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Governance

OUR MANAGEMENT BOARD AND EXECUTIVE COMMITTEE

Our Management Board has the responsibility for the overall management of the Company. It is also responsible for the actions and decisions of the Executive Committee, which manages our general affairs and ensures effective implementation of the strategy and achievement of the Company's objectives. The Management Board and Executive Committee together support our business, meet the needs of our stakeholders and ensure we comply with relevant rules and regulations. For a more detailed description of the responsibilities and requirements, see the Rules of Procedure in the Governance section of our website at www.aholddelhaize.com



FRANS MULLER

President and Chief Executive Officer; Chair and member, Management Board and Executive Committee

Appointed: July 24, 2016 (appointed as CEO: April 11, 2018)

Career background

Before his appointment as President and CEO in 2018, Frans served as Deputy CEO and Chief Integration Officer since 2016. He was also Acting Chief Operating Officer for Delhaize America from October 2016 until January 2018. Prior to the merger between Ahold and Delhaize, Frans served as President and CEO of Delhaize Group.

Before joining Delhaize Group, Frans spent more than 15 years in various leadership positions for German retailer Metro AG, including as managing director Makro, president Asia Pacific and Russia / Ukraine, CEO Metro Group Buying and, most recently, member of the board of Metro AG and CEO Metro Cash & Carry. Earlier in his career, Frans held management and executive positions at KLM Cargo in Amsterdam, Frankfurt, Vienna and Singapore.

Other board memberships

Chairman of the board, Vlerick Business School; vice co-chair, board of directors and member, governance committee, Consumer Goods Forum (CGF); co-sponsor, CGF Coalition of Healthier Lives.

Age: 60

Nationality: Dutch



NATALIE KNIGHT

Chief Financial Officer; Member Management Board and Executive Committee

Appointed: April 8, 2020

Career background

Before being appointed CFO, Natalie started at Ahold Delhaize as Executive Vice President Finance and Member of the Executive Committee on March 1, 2020.

Prior to joining Ahold Delhaize, Natalie was CFO and member of the executive management team at Arla Foods in Denmark since January 2016, responsible for the financial and legal teams and global IT. Before that, she spent 17 years at adidas AG in Germany and the U.S., in senior finance positions, including senior vice president group functions finance, senior vice president commercial and brand finance, CFO adidas North America and vice president investor relations and M&A.

Earlier in her career, Natalie held investor relations roles at BASF and Bankgesellschaft Berlin.

Age: 51

Nationality: American



KEVIN HOLT

Chief Executive Officer Ahold Delhaize USA; Member Management Board and Executive Committee

Appointed: July 24, 2016

Career background

Before being appointed CEO Ahold Delhaize USA, Kevin was Chief Operating Officer of Ahold USA since October 2016, after serving as Chief Operating Officer of Delhaize America since July 24, 2016. He had earlier served as Executive Vice President of Delhaize Group and CEO of Delhaize America, starting in 2014.

Kevin served as president of retail operations for SuperValu before joining Delhaize Group. Earlier in his career, Kevin worked for three years in executive leadership positions with Sears Holding Company and 14 years with Meijer, serving in various leadership roles, and spent nine years delivering technology solutions at NCR.

Other board memberships

Member, board of directors, Food Marketing Institute

Age: 63

Nationality: American



WOUTER KOLK

Chief Executive Officer Europe and Indonesia; Member Management Board and Executive Committee

Appointed: October 1, 2018

Career background

Before being appointed CEO Europe and Indonesia, Wouter had been Chief Operating Officer the Netherlands and Belgium and member of the Executive Committee of Ahold Delhaize since September 8, 2017.

Wouter re-joined Ahold in 2013 as Executive Vice President Specialty Stores and New Markets at Albert Heijn following a six-year period as CEO of international retailer WE Fashion. He became CEO Albert Heijn in January 2015.

Wouter first started at Ahold in 1991, and over the next 16 years served in several international commercial and general management roles, including Commercial Director Asia-Pacific based in Singapore, Regional Director Albert Heijn, General Manager Gall & Gall and General Manager of Etos.

Other board memberships

Chairman, supervisory council, concert hall Paradiso.

Age: 55

Nationality: Dutch

Governance

OUR MANAGEMENT BOARD AND EXECUTIVE COMMITTEE



JAN ERNST DE GROOT

Chief Legal Officer; Member Executive Committee

Appointed: February 1, 2015

Career background

Jan Ernst de Groot has served as Chief Legal Officer and member of Ahold Delhaize's Executive Committee since 2016, the same role he held at Ahold since 2015. Prior to that, Jan Ernst served in corporate and commercial roles on the executive boards of KLM Royal Dutch Airlines and TNT Express. He started his career at law firm De Brauw Blackstone Westbroek. Jan Ernst is responsible for leadership on the Company's legal affairs, compliance and ethics, corporate governance, food safety, workplace safety, and public affairs.

Other board memberships

Member, executive board, VNO-NCW Confederation of Netherlands Industry and Employers; member, supervisory board, ADG Dienstengroep; chair, supervisory council, ARK Rewilding; chair, supervisory council, Wetlands International.

Age: 58

Nationality: Dutch



NATALIA WALLENBERG

Chief Human Resources Officer; Member Executive Committee

Appointed: January 17, 2022

Career background

Natalia Wallenberg started as Chief Human Resources Officer and member of Ahold Delhaize's Executive Committee on January 17, 2022. Natalia is responsible for the development of Ahold Delhaize's people strategy ensuring the Company's growth, associate development and engagement, and its positive contribution to the society and planet overall.

Prior to joining Ahold Delhaize, Natalia spent more than nine years at global agricultural technology business, Syngenta Group, most recently as Global Head of Human Resources for the Crop Protection division, based in Basel, Switzerland. She also served for three years as Global Head of HR for the Syngenta Seed Division, based in Minneapolis, Minnesota and Chicago, Illinois. Prior to Syngenta, Natalia served in HR leadership roles at Renaissance Capital and IKEA Real Estate, both located in Moscow, Russia.

Age: 39

Nationality: Belarusian



BEN WISHART

Global Chief Information Officer; Member Executive Committee

Appointed: January 1, 2022

Career background

Ben joined Ahold in 2013 in the role of Global Chief Information Officer and has continued in this role for Ahold Delhaize. He is responsible for leadership and governance on technology matters globally, including strategy and solution delivery, enabling digital platforms, cyber defense and sourcing.

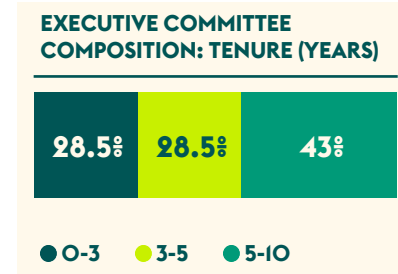
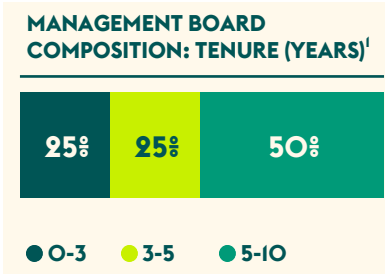
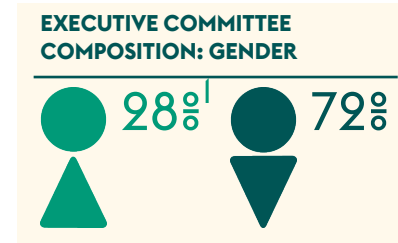
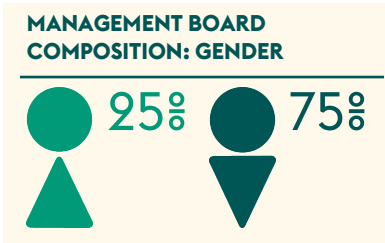
He previously served as chief information officer of Morrisons plc and Whitbread plc and held various senior Information Technology roles at Tesco plc following early career roles in consulting with Cap Gemini and sales and marketing with American Express.

Other board memberships

Independent non-executive director; member, nomination, remuneration and audit committee; and chair, cyber and IT sub-committee, PayPoint.

Age: 59

Nationality: British



¹ The composition reflects the years since first appointment as a member of the Management Board (see Reappointment schedule Management Board).

¹ At the end of the financial year 2021, the gender split of the Executive Committee was 83% male and 17% female, as Natalia Wallenberg was appointed to the Executive Committee effective January 17, 2022.

Governance

OUR SUPERVISORY BOARD

The Supervisory Board is responsible for supervising and advising our Management Board and overseeing the general course of affairs, strategy, operational performance and corporate governance 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 well-being of the enterprise and the relevant interests of all its stakeholders. For a more detailed description of the responsibilities and requirements, see the Rules of Procedure in the Governance section of our website at www.aholddelhaize.com

**PETER AGNEFJÄLL**

Chair; Member of the Remuneration Committee, and Governance and Nomination Committee

Appointed: April 10, 2019

Career background

Peter served as president and CEO of the IKEA Group from 2013 to 2017. He started his career there as a trainee in 1995 and, over the years, held several senior management positions within the company.

Other board memberships

Member board of directors, Orkla ASA; member, advisory board, Deichmann Group; advisor to the private equity team of Abu Dhabi Investment Authority.

Age: 50

Nationality: Swedish

**BILL McEWAN**

Vice Chair; Chair of the Remuneration Committee; Member of the Sustainability Committee

Appointed: July 24, 2016

Career background

Bill served on Delhaize's Board of Directors as of 2011 and was Chair of its Remuneration Committee. He 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 senior marketing and merchandising roles with Coca-Cola Limited, Coca-Cola Bottling and The Great Atlantic and Pacific Tea Company (A&P), including as president of A&P's Canadian operations and president and CEO of its U.S. Atlantic Region.

Other board memberships

Board director, chair governance committee and member audit and finance and independent committees, Interac Corp.; board director, chair of human resources committee, Agrifoods International Cooperatives.

Age: 65

Nationality: Canadian

**RENÉ HOOFT GRAAFLAND**

Chair of the Audit, Finance and Risk Committee; Member of the Sustainability Committee

Appointed: January 1, 2015

Career background

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.

Other board memberships

Member, supervisory board and audit committee, Koninklijke FrieslandCampina N.V.; chairman, supervisory board, Lucas Bols N.V.; chairman of the boards of the Royal Theatre Carré Fund and the Stichting African Parks Foundation; member, Dutch Corporate Governance Code Monitoring Committee.

Age: 66

Nationality: Dutch

**KATIE DOYLE**

Chair of the Sustainability Committee; Member of the Governance and Nomination Committee

Appointed: April 10, 2019

Career background

Katie brings 30 years of experience leading and advising consumer companies in the health and wellness space, executing omnichannel and digital-first strategies. Katie was most recently the CEO of Swanson Health Products and previously led Abbott Laboratories' Nutrition division as a Senior Vice President and Corporate Officer. Prior to these roles, she was Partner at McKinsey & Company, working with consumer goods and retail clients globally.

Other board memberships

Non-executive director, Perrigo; non-executive director, FoodScience Corporation; board of advisors League, board of trustees, Museum of Science and Industry Chicago; member, The Economic Club of Chicago; member, The Chicago Network.

Age: 54

Nationality: American

Governance OUR SUPERVISORY BOARD



HELEN WEIR

Chair of the Governance and Nomination Committee; Member of the Audit, Finance and Risk Committee

Appointed: April 8, 2020

Career background

Helen has had a distinguished career as finance director of a number of large consumer-focused companies, including Marks and Spencer plc where she also had responsibility for IT, John Lewis Partnership, Lloyds Banking Group plc and Kingfisher plc.

Other board memberships

Non-executive director, Greencore Group plc.; chair audit committee, Compass Limited; senior independent director, Superdry Plc; trustee, Marie Curie.

Age: 59

Nationality: British



MARY ANNE CITRINO

Member of the Audit, Finance and Risk Committee, and Remuneration Committee

Appointed: July 24, 2016

Career background

Mary Anne previously served on Ahold's Supervisory Board starting on March 14, 2016. She is a senior advisor to Blackstone and joined the Blackstone Advisory Partners Group as senior managing director in 2004.

Mary Anne worked at Morgan Stanley for over 20 years, as global head of consumer products investment banking, co-head of healthcare services investment banking, and as a mergers and acquisitions analyst.

Other board memberships

Member, board of directors and public issues committee and chair, governance and nominating committee, Aluminum Company of America Inc.; chair, audit committee and member, finance, investment and technology committee, Hewlett Packard, Inc.

Age: 62

Nationality: American



FRANK VAN ZANTEN

Member of the Remuneration Committee and Governance and Nomination Committee

Appointed: April 8, 2020

Career background

Frank has been CEO of Bunzl plc. (FTSE-100), a specialist international distribution and services group, since 2016. Frank joined Bunzl in 1994 when the company acquired his family-owned business in the Netherlands and he subsequently assumed responsibility for a number of businesses in other countries. In 2002, he became CEO of PontMeyer NV, a listed company in the Netherlands, before re-joining Bunzl in 2005 as managing director of the continental Europe business area.

Age: 55

Nationality: Dutch



BALA SUBRAMANIAN

Member of the Governance and Nomination Committee and Sustainability Committee

Appointed: April 14, 2021

Career background

Bala is chief digital officer of AT&T, a U.S.-based provider of telecommunication services. Before that, he led the digital transformation at Best Buy, a U.S.-based retailer of technology and entertainment products and services.

