85.0%	85.0%	220%	75%	276.25%	351.25%
CFO	50%	50.0%	50.0%	150%	75%	162.50%	237.50%
COO	50%	67.5%	67.5%	185%	75%	219.38%	294.38%

All percentages constitute a percentage of base salary.

2015 GRO share grant calculation

Example CEO[1]

	At-target share grant (% of base salary)	Multiplier (conditional shares only)	Grant value (base salary x at-target grant x multiplier)	Number of shares granted (award value divided by six-month average)
Grant conditional shares	50%	45%	€224,894	14,383
Grant performance shares (RoC)	85%	NA	€849,599	54,336
Grant performance shares (TSR)	85%	NA	€849,599	54,336
Totals	220%		€1,924,092	123,055

1 base salary €999,528.
six-month average share price preceding the date of grant of €15.64.
annual incentive multiplier for the preceding year of 0.45.

Example CFO[2]

	At-target share grant (% of base salary)	Multiplier (conditional shares only)	Grant value (base salary x at-target grant x multiplier)	Number of shares granted (award value divided by six-month average)
Grant conditional shares	50%	45%	€149,929	9,589
Grant performance shares (RoC)	50%	NA	€333,176	21,309
Grant performance shares (TSR)	50%	NA	€333,176	21,309
Totals	150%		€816,281	52,207

2 base salary €666,352.
six-month average share price preceding the date of grant of €15.64.
annual incentive multiplier for the preceding year of 0.45.

History of grant vesting

Analysis shows that the GRO program rewards "pay-for-performance," as the value of the grants increases in the case of an above-target performance and decreases in the case of a below-par performance.

Before 2013, the EIP multiplier was applied over the total GRO grant. A low EIP multiplier resulted in a lower GRO grant, and a higher multiplier resulted in a higher GRO grant. The EIP multiplier had an amplifying effect on the total GRO grant.

Under the program, introduced in 2013, the EIP multiplier is only applied over the conditional shares; the performance shares are granted at target. As a result, the amplifying effect of the EIP multiplier has been reduced.

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. They are allowed to sell a portion of the shares to finance tax payable 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 before they are allowed to sell shares (other than to pay for taxes due). The holding may be built up by retaining all after-tax shares from the GRO program and does not require additional purchases. The year-end shareholdings of the Management Board are summarized in the paragraph *Shares and other interests in Ahold* in *Note 31*.

Claw-back

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

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 identical to that of all other associates in the Netherlands and is referred to as a defined benefit plan, based on career average salary (at Ahold). The retirement age is 67. The pensionable salary is capped at around €100,000 (2015: €96,544). Each Management Board member, working on a Dutch contract, pays a pension premium contribution calculated similarly to that of all other 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 in the Netherlands whose pensionable salary exceeds the cap. Participation in this Net Pension Arrangement is voluntary.

Loans

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

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, and are in line with standard practice in the Netherlands.

Employment agreements

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

Future outlook

It is proposed to the General Meeting of Shareholders that the Company's remuneration policy be amended in connection with the proposed Merger. The proposed remuneration policy is outlined in the shareholder circular.

Vesting of shares under the GRO plan

On April 20, 2016, a maximum of 0.3 million shares granted in 2013 to members of the Management Board under the Global Reward Opportunity (GRO) equity-based long-term incentive plan and 0.2 million performance shares granted in 2011 to members of the Management Board under the long-term component of the GRO plan are expected to vest. Except to finance tax due on the vesting date, members of the Management Board cannot sell shares for a period of at least five years following the grant date, or until the end of their employment, if this period is shorter.

On March 4, 2016, a maximum of 3.1 million shares granted in 2013 to Ahold associates under the GRO plan, 1.9 million performance shares granted in 2011 to Ahold associates under the long-term component of the GRO plan, and 97,000 matching shares granted in 2011 to Ahold associates under the mid-term component of the GRO plan are expected to vest. Vesting is subject to the participant being employed by the Company on the applicable vesting date. On the vesting date, participants are allowed to sell all or part of the shares vested.

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

Declarations

This is an extract, please refer to the full copy of the Annual Report 2015