Other board memberships

Member, board of directors, audit and remuneration committees, Cars.com.

Age: 50

Nationality: American



JAN ZIJDERVELD

Member of the Audit, Finance and Risk Committee and Sustainability Committee

Appointed: April 14, 2021

Career background

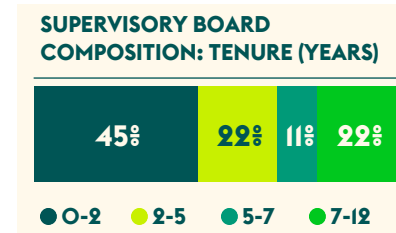
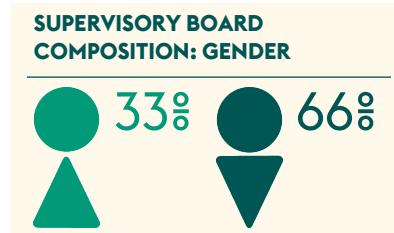
Jan spent almost 30 years at Unilever, in senior management positions in seven countries, most recently as CEO and president of Unilever Europe and member of the executive team. He also served as CEO of Avon from 2018-2020

Other board memberships

Non-executive director, Pandora; non-executive director, Epic Acquisition Corp; senior advisor Private Equity.

Age: 57

Nationality: Dutch



Governance

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 2016 (“Dutch Corporate Governance Code”).

GOVERNANCE STRUCTURE

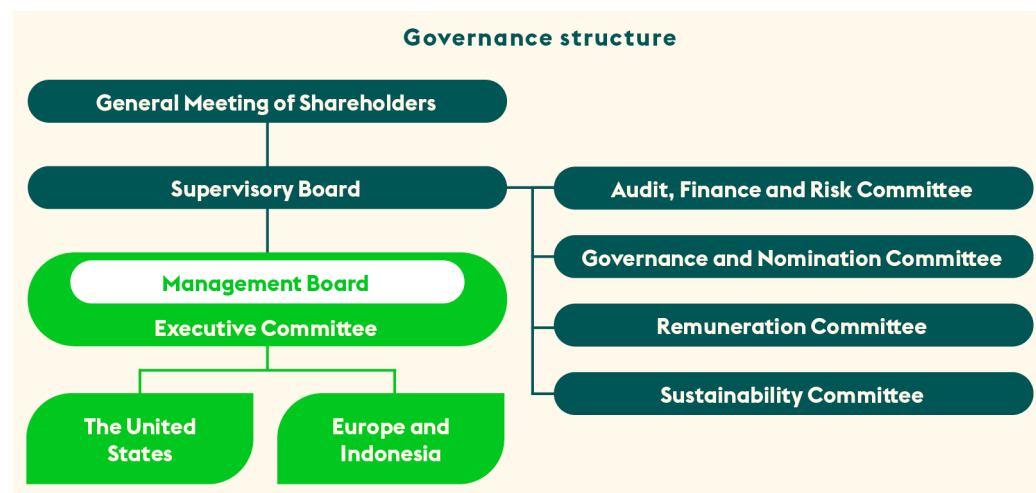
Koninklijke Ahold Delhaize N.V. (the “Company” or “Ahold Delhaize”) is a public company under Dutch law, structured to execute our strategy and to balance local, regional and global decision-making.

In 2021, our Company comprised a Global Support Office and two reportable segments: The United States and Europe, each of which are made up of a number of local brands.

Ahold Delhaize has 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 Supervisory Board supervises and advises the Management Board.

The Executive Committee comprises our Management Board and other key officers of the Company, led by the Chief Executive Officer. The Executive Committee has been established to involve a broader leadership team in the decision-making process and to optimize strategic alignment and operational execution while having the flexibility to adapt to developments in the business and across the Company and the industry.

The following diagram shows Ahold Delhaize's governance structure. A list of subsidiaries, joint ventures and associates is included in [Note 35](#) to the consolidated financial statements.



MANAGEMENT BOARD AND EXECUTIVE COMMITTEE

The Management Board and Executive Committee together support our business, meet the needs of our stakeholders and ensure we comply with relevant rules and regulations. The members of the Executive Committee are regularly invited to the meetings of the Supervisory Board by invitation of the Chair of the Supervisory Board and attend the Supervisory Board Committee meetings relevant to their respective responsibilities.

According to our Articles of Association, the Management Board must consist of at least three members. For a more detailed description of the responsibilities and the requirements of the Management Board and the Executive Committee, see the Rules of Procedure in the Governance section of Ahold Delhaize's public website at www.aholddelhaize.com.

Composition of the Management Board and Executive Committee

The current members of the Management Board and Executive Committee are presented on the previous pages. On January 17, 2022, Natalia Wallenberg joined the Company as Chief Human Resources Officer. She succeeded Abbe Luersman, who left the Company as of February 1, 2021, and who we thanked for her contributions during the annual General Meeting of Shareholders on April 14, 2021. In the interim period, Frans Muller served as Chief Human Resources Officer. As per October 15, 2021, Chief Digital Officer Farhan Siddiqi left the Company.

Currently, Ahold Delhaize has a Management Board that is 25% female, and an Executive Committee that is 28% female. We recognize this leaves room for improvement, which is reflected in our broad and bold aspiration for diversity and inclusion. Generally, we aim to reflect the markets we serve, and have a workplace where all voices are heard and valued, we find purpose in our work, we have equitable access to opportunities, and we can grow and contribute to our fullest. We aspire to be a company that is 100% gender balanced, 100% reflective of the markets we serve and 100% inclusive. For more information on our diversity and inclusion aspiration, see [In focus: Diversity and inclusion](#).

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, at the proposal of the CEO.

Governance

CORPORATE GOVERNANCE

Remuneration

On April 10, 2019, Ahold Delhaize's General Meeting of Shareholders adopted the current remuneration policy for Management Board members. The Principles and Procedures were adopted by the General Meeting of Shareholders on April 8, 2020.

You can find the details of this policy in *Remuneration policy*. For detailed information on the individual remuneration of Management Board members, see *2021 Remuneration* and *Note 31* and *Note 32* to the consolidated financial statements for information on an aggregated basis.

Reappointment schedule Management Board

Name	Effective date of first appointment	Year of possible reappointment
Frans Muller	July 24, 2016	2023
Natalie Knight	April 8, 2020	2024
Kevin Holt	July 24, 2016	2024 ¹
Wouter Kolk	October 1, 2018	2022

¹ At the General Meeting of Shareholders on April 14, 2020, Kevin Holt was reappointed to the Management Board in view of several long-term strategic and operational initiatives that are ongoing at Ahold Delhaize USA. Should his role in these initiatives be concluded before the end of the four-year term, Kevin and the Company have the option to end his assignment as per the annual General Meeting of Shareholders on April 13, 2022. As executive leadership transition and continuity is critical, Kevin would then subsequently remain attached to the Company as an advisor to the Management Board until December 31, 2022, after which he would retire. In view of the current state of the above initiatives, both parties have agreed to extend the option by one year, up to and including the annual General Meeting of Shareholders to be held in 2023.

Evaluation

In early 2022, the Management Board and the Executive Committee conducted a self-assessment. To facilitate the self-assessment, a questionnaire was filled out by all members. The consolidated output of the questionnaire was used to facilitate a structured dialogue chaired by the CEO. The dialogue also took into account the collected feedback from direct reports of the Executive Committee members and from the company-wide associate engagement survey.

Overall, the Executive Committee concluded that they function well as a team. Opinions are shared openly and discussed in a constructive manner. Compared to last year, there was consensus that the decision-making process has become more effective, and that the increased digital interaction has provided for new and more efficient ways of interacting.

Items for improvement included team diversity, clarity and consistency of decision-making, meeting frequency, and spending more time together on key strategic topics. The Executive Committee decided that they will address these items in a more in-depth way during a multi-day offsite meeting, when travel restrictions allow, and will evaluate progress by the end of the year.

SUPERVISORY BOARD

The Supervisory Board is responsible for supervising and advising the Management Board and overseeing the general course of affairs, strategy, operational performance and corporate governance of the Company. Ahold Delhaize's Articles of Association require the approval of the Supervisory Board for certain major resolutions by the Management Board, including:

- Issuance of shares
- 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

The Supervisory Board is responsible for monitoring and assessing its own performance. More detailed information on the Supervisory Board can be found in the *Supervisory Board report*. The Rules of Procedure of the Supervisory Board are available in the *Governance* section of Ahold Delhaize's public website at www.aholddelhaize.com.

Appointment, suspension and dismissal

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 is required, regardless of the number of shares represented at the meeting.

A Supervisory Board member is appointed for a four-year term and may be reappointed for another four-year period. The Supervisory Board member may subsequently be reappointed for a period of two years, which may be extended by, at most, two years, provided such appointments and reappointments contribute to a more diverse composition of the Supervisory Board.

Committees of the Supervisory Board

The Supervisory Board has four committees that are appointed by the Supervisory Board from its own members. Following an evaluation of the effectiveness of its committees, the Supervisory Board decided to re-integrate the Risk Committee into the Audit and Finance Committee, and to focus the Sustainability and Innovation Committee on health and sustainability. Innovation topics and progress are discussed by the full Supervisory Board on the basis of integrated updates by the Management Board.

Governance

CORPORATE GOVERNANCE

AUDIT, FINANCE AND RISK COMMITTEE

The Audit, Finance and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibility for, among others, the integrity and quality of Ahold Delhaize's financial statements, financial reporting process, system of internal business controls, risk management and control systems, and significant enterprise risks. The Audit, Finance and Risk Committee determines how the external independent auditor should be involved in the content and publication of financial reports other than the financial statements. The Committee reports to the Supervisory Board annually on its cooperation with the external independent auditor, including on the auditor's independence. The Supervisory Board takes these reports into account when deciding on the nomination for the (re)appointment of the external independent auditor.

GOVERNANCE AND NOMINATION COMMITTEE

The Governance and Nomination Committee advises the Supervisory Board on the following responsibilities in relation to the members of the Supervisory Board, the Management Board and the Executive Committee: preparing the selection criteria and appointment procedures, periodically evaluating the scope and composition, including diversity, of the three bodies, proposing the profile of the Supervisory Board, periodically assessing the performance of individual Supervisory Board members and reporting the results to the Supervisory Board; developing succession planning, proposing the (re-)appointments of members, and supervising the Executive Committee's policy in relation to the selection and appointment criteria for senior management. The Committee is also responsible for evaluating the Company's corporate governance and reporting the results to the Supervisory Board, and it assists the Supervisory Board in overseeing risks related to leadership composition and succession, attraction and retention of people and the governance of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee advises the Supervisory Board in relation to remuneration of the Supervisory Board and Management Board. These responsibilities include analyzing the possible outcomes of the variable remuneration components and how they affect remuneration and preparing proposals for the Supervisory Board concerning remuneration and remuneration policy to be adopted by the General Meeting. The Remuneration Committee prepares proposals for the Supervisory Board concerning the terms of employment, total compensation and performance criteria and application thereof of the individual members of the Management Board and reviews the terms of remuneration proposed by the CEO for the members of the Executive Committee who are not also members of the Management Board. In addition, the Committee prepares proposals for the Supervisory Board on any share or stock option compensation plans – ensuring they are aligned with Ahold Delhaize's strategy and applied consistently across the organization – and oversees the total cost of approved compensation programs.

SUSTAINABILITY COMMITTEE

The Sustainability Committee advises the Supervisory Board in relation to the Company's sustainability long-term vision, strategy and target setting. It monitors the Company's performance on sustainability targets. The Sustainability Committee is responsible for monitoring the Company's talent, leadership and culture development in the field of sustainability and assisting the Supervisory Board in fulfilling its oversight responsibilities for risks related to the topic.

For the full charter of each of these committees, see the complete *Rules of Procedure* of the Supervisory Board of Koninklijke Ahold Delhaize N.V. on our website.

Conflict of interest

A member of the Supervisory Board is required to immediately report any potential conflict of interest to the Chair of the Supervisory Board and the other members of the Supervisory Board and provide them with all relevant information. Similarly, in the event of a potential conflict of interest concerning a member of the Management Board, he or she is required to immediately report this to the Chair of the Supervisory Board and to the other members of the Management Board and provide them with all relevant information.

Should a conflict of interest arise, the Supervisory Board or the relevant Management Board member may not participate in the discussions and decision-making process on subjects or transactions relating to the conflict of interest.

We will record any such facts or transactions in the annual report for the relevant year, with reference to the conflict of interest and a confirmation that we have complied with best practice provisions 2.7.3 and 2.7.4 of the Dutch Corporate Governance Code. During 2021, no member of the Supervisory Board or the Management Board had a conflict of interest that was of material significance to the Company.

In addition, no transactions between the Company and legal or natural persons who hold at least 10% of the shares in the Company occurred in 2021, corresponding to the best practice provision 2.7.5 of the Code.

SHARES AND SHAREHOLDERS' RIGHTS

General Meeting of Shareholders

Ahold Delhaize's shareholders exercise their rights through annual and extraordinary General Meetings of Shareholders. The Company is required to convene an annual General Meeting of Shareholders in the Netherlands each year, no later than six months after the end of the Company's financial year. Extraordinary General Meetings of Shareholders may be convened at any time by the Supervisory Board, the Management Board, or at the request of one or more shareholders (and/or holders of depository receipts) representing at least 10% of the issued and outstanding 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 (and/or holders of depository receipts) are entitled to propose items for the agenda of a General Meeting of Shareholders provided that they hold at least 1% of the issued share capital or the shares or depository receipts that they hold represent a market value of at least €50 million. Proposals for agenda items for a General Meeting of Shareholders must be submitted at least 60 days prior to the date of the meeting.

Governance

CORPORATE GOVERNANCE

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 annual 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, 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 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.

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 J.P. Morgan Chase Bank N.A., the Depository for the Company's ADR facility, to enable ADR holders to exercise their voting rights, which are represented by the common shares underlying the ADRs.

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.

Cumulative preferred shares

In March 1989, the Company entered into an agreement with the Dutch foundation Stichting Continuïteit Ahold Delhaize ("SCAD"), as amended and restated in April 1994, March 1997, December 2001, December 2003 and May 2018 (the "Option Agreement"). The Option Agreement was designed to, in accordance with the purpose of SCAD 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 its stakeholders and to potentially avert, to the best of its ability, influences that might conflict with those interests by affecting the Company's continuity, independence or identity.

Pursuant to the Option Agreement, SCAD has been granted an option to acquire cumulative preferred shares from the Company from time to time for no consideration.

SCAD and the members of its board are independent from the Company. The current members of the board of SCAD are:

Name	Principal or former occupation
G.H.N.L. van Woerkom, Chair	Former Chair of Detailhandel Nederland
B. Vree, Vice-Chair	Former CEO APM Terminals Europe
B.M.A. van Hussen	Lawyer and former M&A partner at DLA Piper
C.M.S. Smits-Nusteling	Former CFO KPN

For further details on Ahold Delhaize's cumulative preferred shares, including restrictions on transfer, see [Note 21](#) to the consolidated financial statements. The related documents are available on our public website at www.aholddelhaize.com.

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 14, 2021, 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 share capital until and including October 14, 2022, and subject to the approval of the Supervisory Board.

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 Delhaize's common shares. According to the Company's Articles of Association, this preemptive right does not apply to any issuance of shares to 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 14, 2021, the General Meeting of Shareholders 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 until and including October 14, 2022.

Governance

CORPORATE GOVERNANCE

Repurchase by Ahold Delhaize of its own shares

Ahold Delhaize may only acquire fully paid-up shares of any class in its capital for consideration following authorization by the General Meeting of Shareholders and subject to the approval of the Supervisory Board and 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.

In line with the above, the Management Board was authorized by the General Meeting of Shareholders on April 14, 2021, to acquire a number of common shares in the Company until and including October 14, 2022. Such acquisition of common 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 AEX by NYSE Euronext on the date of their acquisition, provided that the Company and its subsidiaries will not hold more than 10% of the issued capital. 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 authorization of the General Meeting of Shareholders.

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](#).

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.

Right of inquiry

The thresholds for shareholders to exercise the right of inquiry ("het enquêterecht") are based on article 2:346 subclause 1 under c of the Dutch Civil Code, regardless of the current nominal share capital of the Company. More information on the nominal value of shares can be found in [Note 21](#) to the consolidated financial statements.

External independent auditor

The General Meeting of Shareholders appoints the external independent auditor. The Audit, Finance and Risk Committee recommends to the Supervisory Board the external independent 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 independent auditor.

On April 14, 2021, the General Meeting of Shareholders appointed PricewaterhouseCoopers Accountants N.V. as external independent auditor for the Company for the financial year 2021.

DECREE ARTICLE 10 EU TAKEOVER DIRECTIVE

According to the Decree Article 10 EU Takeover Directive, we are required 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, in the [Information about Ahold Delhaize share](#) section, as well as in the notes referred to in these sections or included in the description of any relevant contract.

COMPLIANCE WITH DUTCH CORPORATE GOVERNANCE CODE

Ahold Delhaize complies with the relevant principles and best practices of the Dutch Corporate Governance Code applicable to the Company in 2021, as reported in the [Governance](#) section. The Dutch Corporate Governance Code can be found at www.mccg.nl.

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.

Governance

CORPORATE GOVERNANCE

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 “Besluit inhoud bestuursverslag” last amended on January 1, 2018 (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 diversity policy, as required by article 3a sub d of the Decree, can be found in the *Management Board and Executive Committee* and *Supervisory Board* sections of *Corporate governance* as well as in the *Supervisory Board report*.
- 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, Executive Committee and Supervisory Board and its committees, as required by article 3a sub c of the Decree, can be found in the *Management Board and Executive Committee* and *Supervisory Board* sections included in *Corporate governance* as well as in the *Supervisory Board report*.
- 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*.

Governance

LETTER FROM THE CHAIR OF THE SUPERVISORY BOARD

Dear shareholder,
I'm pleased to present our Supervisory Board report for 2021.



Looking back on my first full year as Chair of the Supervisory Board, I'm proud of and grateful to associates at all of Ahold Delhaize's brands, who rose to the challenges we faced to take care of customers and communities, as COVID-19 continued to impact us all. People at the local brands worked very hard to ensure customers were able to get the products they needed, in a safe and convenient way.

A highlight of the year was the next chapter of the Company's Leading Together strategy, which was introduced at the Investor Day in November. Leadership across the Company presented accelerated plans and targets towards 2025, aimed at further unleashing the incredible power of Ahold Delhaize's model, with brands that are close to the customer working alongside support businesses that enable them to harness economies of scale. Another important development, after reviewing the strategic opportunities with the Management Board, was the intention to build on bol.com's success and explore a subsidiary IPO for the brand. We are excited, as this development could help bol.com achieve its growth potential, while at the same time raising funds to support Ahold Delhaize's ability to execute on its winning strategy.

Over the past year, I've seen first-hand how Ahold Delhaize has put its sustainability strategy at the heart of the Company. I share the vision that what is healthy and sustainable should be accessible to everyone. I was pleased that Ahold Delhaize further invested in and strengthened its commitment to a healthy and sustainable food retail system in 2021, bringing forward – by a decade, from 2050 to 2040 – its target to reach net-zero carbon emissions across its own operations, and pledging to reach net-zero carbon emissions across the supply chain by 2050. I believe this is a very important investment in the Company's long-term ability to create value for all its stakeholders.

During 2021, we were also happy to welcome Bala Subramanian and Jan Zijdeveld to the Board. Bala brings experience in transforming large companies towards omnichannel and digital businesses, a great asset as Ahold Delhaize continues to develop its omnichannel offering. Jan comes to us with extensive international experience, consumer insights in a broad range of products and valuable knowledge of the global retail space.

We are pleased that we have nominated Pauline van der Meer Mohr for appointment at the Annual General Meeting of Shareholders in April 2022 to further strengthen the Supervisory Board. At the same time, Mary Anne Citrino will retire and we would like to thank her for her outstanding contribution to the Company.

As we look ahead to 2022, COVID-19 remains a challenge in the markets Ahold Delhaize brands serve and will bring continued uncertainty. However, I believe that the next chapter of the Leading Together strategy will guide and support our teams in all areas of the business in living up to their shared values and helping customers eat well, save time and live better.

In conclusion, I would like to thank the Management Board, the Executive Committee, but, most of all, associates at the local brands and businesses whose hard work and resilience enabled the Company to fulfill its role in society again this year and made all of the achievements I've mentioned possible.

On behalf of the Supervisory Board,

Peter Agnefjäll

Governance

SUPERVISORY BOARD REPORT

COMPOSITION OF THE SUPERVISORY BOARD

The composition of Ahold Delhaize's Supervisory Board should suit the nature of the Company's strategy, business, activities and organizational structure. The Board's full profile is published on the Company's public website at www.aholddelhaize.com and updated regularly. The Supervisory Board is responsible for determining its optimal number of members. In the current industry context, and given the combined qualifications of the members in view of the Supervisory Board's requirements, a maximum of 10 members is preferred. The Supervisory Board currently comprises nine members.

After the General Meeting of Shareholders on April 14, 2021, Ben Noteboom and Dominique Leroy stepped down from the Supervisory Board; at the same meeting, Bala Subramanian and Jan Zijdeveld were appointed by our shareholders. With Bala's appointment, the Supervisory Board strengthened its digital skills and competencies and, at the same time, broadened its diversity. Jan Zijdeveld brings expertise and knowledge in international supply chains and fast-moving consumer goods. In deviation of provision 4.4.4 of the Dutch Corporate Governance Code, Bala and Jan were not present during the meeting due to the pandemic.

In accordance with provision 2.1.5 of the Dutch Corporate Governance Code, Ahold Delhaize's diversity policy states that the composition of the Supervisory Board and the combined experience and expertise of its members should reflect the profile of the Company as it relates to nationality, age, education, gender and professional background.

Currently, three Board members are female and six are male and the Supervisory Board comprises five different nationalities. We recognize this leaves room for improvement, which is reflected in our broad and bold aspiration for diversity and inclusion. Generally, the Company and its businesses aim to reflect the markets they serve, and have a workplace where all voices are heard and valued, they find purpose in their work, have equitable access to opportunities, and can grow and contribute to their fullest. Ahold Delhaize aspires to be a company that is 100% gender balanced, 100% reflective of the markets served and 100% inclusive. For more information on diversity and inclusion at Ahold Delhaize, see [In focus: Diversity and inclusion](#).

Ongoing education

As part of ongoing education, the Company organized several deep dives for the Supervisory Board in 2021. These deep dives gave the Supervisory Board the opportunity to get acquainted with senior officers and key talents of the Company and its great local brands and, in turn, gave these associates exposure to the Supervisory Board. The sessions helped the Supervisory Board to get a feel for how the Company's culture has been preserved during these challenging times. Among others, the deep dives included a cyber security update presented by the Company's Global Information Security Officer, a presentation by the Global Safety Officer on occupational health and safety, and a workshop on the background, risks and potential future consequences of the pandemic.

Our new Board members followed a thorough multi-day introduction program, during which they were introduced to the members of the Executive Committee, key officers at the GSO and Retail Business Services and a number of leaders of the great local brands.

Evaluation

The Supervisory Board conducted a self-assessment in early 2022 to evaluate its own performance as well as the performance of its committees and individual members, including the interaction with the Management Board. The self-assessment was facilitated by an independent external party that conducts multiple board evaluations. This party held interviews with each member of the Supervisory Board, each member of the Management Board and the Company Secretary. The results of the evaluation were presented to, and discussed by, the Supervisory Board during a dedicated meeting in February 2022.

The overall feedback from the evaluation was positive. Each member enjoyed performing their role and the cooperation with each other; any disagreement was constructive and respectful. The composition of the Supervisory Board provided for a wealth of expertise and experience. The Supervisory Board was also positive about its relationship with management. All members of the Supervisory Board expressed a strong wish and sense of responsibility to contribute, in spite of the limited opportunities to meet in person due to pandemic-related travel restrictions.

The Supervisory Board identified a number of opportunities for improvement and several key topics and focus areas. Firstly, it was felt that, in a rapidly changing retail landscape that brings new opportunities and challenges, it is essential that the Supervisory Board continues to invest sufficient time to discuss the company's purpose, vision and long-term strategy. The omnichannel market context, succession planning and talent development were identified as strategy-related areas requiring more focus in 2022 and onwards. Also, it was concluded that the diversity of the Supervisory Board and of the Company's leadership teams, in a broader sense, must remain a focus point in the coming years. And finally, it was felt that interactions with the Management Board and achieving clarity around mutual expectations would benefit from reinforced processes and spending more time together in person, as soon as travel restrictions allow.

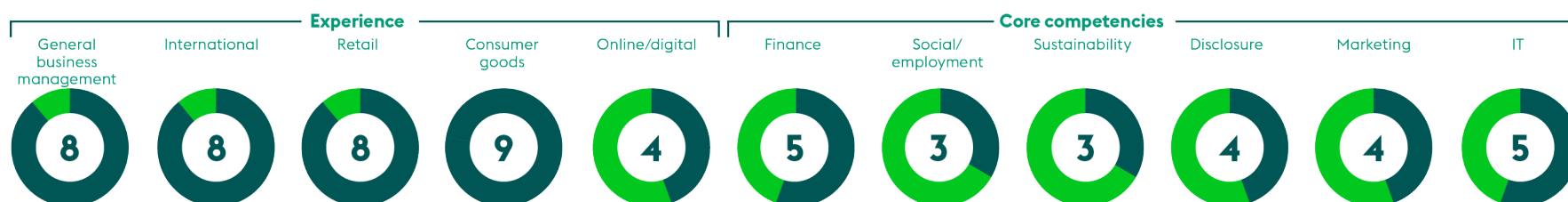
The Supervisory Board will continue to discuss the conclusions and opportunities throughout the year ahead.

Governance

SUPERVISORY BOARD REPORT

Supervisory Board profile

Name	Experience					Core competencies					
	General business management	International	Retail	Consumer goods	Online/digital	Finance	Social/employment	Sustainability	Disclosure	Marketing	IT
Peter Agnefjäll	*	*	*	*	*		*	*			*
Bill McEwan	*	*	*	*				*	*	*	
René Hooft Graafland	*	*		*		*			*	*	
Katie Doyle	*	*	*	*	*	*		*		*	*
Helen Weir	*	*	*	*	*	*	*		*		*
Mary Anne Citrino			*	*		*					
Frank van Zanten	*	*	*	*			*		*	*	*
Bala Subramanian	*	*	*	*	*						*
Jan Zijderveld	*	*	*	*			*				



Reappointment schedule Supervisory Board¹

Name	Date of birth	Effective date of first appointment	Reappointment for second and third term	End of current appointment
Peter Agnefjäll	April 21, 1971	April 10, 2019		2023
Bill McEwan	July 28, 1956	July 24, 2016	2020	2022
René Hooft Graafland	September 24, 1955	January 1, 2015	2018	2022
Katie Doyle	October 20, 1967	April 10, 2019		2023
Helen Weir	August, 17, 1962	April 8, 2020		2024
Mary Anne Citrino	April 24, 1959	March 14, 2016	2020	2024
Frank van Zanten	February 24, 1967	April 8, 2020		2024
Bala Subramanian	October 10, 1971	April 14, 2021		2025
Jan Zijderveld	May 9, 1964	April 14, 2021		2025

¹ In its decision to nominate its members for reappointment, the Supervisory Board takes into account their tenure in the Board of Directors of the former Delhaize Group, prior to their appointment to the Supervisory Board.

Governance

SUPERVISORY BOARD REPORT

SUPERVISORY BOARD ENGAGEMENT

Due to the continued impact of the COVID-19 pandemic, the majority of Supervisory Board meetings took place through collective video calls. A total of 15 Board meetings took place. The meeting in September was organized in a hybrid mode, with the European Board members attending the meeting collectively and in-person in Zaandam, the Netherlands, and the U.S.-based members participating collectively and in-person from Philadelphia, Pennsylvania in the United States. In November, we held an ordinary in-person meeting in Zaandam, the Netherlands. In connection with the in-person meetings, business visits and sessions with senior leadership and talents were organized. All meetings were attended by the Management Board and several other members of the Executive Committee. Senior management and key talents of the Company were also regularly invited to present on specific topics.

The Supervisory Board focused on a number of key topics and dilemmas during 2021. The Supervisory Board and management regularly discussed opportunities to ensure that the vision and strategy of the Company drive long-term sustainable growth. The topics discussed included the importance of local relative market share positions, a strong omnichannel customer value proposition, the need to transform and build critical capabilities and the need to drive efficiency and scale to secure capacity to invest. Ultimately, these deliberations resulted in the next chapter of the Company's **Leading Together** strategy, as announced during Investor Day on November 15, 2021.

As part of the strategy discussions, the Supervisory Board addressed the strategic opportunities for bol.com and, after an extensive and thorough review, the Supervisory Board and management decided to explore a **subsidiary IPO of bol.com** in 2022. Among the elements discussed, the Supervisory Board stressed the need for bol.com to play an important role in strategic partnership with other Company brands in the Benelux, which will require the Company to retain significant control over bol.com in the long term.

During 2021, the Supervisory Board discussed and challenged management on its **Healthy and Sustainable strategy**. At several meetings, the Supervisory Board, through its Sustainability Committee, discussed dilemmas, including the challenge of getting the right data from the brands to set appropriate baselines and targets, and the significant funding required for the relevant investments. These discussions resulted in the Company bringing forward its scope 1 and 2 targets by committing to reach net-zero carbon emissions across its own operations no later than 2040 and setting the ambition to become a net-zero business across its entire supply chain, products and services by 2050 (scope 3).

Since the beginning of the COVID-19 pandemic, the Supervisory Board received periodic updates from management on the impact, risks and actions undertaken by the Company in response to the pandemic.

The Supervisory Board regularly reviewed the topic of **succession planning**, both in general and specifically for the Management Board and Supervisory Board, in relation to expiring terms. This resulted in the proposal to recruit a new member to the Supervisory Board and to nominate Bill McEwan and René Hooft Graafland for additional terms (of one and two years respectively) in view of their skills and experience for the next stage of the Company's Leading Together strategy as well as in the interest of continuity, given the number of recent and upcoming changes to the composition. An important factor in the discussions on succession planning is **diversity**, and the Supervisory Board and Management Board regularly assessed opportunities to increase the aspirations in this area based on the consensus that it is essential to have diverse teams to drive results and to be reflective of the communities served by the Company.

January: In preparation for the holistic review of the Company's strategy, management organized interviews with the individual members of the Supervisory Board to gain their input and perspectives, which were used to prepare the deep dive sessions that followed throughout 2021.

February: During a two-day virtual meeting, the Supervisory Board discussed and approved Ahold Delhaize's 2020 Q4/full year results, the dividend proposal and the issuance of a sustainability-linked bond to underscore the Company's commitment to its Healthy and Sustainable strategy. The Supervisory Board and management reflected on the input management obtained on the strategy refresh during the interviews they held in January. Upon the recommendation of the Remuneration Committee, the Supervisory Board resolved to approve the Company's performance and short-term incentive multiplier for 2020 and the 2021 salary adjustments for the Executive Committee members. Lastly, the Supervisory Board approved the nomination of Bala Subramanian and Jan Zijderveld for appointment to the Supervisory Board.

In a separate call in February, the Annual Report 2020 and the Agenda with the explanatory notes for the 2021 General Meeting of Shareholders in April were approved.

March: During the March meeting, the Supervisory Board and management discussed the strategy refresh, including the potential of a subsidiary IPO of bol.com.

April: The Supervisory Board received an update on bol.com's growth plans, prepared itself for the General Meeting of Shareholders and discussed and approved the roles and composition of the Supervisory Board committees.

May: During May, the Supervisory Board approved the Q1 2021 interim report and discussed the report of the Audit, Finance and Risk Committee, including the report of the external independent auditor and internal auditor. The Supervisory Board received an update on the U.S. transformation program and approved the appointment of a new Head of Internal Audit, upon recommendation of the Audit, Finance and Risk Committee. Lastly, the Supervisory Board discussed a litigation update.

June: During this meeting, the Supervisory Board received an update on the latest developments and trends in the capital markets from two external parties and participated in a FreshDirect deep dive to discuss learnings and best practices gained following the acquisition.

Governance

SUPERVISORY BOARD REPORT

August: During this meeting, the Supervisory Board approved the Q2 2021 interim results and the interim dividend payment. Further to the completed audit tender selection process, the Supervisory Board approved the proposal to appoint KPMG Accountants N.V. as the new external auditor as of 2023. In addition, the Supervisory Board and management discussed e-commerce profitability and reflected on the levers, such as optimizing delivery solutions. The Supervisory Board received an Enterprise Risk Management update that included the increased cyber risks due to intensified cyber crime. Lastly, upon the recommendation of the Governance and Nomination Committee, and at the proposal of the CEO, the Supervisory Board appointed Natalia Wallenberg as member of the Executive Committee.

September: This meeting was organized in a hybrid fashion. Over the course of three days, the members were able to spend time in person in two separate groups (one out of Zaandam, the Netherlands, and one out of Philadelphia, Pennsylvania in the United States) as well as together virtually. The time spent with the full Board collectively, was used to participate in deep-dive sessions on Stop & Shop and Peapod Digital Labs and discuss and prepare Investor Day 2021, during which the strategy refresh would be presented. In addition, the Supervisory Board received an update on Ahold Delhaize's Technology function. The members of the Supervisory Board present in Zaandam participated in an extensive store visit program in the Netherlands and an interview carousel with senior executives. The members present in Philadelphia visited the GIANT Heirloom store format and a micro fulfillment center.

November: During a three-day in-person meeting in Zaandam, the Supervisory Board discussed and approved the budget for 2022 and the long-term plan for 2023 and 2024. The Supervisory Board and management discussed the strategy refresh in view of the upcoming Investor Day on November 15, 2021, and the Supervisory Board approved pursuing a subsidiary IPO of bol.com. In addition, the Supervisory Board approved the acquisition by bol.com of a majority stake in delivery expert Cycloon and the 2022 remodel program for Stop & Shop. During the third day of the meeting, a delegation of the Supervisory Board visited the bol.com fulfillment center in Waalwijk, the Netherlands, and a number of Albert Heijn and Delhaize stores in Belgium.

In addition, throughout the year, the Supervisory Board discussed topics of a strategic nature and held several private meetings without other attendees. The private sessions were, among other things, used to evaluate the functioning of the Management Board and the Executive Committee and their individual members as well as the functioning of the Supervisory Board itself. The CEO was regularly invited to (parts of) the private meetings to discuss the performance of the Management Board and the Executive Committee.

During 2021, the Chair and the CEO continued to hold weekly one-on-one meetings to discuss progress on a variety of topics.

Lastly, the external independent auditor attended the meetings in February 2021, at which the 2020 Annual Report and financial statements were brought forward for adoption by the shareholders at the General Meeting of Shareholders. The external independent auditor also attended the quarterly meetings, at which the financial results were discussed.

ATTENDANCE

Except for a limited number of occasions, and for valid reasons, Supervisory Board members attended all Supervisory Board meetings in 2021. 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 the Company.

Board attendance	Supervisory Board		Audit, Finance and Risk Committee		Governance and Nomination Committee		Remuneration Committee		Sustainability Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Number of meetings:										
Peter Agnefjäll	15	15			4	4	6	6		
Bill McEwan	15	15					6	6	2	2
René Hooft Graafland	15	14	5	5					2	2
Katie Doyle	15	15	2	2	3	3			2	2
Helen Weir	15	14	5	5	3	3	2	2		
Mary Anne Citrino	15	15	5	5	1	1	4	4		
Frank van Zanten	15	14			3	3	6	6		
Bala Subramanian	10	10			3	3			2	2
Jan Zijderveld	10	10	3	3					2	2
Dominique Leroy	5	4			1	1				
Ben Noteboom	5	5			1	1	2	1		

INDEPENDENCE

The Supervisory Board confirms that, during 2021, as well as on the date of publication of this report, Supervisory Board members were independent within the meaning of provision 2.1.8 of the Dutch Corporate Governance Code.

REMUNERATION

The annual remuneration of the Supervisory Board members was determined by the General Meeting of Shareholders on April 8, 2020. For more information on the remuneration policy of the Supervisory Board, see [Remuneration policy for the Supervisory Board](#).

Governance

SUPERVISORY BOARD REPORT

SHARE POSITIONS

The following Supervisory Board members held shares in the Company during 2021.

Member	Position
Peter Agnefjäll	7,200 common shares
Bill McEwan	7,125 American Depository Receipts

The positions were held for the long term and remained unchanged during 2021.

COMMITTEES OF THE SUPERVISORY BOARD

The committees of the Supervisory Board are assigned specific tasks, have advisory powers and provide the Supervisory Board with regular updates on their meetings. Following an evaluation of the effectiveness of its committees, the Supervisory Board decided to re-integrate the Risk Committee into the Audit and Finance Committee, and to focus the Sustainability and Innovation Committee on health and sustainability. Innovation topics and progress is discussed by the full Supervisory Board on the basis of integrated updates by management. The current composition is detailed in the following table.

	Audit, Finance and Risk Committee	Governance and Nomination Committee	Remuneration Committee	Sustainability Committee
Peter Agnefjäll (Chair)		Member	Member	
Bill McEwan			Chair	Member
René Hooft Graafland	Chair			Member
Katie Doyle		Member		Chair
Helen Weir	Member	Chair		
Mary Anne Citrino	Member		Member	
Frank van Zanten		Member	Member	
Bala Subramanian		Member		Member
Jan Zijdeveld	Member			Member

Audit, Finance and Risk Committee

The CEO, the CFO, the Chief Legal Officer, the Senior Vice President Internal Audit, the Senior Vice President Tax and Accounting and representatives of the external independent auditor are invited to, and attend, the Audit, Finance and Risk Committee meetings.

In 2021, the Audit, Finance and Risk Committee held one meeting in person and four video meetings. The attendance rate of the members of this Committee was 100%. Throughout the year, the Committee closely monitored the financial closing process and reviewed the publication of quarterly results. The Committee received several updates on the risk profile of the Company and its financial position. During every meeting, the Committee received an update on compliance and ethics, internal audit, risk and control, product integrity, asset protection, health and safety, cyber security and data privacy. The Committee discussed trends, incidents and incident response. During its meeting in August, the Committee participated in a cyber escape room exercise, led by the Global Chief Information Security Officer, to educate its members on the latest cyber crime developments. Throughout 2021, the Committee participated in the tender selection process for a new external auditor, to be nominated for approval during the General Meeting of Shareholders in 2022. Lastly, the Committee assessed the functioning of the Internal Audit function and the independent external auditor, based on a survey that was filled out by key officers of the Company who frequently interact with these functions.

The Audit, Finance and Risk Committee and its Chair held several private meetings together with the CFO, the Senior Vice President Internal Audit and the external independent auditor.

The Supervisory Board has determined that René Hooft Graafland, Mary Anne Citrino, Helen Weir and Jan Zijdeveld are "Audit Committee Financial Experts" within the meaning of provision 2.1.4 of the Dutch Corporate Governance Code.

Governance and Nomination Committee

In 2021, the Committee held four meetings to which the CEO, also acting as interim Chief Human Resources Officer, among others, was invited to attend. In addition, the Committee held four private meetings. The attendance rate of the members of this Committee was 100%. The Committee evaluated the performance of the members of the Supervisory Board and the Executive Committee and approved the 2021 goals for the members of the Management Board and the Executive Committee. The Committee received several updates on succession and talent planning and diversity. Together with management, the Committee reflected on the outcome of the associate engagement survey.

In view of the upcoming expiration of the term of Wouter Kolk, the Committee engaged in several sessions with the CEO to determine the optimal composition of the Management Board, and recommended the nomination of Wouter Kolk for another term of four years at the General Meeting of Shareholders in 2022. In addition, the Committee recruited and recommended Pauline van der Meer Mohr for nomination as a new member of the Supervisory Board and recommended Bill McEwan and René Hooft Graafland for nomination for additional terms at the same General Meeting of Shareholders.

Governance

SUPERVISORY BOARD REPORT

Remuneration Committee

In 2021, the Committee held six meetings, all of which the CEO, also in his capacity as interim Chief HR Officer, was invited to attend. The attendance rate of the members of the Committee was 96%. The Committee discussed and supported the salary recommendations for members of the Management Board and the Executive Committee, as well as the incentive targets for 2021. In addition to the regular topics, the Committee organized several deep dive sessions with the purpose of establishing a contemporary remuneration policy for the Management Board and Supervisory Board in support of the long-term strategy of Company that should drive value for its stakeholders. Topics discussed during the workshops included ESG components, mix in variable versus fixed pay and long-term versus short-term incentives. The preliminary results of the workshops were discussed and endorsed by the Supervisory Board and were validated during extensive stakeholder engagement sessions. The Supervisory Board will propose new remuneration policies for the Management Board and the Supervisory Board to the General Meeting of Shareholders in 2022 for adoption.

Sustainability Committee

During 2021, the Committee held two meetings and the attendance rate of its members was 100%. During the first meeting, the Committee welcomed the new Global Head of Health and Sustainability, who presented her first impressions of the Company and her initial ideas on a new Healthy and Sustainable strategy to be presented at Investor Day 2021. The second meeting was used to discuss the Healthy and Sustainable elements that would be presented at Investor Day, including the increased focus on health and sustainability and bringing the net-zero target forward to 2040 for direct carbon emissions from the Company's own operations. All meetings included an update on the ESG landscape, including regulatory and investor trends.

Conclusion

The Supervisory Board is of the opinion that during the year 2021, its composition, mix and depth of available expertise, working processes, level and frequency of engagement across all prominent Ahold Delhaize activities, and access to necessary and relevant information and the Company's management and staff were satisfactory. This enabled the Supervisory Board to carry out its duties towards all of the Company's stakeholders, in a strong year during which the Company continued to live up to its promise to help customers eat well, save time and live better, while delivering strong financial results at the same time.

We are grateful to Ahold Delhaize's shareholders for their continued trust in and support of the Company, its strategy and its management.

Most of all, the Supervisory Board would like to acknowledge the exceptional circumstances the Company and its great local brands operated in again this year and to express its gratitude to associates and management for their passion and dedication in delivering on Ahold Delhaize's promises to customers and all its other stakeholders.

Supervisory Board Zaandam, the Netherlands

March 1, 2022

Governance

HOW WE MANAGE RISK

Ahold Delhaize has a diverse portfolio of brands, geographic footprint and business structure. Because of this, it is critically important that we manage risks in a proactive and responsible way to ensure we can deliver on our Leading Together strategy.

GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

Our Governance, Risk Management and Compliance (GRC) Framework is tailored to our structure and designed to respond to the dynamic needs of our brand-centric business. It gives our management a transparent view of the risks we take, face and manage and that have a strategic impact on our great local brands and our global organization.

The GRC Framework consists of global policies and controls as well as a GRC Committee structure at global and brand levels that serves as a forum for identifying, addressing and monitoring relevant risks in all corners of our business.

The global GRC Committee is responsible for reviewing Ahold Delhaize’s governance, risk management and compliance processes. The GRC Committee is chaired by the Chief Legal Officer and (i) advises the Management Board and 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 governance, risk and compliance.

ENTERPRISE RISK MANAGEMENT

Through our Enterprise Risk Management (ERM) program, which is embedded in the execution of our strategy, the leadership of each of our brands and global functions review their strategic, operational, financial and regulatory risks and mitigating actions twice per year. Our Executive Committee performs a semi-annual review of all the risks reported by the brands and the outcome is aggregated into an ERM report that is presented to the Management Board and Supervisory Board, as required by the Dutch Corporate Governance Code. Ahold Delhaize’s ERM program drives the formation of policies, procedures and controls, the scope of internal audit activities, and the business planning and performance process.



Governance

HOW WE MANAGE RISK

RISK APPETITE

Our risk appetite is defined by our Supervisory Board and Management Board and is integrated into the businesses through our strategy, global policies, procedures, controls and budgets. Our appetite for each risk is determined by considering key opportunities and potential threats to achieving our strategic objectives and can be categorized as follows:

Strategic

Strategic risks originate from trends, developments or events that could prevent us from executing and realizing our strategic objectives.

Risk appetite: average-above average

Ahold Delhaize has a diverse portfolio of brands, geographic footprint and business structure. Because of this, it is critically important that we manage risks in a proactive and responsible way to ensure we can deliver on our Leading Together strategy.

We use fact-based analysis that derives insights from our different markets and brands to support our strategic decision-making process in a way that considers the financial, economic, social and political developments that may impact our ability to achieve our strategic objectives.

Operational

Operational risks include unforeseen incidents that could result from failures in internal processes or systems, human error or adverse external events and could negatively impact the day-to-day operation of our business.

Risk appetite: low

We strive to minimize the possibility of business disruptions and the related impact of operational failures.

We establish and manage a GRC Framework with global policies that regulate the achievement of our objectives at local and global level.

We constantly review and invest in our structure and processes to ensure they are fit for purpose and address any identified operational risk.

Financial

Financial risks include uncertainty of financial returns on investments, reduction in liquidity, erosion of profits, potential financial losses due to financing policies, and other external factors such as the macroeconomic environment, unreliability of suppliers, economic restrictions, and reduction of the customer base.

Risk appetite: low

Compliance

Compliance risks relate to unanticipated failures to comply with applicable laws and regulations as well as our own policies and procedures.

Risk appetite: very low

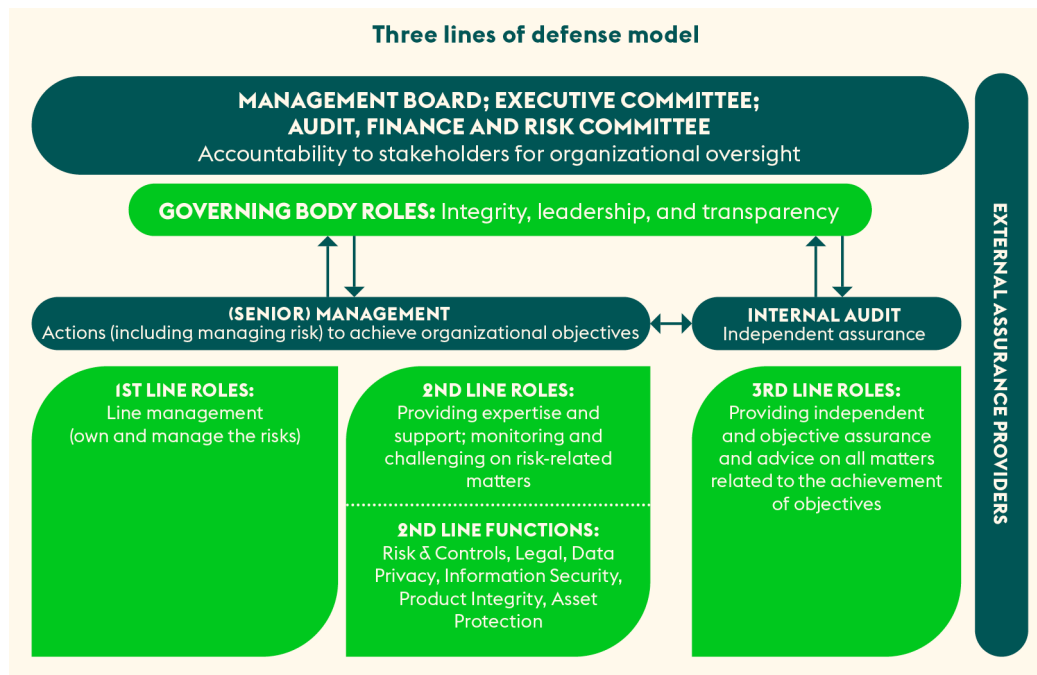
Ahold Delhaize has a prudent financial strategy focused on maintaining our solid investment-grade credit rating. We are averse to any risks that could jeopardize the integrity of our financial reporting. Our financial risk management, risk appetite and sensitivities are further detailed in [Note 30](#) of the consolidated financial statements.

At Ahold Delhaize, our values are an essential part of our strategic framework. We strive to behave according to our values as we go about our daily work. One of our values is "integrity," which means that the Company and all its associates do the right thing to earn customers' trust. We strive for full compliance with laws and regulations and with our policies and procedures everywhere we do business.

Governance HOW WE MANAGE RISK

GRC framework

The Ahold Delhaize control framework incorporates risk assessment, control activities and monitoring into our business practices at entity-wide and functional levels. We have adopted a “Three lines of defense” model (see chart below) to provide reasonable assurance that risks to achieving important objectives are identified and mitigated.



Monitoring and assurance

A key element of our GRC framework is 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 (including sustainability) 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 Financial Disclosure Committee on a quarterly basis. These letters confirm whether the reporting entities follow Ahold Delhaize’s Code of Ethics, policies on fraud prevention and detection, accounting and internal control standards, and disclosure requirements.

Reporting

All our businesses are required to maintain and manage a sound internal control environment with robust policies, procedures and controls and a strong financial discipline. The control framework is regularly monitored by our second line of defense through testing activities and the results are reported to brand and global GRC committees as well as to the Audit and Finance Committee.

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.

COMPLIANCE AND INTEGRITY

See *In focus: Ethics and human rights* for more detail on compliance and integrity.

Governance

DECLARATIONS

INTRODUCTION

This 2021 Ahold Delhaize Annual Report dated March 1, 2022, (the Annual Report) comprises regulated information within the meaning of sections 1:1 and 5:25c of the Dutch Act on Financial Supervision “Wet op het financieel toezicht.”

For the consolidated and the parent company’s 2021 financial statements “jaarrekening” within the meaning of section 2:361 of the Dutch Civil Code, see *Performance: Financial statements*. The members of the Management Board and the Supervisory Board have signed the 2021 financial statements pursuant to their obligation under section 2:101, paragraph 2 of the Dutch Civil Code. The following sections of this Annual Report together form the management report, or the “bestuursverslag” within the meaning of section 2:391 of the Dutch Civil Code:

- *Strategic report*
- *Our Management Board and Executive Committee*
- *Our Supervisory Board*
- *Corporate governance*
- *How we manage risk*
- *Remuneration* and
- the subsection *Remuneration* included in the *Supervisory Board report* and
- *ESG statements*.

For other information, or “overige gegevens” within the meaning of section 2:392 of the Dutch Civil Code, see section *Other information* under *Performance*.

DECLARATIONS

The members of the Management Board, as required by section 5:25c, paragraph 2, under c of the Dutch Act on Financial Supervision, confirm that to the best of their knowledge:

- The 2021 financial statements included in this Annual Report give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The management report included in this Annual Report gives a true and fair view of the position of the Company and the undertakings included in the consolidation taken as a whole as of January 2, 2022, and of the development and performance of the business for the financial year then ended.
- The management report includes a description of the principal risks and uncertainties that the Company faces.

ANNUAL DECLARATION ON INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

The Management Board, as required by section 1.4.3 of the Dutch Corporate Governance Code, makes the following declaration:

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. This report provides sufficient insights into any significant deficiencies in the effectiveness of the internal risk management and control systems. Management is not aware of any critical failings of these systems during 2021.

This report includes those material risks and uncertainties that are relevant to the expectation of the Company’s continuity for the period of 12 months after the preparation of the report.

With respect to financial reporting based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis and management has assessed whether the risk management and control systems provide reasonable assurance that the 2021 financial statements do not contain any material misstatements. This assessment was based on the criteria set out in COSO: Internal Control – Integrated Framework 2013 and our internal control framework. It included tests of the design and operating effectiveness of entity-level controls, transactional controls at significant locations and relevant general computer controls. Any control weaknesses not fully remediated at year-end were evaluated. Based on this assessment, the Management Board determined that the Company’s financial reporting systems are adequately designed, operated effectively in 2021 and provide reasonable assurance that the financial statements are free of material misstatement.

Management Board

Frans Muller, President and Chief Executive Officer

Natalie Knight, Chief Financial Officer

Kevin Holt, Chief Executive Officer Ahold Delhaize USA

Wouter Kolk, Chief Executive Officer Europe and Indonesia

Governance DECLARATIONS

This Annual Report, including the 2021 financial statements, which are audited by PricewaterhouseCoopers Accountants N.V., has been presented to the Supervisory Board.

The 2021 financial statements and the independent auditor's report relating to the audit of the 2021 financial statements were discussed with the Audit, Finance and Risk Committee in the presence of the Management Board and the external independent auditor. The Supervisory Board recommends that the General Meeting of Shareholders adopt the 2021 financial statements included in this Annual Report and recommends the proposal to pay a cash dividend for the financial year 2021 of €0.95 per common share. An amount of €0.43 per common share was paid as interim dividend on September 2, 2021. The remaining amount of €0.52 per common share shall be payable on April 28, 2022.

Supervisory Board

Peter Agnefjäll (Chair)

Bill McEwan (Vice Chair)

René Hooft Graafland

Katie Doyle

Helen Weir

Mary Anne Citrino

Frank van Zanten

Bala Subramanian

Jan Zijderveld

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Remuneration

LETTER FROM THE REMUNERATION COMMITTEE CHAIR

Dear shareholder,

I am pleased to introduce our 2021 Remuneration report. In the sections below, I reflect on another eventful year, during which Ahold Delhaize made good progress on its Leading Together strategy, and look forward to how the Company can accelerate on these ambitions in 2022, supported by the new Remuneration Policies that will be proposed for adoption at our annual General Meeting of Shareholders in April.

**Looking back on 2021**

As discussed throughout this Annual Report, the COVID-19 pandemic continued to pose extraordinary challenges to our brands' customers, operations, associates and communities in 2021. Our brands and their markets were also confronted with rising inflation, labor issues and shortages, supply chain upheaval and natural disasters. We are extremely proud of how, in the face of these difficulties, our brands were able to safely meet customer needs while protecting associates and supporting communities with purpose, passion and perseverance.

2021 PAY INCREASES

At the outset of the year, the Remuneration Committee conducted its regular review of the Management Board's remuneration. We considered external and internal salary movements, Company and individual performance, and the determination and assessment of internal pay ratios. The base salaries for Frans Muller, Kevin Holt and Wouter Kolk were increased by 2.5%, in line with market cost-of-living increases for the U.S., the Netherlands and Belgium. The Committee concluded that a more significant increase was required to bring Natalie Knight closer to our policy's positioning of "at or near the median" of our labor market peer group. Consequently, Natalie's base salary was increased by 7.5%.

CEO AND MANAGEMENT BOARD PERFORMANCE

Throughout the year, the Management Board oversaw the implementation of Ahold Delhaize's Leading Together strategy while supporting the local brands in safeguarding and taking care of customers, associates and communities, ensuring access to food, managing the surge in online sales growth, adding extra stores and dealing with high absenteeism rates and mental health concerns related to the pandemic. In addition to managing the business in extraordinarily

challenging times, the Management Board introduced a refreshed long-term strategy and key commitments during our Investor Day, announced plans to explore a subsidiary IPO for bol.com, and set out a bold ESG ambition and plans to work towards a net-zero scenario by 2050.

Due to the rapidly changing COVID-19 situation, travel to the U.S. was significantly restricted for most of the year. In consideration of our significant business presence in the U.S., Frans Muller was granted a U.S. National Interest Exception on several occasions, allowing him to travel to the country and regularly engage with regional and brand leadership teams, supporting ongoing operations and long-term strategic initiatives, such as the integration of FreshDirect and Ahold Delhaize USA's supply chain transformation program.

As in previous years, CEO and Management Board performance were monitored and evaluated according to a rigorous process. Driven by the strategic plan, performance objectives and targets were established and thoroughly reviewed at the outset of the year by the respective Supervisory Board Committees before full Supervisory Board approval. They were structured around shared objectives on key financial, ESG, NPS and associate engagement targets, individual goals in each of the four strategic growth drivers, and development goals aimed at continuously improving leadership, both individually and as a team.

As the year came to a close, the Governance and Nomination Committee conducted a formal Management Board evaluation process. CEO performance was managed in close collaboration with the Supervisory Board Chair and included broader Supervisory Board participation and input. Each member's individual review included a self-assessment against the defined objectives and metrics, CEO assessment and performance rating, and formal review by the Committee.

Remuneration

LETTER FROM THE REMUNERATION COMMITTEE CHAIR

The outcomes of this process were taken into account in the determination of Management Board remuneration for 2022. Management remuneration determinations are neither led by, nor do they target, a precise position based on benchmarking data. Benchmarking only provides a substantive reference point that informs the determination of fixed and variable compensation to ensure that we remain in line with competitive market pay levels. We continue to position Management Board members' total remuneration "at or near the median" of our peer group.

2021 ANNUAL CASH INCENTIVE AND SHARE GRANTS VESTING IN 2022

Following the exceptional 2020 results that resulted in a maximum annual cash incentive payout, the Committee undertook to set challenging performance conditions for the 2021 annual cash incentive that gave consideration to the enduring economic uncertainty associated with the COVID-19 pandemic. By establishing wider performance intervals, we aimed to reduce the potential and/or likelihood of windfall gains or extraordinary shortfalls.

While we anticipated normalization during 2021, the pandemic effects persisted, with surges in cases during the winter and in early fall and relatively lower infection levels in between. Consequently, the impact of the pandemic on business performance proved much greater than we had anticipated and predicted in our full-year target-setting process.

As the year unfolded, it became clear that the results for the 2021 annual cash incentive would finish well ahead of plan, with payout at the maximum level, as in 2020. After careful consideration, the Committee decided to exercise prudent and appropriate discretion by adjusting the overall payout downward to 125% of target. The Committee believes this adjusted payout level more accurately reflects actual Management Board performance and mitigates more substantial windfall gains that we determined

should be attributed to the effects of the pandemic.

The 2019 GRO share grant will vest on the day after the 2022 annual General Meeting of Shareholders (AGM). Heightened earnings per share growth exceeded the maximum performance threshold, while return on capital and the share of healthy food sales also exceeded target. Results for total shareholder return fell just short of plan. The overall vesting outcome for the 2019 GRO share grant is 126% of target.

Looking forward

NEW REMUNERATION POLICIES FOR THE MANAGEMENT AND SUPERVISORY BOARDS

Over the course of 2021, the Committee undertook an end-to-end assessment of the current Management Board and Supervisory Board Remuneration policies. We determined that a comprehensive review was an opportunity to progressively update our policies to be consistent with, and support, the Company's newly refreshed Leading Together strategy.

The current Remuneration Policy for the Management Board was adopted by the 2019 AGM and was intended to run for four years up to the 2023 AGM. However, in consideration of the Company's updated strategic direction, stakeholder feedback and the need for the Company to remain attractive to top leaders, the Committee and full Supervisory Board believe several enhancements are necessary. Accordingly, a new Remuneration Policy will be proposed for adoption at the 2022 AGM.

We believe the new Remuneration Policy is structured to further increase long-term focus and place greater emphasis on ESG factors, which are an important part of how Ahold Delhaize measures success. This is in line with the next chapter of the Company's Leading Together strategy, announced at the Investor Day in November 2021, and a deepened focus on health

and sustainability. It also further aligns the interest of the Management Board with those of the Company's shareholders and features increased disclosures on short- and long-term performance. Having consulted with stakeholders, shareholders, and proxy advisers before finalizing the new Remuneration Policy, we believe it will earn support from the majority of our shareholders. The new policy and a detailed report on our stakeholder consultations are outlined in the 2022 AGM agenda and explanatory notes.

We will also propose a new Remuneration Policy for the Supervisory Board for adoption at the 2022 AGM. The current Supervisory Board remuneration levels have not been updated since the merger between Royal Ahold and Delhaize Group in 2016 (except for a reduction of the base fees for the Chair and Vice Chair positions in 2019) and we seek to bring them in line with the expanding responsibilities of the Supervisory Board members and the increased demands on their time. Based on our consultations with shareholders and major proxy advisers, we believe this new policy will earn broad support. The new policy for the Supervisory Board is also outlined in the 2022 AGM agenda and explanatory notes.

PERFORMANCE CONDITIONS FOR 2022

The COVID-19 pandemic is expected to continue well into 2022 and its effect on business performance remains unpredictable. For 2022, we have set ambitious targets with wider performance intervals that again aim to reduce the potential for and likelihood of windfall gains and/or extraordinary shortfalls. The years 2020 and 2021 produced highly irregular performance challenges, conditions and outcomes. For 2022, we believe we have established robust performance targets with clear, specific and auditable metrics. However, the Supervisory Board also recognizes that the ongoing market volatility is likely to persist and we will continue to

monitor business performance and internal and external conditions throughout the year and take appropriate action where, when and as we deem prudent and appropriate.

INCREASED LEVEL OF TRANSPARENCY AND DISCLOSURE

Ahold Delhaize has historically not disclosed the performance conditions for our short-term and long-term incentive plans, because we have always considered this information to be commercially sensitive. However, in our ongoing dialogue with major shareholders and proxy advisers, many expressed their dissatisfaction with this perceived lack of transparency and called on us to disclose targets and intervals. We believe this sentiment was reflected in the disappointing vote (80.38% of votes in favor) for the 2020 Remuneration report at the 2021 AGM.

We have carefully considered this feedback and, having addressed internal concerns, have now committed to full, ex-post disclosure of all targets and performance intervals for all metrics in both the short-term and long-term incentive plans, starting with next year's Annual Report. The 2022 Annual Report will be the first to report on the new Remuneration Policies, which we believe provides the optimal starting point for our enhanced disclosures.

I look forward to presenting this Remuneration report and our new Remuneration Policies at the annual General Meeting of Shareholders on April 13, 2022.

On behalf of the Remuneration Committee and the Supervisory Board, I thank you for your continued support of Ahold Delhaize.

Bill McEwan

Remuneration

EXECUTIVE REMUNERATION PRINCIPLES AND PROCEDURES

The Executive Remuneration Principles and Procedures were adopted by the General Meeting of Shareholders on April 8, 2020, (94.64% of votes in favor) and became an integral part of the Remuneration Policy for the Management Board and the Remuneration Policy for the Supervisory Board retroactively as of January 1, 2020.

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

OUR PRINCIPLES

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

Alignment with the Company strategy

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

Pay for performance

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

Competitive pay

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

Consistency

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

Transparency

In our Annual Report and on our Company website, we provide an extensive disclosure of how the Remuneration Policies were implemented, including:

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

Alignment with stakeholder interests

Our Remuneration Policies align the focus of the Company and its senior management with the interests of Ahold Delhaize's stakeholders and society at large. As a global company, we have a large variety of stakeholders. We strive to make a difference for the main stakeholders Ahold Delhaize impacts through the Company's purpose to help customers, associates and communities eat well, save time and live better. We also commit to transparency and high integrity with a broad list of stakeholders who have a strong interest in our Company, including shareholders, global and local suppliers, governments, and NGOs.

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

Each year, we engage with our stakeholders, gathering input from associates, customers, investors and other external stakeholders, to assess our biggest impacts on society. Our materiality assessment helps us to ensure that our strategy and reporting are in line with our most significant impacts and stakeholder expectations. For more information on how we engage with our stakeholders see [Engaging with our stakeholders](#) and [Introduction to ESG](#).

By setting robust five-year shareholding requirements and share ownership guidelines, the Remuneration Policies further support us in aligning the interests of members of the Management Board to the long-term interests of the Company's stakeholders.

Remuneration

EXECUTIVE REMUNERATION PRINCIPLES AND PROCEDURES

OUR PROCEDURES

Setting, revision and execution

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

Discretion and derogation

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

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

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

Risk assessment

We conduct a comprehensive analysis contemplating the various risks and scenarios associated with variable compensation elements on a regular basis. This includes the calculation of remuneration under different scenarios, considering different performance assumptions.

Compliance

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

Management Board remuneration

REMUNERATION POLICY FOR THE MANAGEMENT BOARD

The Remuneration Policy for the Management Board was adopted by the General Meeting of Shareholders on April 10, 2019, (92.09% of votes in favor) and became effective retroactively as of January 1, 2019.

BENCHMARK PEER GROUP

As an international company, Ahold Delhaize must remain attractive for top leaders from the industry and beyond to continue to have a strong and diverse Management Board. The Management Board remuneration levels are benchmarked annually. The benchmark peer group consists of a total of 18 peer companies in Europe and the United States, as well as AEX- and BEL20-listed companies. This labor market peer group reflects the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management. As a Dutch-headquartered company and considering the Company's Dutch and Belgian footprint, the AEX market practice in the Netherlands and BEL20 market practice in Belgium are included.

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

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

We consider the composition (risk profile) of the Total Direct Compensation levels when benchmarking base salary levels. The target Total Direct Compensation level is typically at or near the median, while consideration is given to the size of Ahold Delhaize relative to the peer group, with a fixed-to-variable pay ratio that supports the pay-for-performance culture and a long-term strategic focus.

An individual exception to the Management Board Remuneration Policy is applied for the CEO Ahold Delhaize USA (Kevin Holt). The Supervisory Board has and will determine the remuneration for the CEO Ahold Delhaize USA on the basis of a local reference market, the U.S. retail labor market reference group.

TOTAL DIRECT COMPENSATION

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 share-based program. In addition to the Total Direct Compensation, members of the Management Board are offered pensions and additional arrangements in line with local practices.

Base salary

The level of the base salary of the members of the Management Board is derived, as one component, from the benchmarking of Total Direct Compensation. Adjustment of individual base salaries is at the discretion of the Supervisory Board.

Annual cash incentive plan: Executive Committee Incentive Plan

The Management Board members participate in the cash-based Executive Committee Incentive Plan ("EIP").

The Company's priority and goal are to expand market share while focusing on margins to increase profitability and prudently managing capital spending and expenses to secure strong and sustainable cash flow. Consequently, the EIP employs three financial measures that reflect the fundamental key financial metrics of a retail organization: sales growth (30%), underlying operating margin (30%) and operating cash flow (20%). In addition, key strategic imperatives (20%) are included. In support of the pay-for-performance culture and in recognition of the Company's focus on margins, the underlying operating margin measure serves as a threshold.

The at-target pay-out as a percentage of base salary is 100%, contingent on the full achievement of the objectives, with a cap at 150% of the at-target value in the event of above-target performance.

Long-term share-based incentive plan: Global Reward Opportunity

The Management Board members participate in the Company's long-term share-based incentive plan: Global Reward Opportunity (GRO).

Under the GRO program, performance shares are granted as a three-year program. The vesting of these performance shares is subject to performance over three years. As of 2019, the GRO program employs three financial measures: return on capital (RoC) (35%), underlying earnings per share (EPS) growth (35%), and total shareholder return (TSR) (15%). In addition, a non-financial performance measure (15%) related to sustainability targets is included.

In line with market practice, the target value of long-term incentives granted varies per role. For the CEO, the target value is 235% of base salary; for the CEO Ahold Delhaize USA, the target value is 200% of base salary; for the CFO, the target value is 175% of base salary; and for the CEO Ahold Delhaize Europe and Indonesia, the target value is 150% of base salary.

An individual exception to the Management Board Remuneration Policy is applied for the CEO Ahold Delhaize USA (Kevin Holt). The target value of the long-term incentive for Kevin is 235% of base salary.

Management Board remuneration REMUNERATION POLICY FOR THE MANAGEMENT BOARD

LINK TO RETURN ON CAPITAL

Of the total GRO award, 35% is linked to a three-year RoC target. As determined by performance, the number of performance shares that vest may range between zero and a maximum of 150% of the number of performance shares granted.

LINK TO EARNINGS PER SHARE GROWTH

Another 35% of the total GRO award is linked to a three-year earnings per share growth target. As determined by performance, the number of performance shares that vest may range between zero and a maximum of 150% of the number of performance shares granted.

LINK TO TOTAL SHAREHOLDER RETURN

Of the total GRO award, 15% is determined based on total shareholder return (share price growth and dividends paid over the performance period) benchmarked against a TSR performance peer group. The number of performance shares that vest is determined based on the Company's relative ranking within the peer group. An independent external advisor determines the ranking based on TSR performance. No performance shares will vest to Management Board members if the Company ranks below the sixth position in the performance peer group. The table below indicates the percentage of performance shares that may vest based on the Company's ranking.

TSR position	Payout
1	150%
2	125%
3	110%
4	100%
5	75%
6	50%
7-12	0%

All GRO performance shares will be measured against the established peer group.

TSR performance peer group

Tesco	Kroger
Carrefour	Costco
Metro Cash & Carry	Target
Casino Guichard Perrachon	Walgreens Boots Alliance
J Sainsbury	Walmart
W M Morrison	

To accommodate potential changes in the performance peer group due to delisting, mergers or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies.

LINK TO SUSTAINABILITY

The final 15% of the total GRO award is determined based on the achievement of sustainability targets related to the Company's social responsibility and sustainability ambitions. Depending on performance, the number of performance shares that vest may range between zero and a maximum of 150% of the number of performance shares granted.

SHAREHOLDING REQUIREMENTS AND SHARE OWNERSHIP GUIDELINES

Management Board members must retain the shares awarded under the GRO program for a minimum of 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. The CEO is required to acquire and hold shares in the Company with a value at least equal to 300% of his or her annual base salary. All other members of the Management Board are required to hold shares in the Company with a value at least equal to 200% of their respective base salaries. The holding may be built up by retaining all after-tax shares from the GRO program and does not require personal share purchases.

CLAWBACK

A clawback provision is in place and may be applied to the Management Board members' annual cash incentive plan (EIP) as well as the long-term share-based incentive program (GRO).

PENSIONS AND OTHER CONTRACT TERMS

Pension

All existing pension arrangements in the Netherlands are in line with the applicable fiscal pension regulations. The pension plan for Management Board members is calculated in line with plans for 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 legal retirement age is between 68 and 71 (depending on year of birth), with the option for early retirement from age 55. The pensionable salary is capped at the legal maximum (2021: €112,189). Each Management Board member working under a Dutch contract pays a pension premium contribution identical to that of all other associates of the Company 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 of the pension allowance. 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 voluntary.

Members of the Management Board working under a non-Dutch contract are offered pensions in line with local practices.

Management Board remuneration

REMUNERATION POLICY FOR THE MANAGEMENT BOARD

Loans

The Company does not provide loans 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, insurance, use of company cars and, where applicable, expatriate allowances, which apply to other senior associates and are in line with market practice. In addition, third-party tax services are 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 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.

Management Board remuneration

MANAGEMENT BOARD REMUNERATION AT A GLANCE

2021 posed extraordinary challenges to our brands' customers, operations, associates and communities. We are extremely proud of how our brands continued to provide safe places to shop and work and support communities under these difficult circumstances.

Financially, 2021 was a good year, which was reflected in the outcomes of the short-term and long-term incentives. After careful consideration, the Supervisory Board adjusted the overall payout of the short-term incentive downward to 125%. Overall, total remuneration for the members of the Management Board was slightly below the levels of the previous year.

Frans Muller, Chief Executive Officer



Natalie Knight, Chief Financial Officer

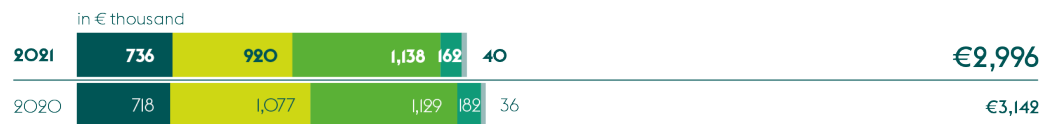


¹ Reflects the remuneration received for the period from Natalie's appointment to the Management Board on April 8, 2020, to the end of the year.

Kevin Holt, CEO Ahold Delhaize USA

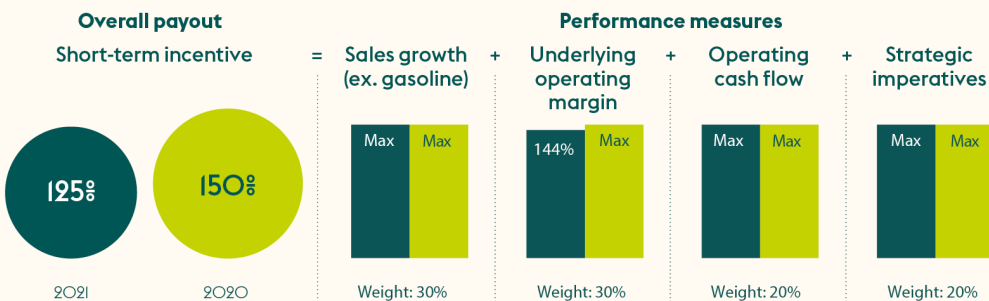


Wouter Kolk, CEO Ahold Delhaize Europe and Indonesia

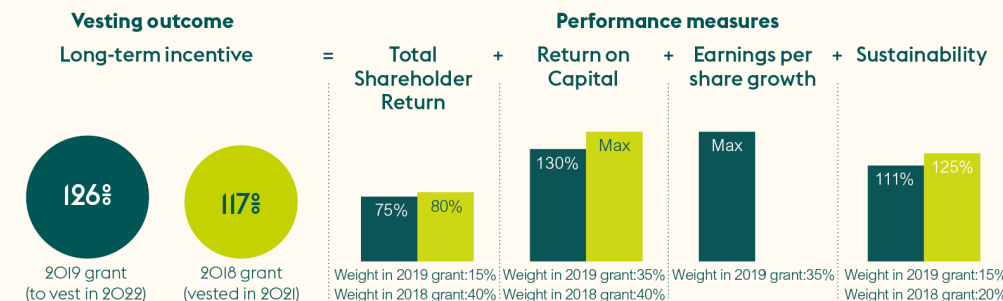


● Base salary (fixed) ● Annual cash incentive (variable) ● Long term incentive (variable) ● Other ● Pension

Annual cash incentive ExCo Incentive Plan



Long-term equity-based incentive Global Reward Opportunity



Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

The remuneration paid to the members of the Management Board in 2021 was in accordance with the Remuneration Policy for the Management Board. The individual exceptions for Kevin Holt as adopted by the General Meeting of Shareholders on April 12, 2017, and April 8, 2020, remained in force in 2021.

BASE SALARY

The annual base salaries of the members of the Management Board were reviewed by the Remuneration Committee in early 2021. The Committee considered external and internal salary movement, Company and individual performance, and the determination and assessment of internal pay ratios. It also sought the input of the individual Management Board members.

Based on their review, the Committee decided to increase the base salaries of Frans Muller, Kevin Holt and Wouter Kolk by 2.5%. The base salary of Natalie Knight was increased by 7.5%. These base salary increases became effective retroactively as of January 1, 2021.

Base salaries per Management Board member

€ thousand	2021	2020
Frans Muller Chief Executive Officer	1,130	1,102
Natalie Knight¹ Chief Financial Officer	709	477
Kevin Holt² CEO Ahold Delhaize USA	943	954
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia	736	718

1 Natalie Knight started at Ahold Delhaize as Executive Vice President Finance and Member of the Executive Committee on March 1, 2020, and was appointed as member of the Management Board effective April 8, 2020. Her 2020 base salary reported as member of the Management Board reflects a partial year as of the date of her appointment as member of the Management Board.

2 The 2021 and 2020 salaries have been converted from U.S. dollars into euros; for 2021, using the 2021 year-to-date average dollar-euro exchange rate of 0.8461; for 2020, using the 2020 year-to-date average dollar-euro exchange rate of 0.8770.

ANNUAL CASH INCENTIVE: EIP

The members of the Management Board participated in the annual cash-based Executive Committee Incentive Plan. Three performance measures were used to track the Company's financial performance during the year: sales growth (weight: 30%), underlying operating margin (weight: 30%), and operating cash flow (weight: 20%). In addition, healthy products, food waste and carbon emissions were included as strategic imperatives (combined weight: 20%) in support of the Company's Healthy and Sustainable ambitions.

Performance targets were set in the context of the Company's mid-term strategic and operational objectives. In light of the enduring uncertainty as a result of the COVID-19 pandemic, targets were set to be challenging yet realistic and intervals were widened to reduce the likelihood of windfall gains.

Ahold Delhaize does not currently disclose the actual targets per performance measure, as these qualify as commercially sensitive information.

The at-target payout as a percentage of base salary was 100%, contingent on the full achievement of the objectives. In the event of above-target performance, payout is limited to 150% of the target value.

The 2021 EIP finished well ahead of plan. After careful consideration, the Supervisory Board decided to adjust the overall payout downward to 125% of target. A further explanation of this decision is presented in the *letter from the Remuneration Committee Chair*.

Performance realized

Performance measure	Weight	Performance multiplier	
		2021	2020
Sales growth (ex. gasoline)	30%	Exceeded maximum	Exceeded maximum
Underlying operating margin	30%	144%	Exceeded maximum
Operating cash flow	20%	Exceeded maximum	Exceeded maximum
Strategic imperatives	20%	Exceeded maximum	Exceeded maximum
Total (%)	100%	125%	150%

The total performance multiplier for 2020 was capped at 150% in accordance with the Remuneration Policy for the Management Board.

Actual EIP payout

€ thousand	Base salary	Target bonus	Performance multiplier	2021	2020
				Actual bonus ¹	Actual bonus ²
Frans Muller Chief Executive Officer	1,130	100% of base salary: 1,130	125%	1,412	1,653
Natalie Knight Chief Financial Officer	709	100% of base salary: 709	125%	887	716
Kevin Holt³ CEO Ahold Delhaize USA	943	100% of base salary: 943	125%	1,179	1,431
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia	736	100% of base salary: 736	125%	920	1,077

1 The 2021 EIP represents accrued annual cash incentives to be paid in 2022, subject to shareholder approval of the financial statements.

2 The 2020 EIP represents the actual amount paid in 2021.

3 The 2021 and 2020 figures have been converted from U.S. dollars into euros; for 2021, using the 2021 year-to-date average dollar-euro exchange rate of 0.8461 and for 2020, using the 2020 year-to-date average dollar-euro exchange rate of 0.8770.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

Definitions of EIP performance measures

Performance measure	Definition	Relevance to our strategy
Sales growth (ex. gasoline)	Sales growth (ex. gasoline) quantifies how much sales grew year-over-year, excluding gasoline sales, expressed as a percentage of last year's sales excluding gasoline.	Our goal is to expand market share, while at the same time focusing on margins to increase profitability, and manage capital spending and expenses prudently to secure a strong and sustainable cash flow that allows us to cover financial obligations, make investments in the business and remunerate existing shareholders.
Underlying operating margin	Underlying operating margin is the result of dividing underlying operating profit (excluding gasoline operating profit) by third-party sales (excluding gasoline sales).	
Operating cash flow	Operating cash flow is defined as the cash flows generated by the core operations of the Company, adjusted for net lease payments, and after tax.	
Strategic imperatives	<p>Strategic imperatives are one or more variable performance measures that are defined annually by the Supervisory Board to highlight specific strategic and key business priorities of the Company.</p> <p>Taking into account feedback from our stakeholders about the importance they attach to ESG factors, three performance measures were selected for 2021 that reflect the Company's commitment to a healthy and sustainable future:</p> <ul style="list-style-type: none"> Healthy products: the percentage of healthy own-brand food sales as a proportion of total own-brand food sales. Food waste: tonnes of food waste per €1 million food sales. Carbon emissions: reduction of absolute scope 1 (direct) and 2 (indirect) CO₂ emissions. <p>In 2020, net consumer online sales growth was the single strategic imperative.</p>	<p>2021: Our businesses flourish when our communities are healthy and resilient. We aim to make it easy and fun for customers and associates to eat healthier, while at the same time reducing our global footprint.</p> <ul style="list-style-type: none"> Healthy products: we employ this measure to drive performance in pursuit of our objective to facilitate healthier eating. Food waste: we employ this measure to drive performance against our objective of reducing food waste. Carbon emissions: we employ this measure to drive performance against our objective to reduce carbon emissions. <p>In 2020, net consumer online sales growth reflected our focus on omnichannel growth.</p>

For incentive purposes, sales growth performance is calculated using constant rates to ensure individuals are not rewarded nor penalized for foreign exchange rate developments, but only for true business performance.

For incentive purposes, we look at operating cash flow to reflect the true business performance of our operations.

In case of unforeseen or unusual circumstances occurring during the performance period that have an impact on the performance of the incentive plan as assessed at the end of the performance period, the Supervisory Board can consider an adjustment, in accordance with the principles of reasonableness and fairness.

LONG-TERM SHARE-BASED INCENTIVE: GRO

The members of the Management Board participated in Ahold Delhaize's long-term share-based incentive plan, the Global Reward Opportunity (GRO). Under the GRO plan, performance shares were granted with a three-year vesting period. The vesting of these shares is subject to Company performance over these three years.

Performance targets are determined for the three-year performance period based on the Company's strategy and long-term planning. Ahold Delhaize does not currently disclose the actual targets per performance measure, as these qualify as commercially sensitive information.

Award of new grants

The 2021 GRO share grant was made on April 15, 2021, the day after the 2021 annual General Meeting of Shareholders. The vesting of the 2021 GRO performance shares in 2024 will be subject to performance on three financial measures: RoC (weight: 35%), EPS (weight: 35%) and TSR (weight: 15%). In addition, non-financial performance measures (combined weight: 15%) are included in support of the Company's Healthy and Sustainable ambitions. For the 2021 share grant, Healthy and Sustainable is measured based on three equally weighted performance measures: healthy products, food waste and carbon emissions (see the table on page 168 for definitions).

2021 GRO SHARE GRANT AND MAXIMUM VESTING

	Performance shares					Total maximum vesting
	RoC (35%)	EPS (35%)	TSR (15%)	Sustainability (15%)	Total at-target grant	
Frans Muller Chief Executive Officer	82%	82%	35%	35%	235%	353%
Natalie Knight Chief Financial Officer	61%	61%	26%	26%	175%	263%
Kevin Holt¹ CEO Ahold Delhaize USA	82%	82%	35%	35%	235%	353%
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia	53%	53%	23%	23%	150%	225%

All percentages represent a percentage of base salary.

¹ An individual exception that increases Kevin's total at-target grant to 235% of his annual base salary was adopted by the General Meeting of Shareholders on April 8, 2020.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

2021 GRO SHARE GRANT CALCULATION – EXAMPLE: FRANS MULLER, CHIEF EXECUTIVE OFFICER

	At-target share grant (% of base salary)	Grant value (base salary at-target grant %)	Number of performance shares granted (grant value divided by six-month average share price)
RoC performance shares	82%	€929,148	39,013
EPS performance shares	82%	€929,148	39,013
TSR performance shares	35%	€398,206	16,720
Sustainability performance shares	35%	€398,206	16,720
Total	235%	€2,654,708	111,466

Table assumes a base salary of €1,129,663 and a six-month average share price of €23.82.

2021 GRO SHARE GRANT CALCULATION – EXAMPLE: NATALIE KNIGHT, CHIEF FINANCIAL OFFICER

	At-target share grant (% of base salary)	Grant value (base salary at-target grant %)	Number of performance shares granted (grant value divided by six-month average share price)
RoC performance shares	61%	€434,569	18,247
EPS performance shares	61%	€434,569	18,247
TSR performance shares	26%	€186,244	7,820
Sustainability performance shares	26%	€186,244	7,820
Total	175%	€1,241,626	52,134

Table assumes a base salary of €709,500 and a six-month average share price of €23.82.

Vesting of previous grants

The vesting of the 2018 and 2019 GRO grants was subject to performance on three financial performance measures: RoC (weight in 2018 grant: 40%; weight in 2019 grant: 35%), EPS (not included in 2018 grant; weight in 2019 grant: 35%), and TSR (weight in 2018 grant: 40%; weight in 2019 grant: 15%). Also taken into account was the Company's performance against sustainability targets (combined weight in 2018 grant: 20%; combined weight in 2019 grant: 15%). For the 2018 share grant, sustainability was measured on the basis of an equally weighted external and internal target: the Dow Jones Sustainability Index (the external target) measured how the Company performed on sustainability against peers in the sector, whereas the percentage of healthy own-brand food sales (the internal target) was the measure we used to drive performance in pursuit of the Company's objective to facilitate healthier eating. For the 2019 share grant, sustainability is measured on the basis of the percentage of healthy own-brand product sales.

PERFORMANCE REALIZED

Performance measure	2019 grant (to vest in 2022)		2018 grant (vested in 2021)	
	Weight	Performance multiplier	Weight	Performance multiplier
Return on capital	35%	130%	40%	Exceeded maximum
Underlying earnings per share growth	35%	Exceeded maximum	—%	—%
Total shareholder return	15%	75%	40%	80%
Sustainability ¹	15%	111%	20%	125%
Total (%)	100%	126%	100%	117%

¹ For the 2018 grant, the overall sustainability performance multiplier is based on a 110% achievement against our Dow Jones Sustainability Index target, and a 140% achievement against our own-brand food sales from healthy products target.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

2019 GRO SHARE GRANT (TO VEST IN 2022)¹

	Total number of performance shares granted in 2019	Multiplier	Total number of performance shares to vest in 2022	Share price ²	Estimated value in € thousand ²
Frans Muller Chief Executive Officer					
2019 TSR grant	17,304	75%	12,978		
2019 RoC grant	40,374	130%	52,486		
2019 EPS grant	40,374	150%	60,561		
2019 Sustainability grant	17,304	111%	19,207		
Total vesting April 14, 2022	115,356		145,232	€30.14	4,377
Natalie Knight³ Chief Financial Officer					
2019 TSR grant	3,999	75%	2,999		
2019 RoC grant	9,331	130%	12,130		
2019 EPS grant	9,331	150%	13,996		
2019 Sustainability grant	3,999	111%	4,438		
Total vesting April 14, 2022	26,660		33,563	€30.14	1,012
Kevin Holt CEO Ahold Delhaize USA					
2019 TSR grant	12,766	75%	9,574		
2019 RoC grant	29,787	130%	38,723		
2019 EPS grant	29,787	150%	44,680		
2019 Sustainability grant	12,766	111%	14,170		
Total vesting April 14, 2022	85,106		107,147	€30.14	3,229
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia					
2019 TSR grant	6,607	75%	4,955		
2019 RoC grant	15,416	130%	20,040		
2019 EPS grant	15,416	150%	23,124		
2019 Sustainability grant	6,607	111%	7,333		
Total vesting April 14, 2022	44,046		55,452	€30.14	1,671

1 The 2019 GRO grant was awarded on April 11, 2019.

2 The estimated value is based on the closing share price on the last trading day of the financial year (December 31, 2021) of €30.14. The actual value will be determined at vesting on April 14, 2022.

3 In recognition of Natalie's long-term incentive that was outstanding and forfeited at the time of her resignation at Arla Foods, Natalie received a one-off share grant in 2020 subject to the terms and conditions of the 2019 GRO grant.

2018 GRO SHARE GRANT (VESTED IN 2021)¹

	Total number of performance shares granted in 2018	Multiplier	Total number of performance shares vested in 2021	Share price	Total value in € thousands ²
Frans Muller Chief Executive Officer					
2018 TSR grant	51,408	80%	41,126		
2018 RoC grant	51,408	150%	77,112		
2018 Sustainability grant	25,704	125%	32,130		
Total vesting April 15, 2021	128,520		150,368	€23.02	3,461
Natalie Knight³ Chief Financial Officer					
2018 TSR grant	10,663	80%	8,530		
2018 RoC grant	10,663	150%	15,994		
2018 Sustainability grant	5,332	125%	6,665		
Total vesting April 15, 2021	26,658		31,189	€23.02	718
Kevin Holt CEO Ahold Delhaize USA					
2018 TSR grant	38,066	80%	30,452		
2018 RoC grant	38,066	150%	57,099		
2018 Sustainability grant	19,033	125%	23,791		
Total vesting April 15, 2021	95,165		111,342	€23.02	2,563
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia					
2018 TSR grant	21,433	80%	17,146		
2018 RoC grant	21,433	150%	32,149		
2018 Sustainability grant	10,717	125%	13,396		
Total vesting April 15, 2021	53,583		62,691	€23.02	1,443

1 The 2018 GRO grant was awarded on April 12, 2018.

2 The total value is based on the share price on the April 15, 2021, vesting date of €23.02. The estimated value of each grant as previously disclosed in the Annual Report 2020 was based on the closing share price on the last trading day of the financial year 2020 (December 31, 2020) of €23.11.

3 In recognition of Natalie's long-term incentive that was outstanding and forfeited at the time of her resignation at Arla Foods, Natalie received a one-off share grant in 2020 subject to the terms and conditions of the 2018 GRO grant.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

Definitions of GRO performance measures

Performance measure	Definition	Relevance to our strategy
Total shareholder return (TSR)	TSR is share price growth plus dividends paid during the performance period.	TSR is used to compare the performance of different companies and stocks over time. The relative TSR position reflects the market perception of the overall performance of the Company relative to a reference group.
Underlying earnings per share growth (EPS)	Underlying EPS is the underlying income from continuing operations of the Company, divided by the weighted average number of shares for the year. The growth is measured by dividing the EPS at the end of the performance period by the EPS at the start of the performance period.	EPS reflects our focus on growth, measured through revenue growth.
Return on capital (RoC)	Return on capital (RoC) is calculated as underlying operating income before depreciation and amortization divided by the annual rolling average of the sum of company-owned property, plant and equipment at purchase price, intangible assets (excluding goodwill) at purchase price, operating working capital components and repayment of lease liabilities, divided by 8%.	RoC is used as a measure of how effective we are at turning our investments into profit.
Healthy and Sustainable	<p>Healthy and Sustainable comprises different performance measures that reflect our long-standing commitment to sustainability. For the 2020 and 2021 GRO grant, Healthy and Sustainable (previously referred to as Sustainable Retailing) is measured based on healthy products, food waste reduction and carbon emissions reductions.</p> <ul style="list-style-type: none"> • Healthy products: the percentage of healthy own-brand food sales as a proportion of total own-brand food sales. • Food waste: tonnes of food waste per €1 million food sales. • CO₂ emissions: percentage reduction of absolute scope 1 (direct) and 2 (indirect) CO₂ emissions. 	<p>Our businesses flourish when our communities are healthy and resilient. We aim to make it easy and fun for customers and associates to eat healthier, while at the same time reducing our global footprint.</p> <ul style="list-style-type: none"> • Healthy products: we employ this measure to drive performance in pursuit of our objective to facilitate healthier eating. • Food waste: we employ this measure to drive performance against our objective of reducing food waste. • CO₂ emissions: we employ this measure to drive performance against our objective to reduce CO₂ plus equivalent emissions.

For incentive purposes, EPS performance is calculated using constant rates to ensure individuals are not rewarded nor penalized for foreign exchange rate developments, but only for true business performance.

In case of unforeseen or unusual circumstances occurring during the performance period that have an impact on the performance of the incentive plan as assessed at the end of the performance period, the Supervisory Board may consider an adjustment, in accordance with the principles of reasonableness and fairness.

With respect to EPS growth specifically, planned or anticipated corporate events occurring during the performance period, including share buybacks, transactions, and M&A activity, that may, positively or negatively, affect EPS performance, are always factored into the performance targets. In case of a significant unplanned share buyback that was not taken into the budget, an adjustment will be made to ensure that EPS performance for incentive purposes is not positively affected.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

(SERVICE) AGREEMENTS, PENSION AND OTHER INDIVIDUAL ELEMENTS

Ahold Delhaize does not provide loans or advances to members of the Management Board. No loans or advances are outstanding. Ahold Delhaize does not issue guarantees to the benefit of members of the Management Board. No such guarantees are outstanding.

Frans Muller

Frans' service agreement will end by operation of law without notice being required on the day of the annual General Meeting of Shareholders in April 2023, or earlier if he is otherwise terminated. If the Company terminates his service agreement for reasons other than cause, Frans is entitled to a severance payment equal to one year's base salary or retirement treatment on his unvested performance shares in case of termination in 2019 through 2023. His service agreement may be terminated by the Company with a notice period of 12 months and by Frans with a notice period of six months. Frans participates in the Company's Dutch pension plan.

Natalie Knight

Natalie's service agreement will end by operation of law without notice being required on the day of the annual General Meeting of Shareholders in April 2024, or earlier if she is otherwise terminated. If the Company terminates her service agreement for reasons other than cause, Natalie is entitled to a severance payment equal to one year's base salary. Her service agreement may be terminated by the Company with a notice period of 12 months and by Natalie with a notice period of six months. Natalie receives reimbursement of school fees and a temporary housing allowance of €7,000 net per month. She participates in the Company's Dutch pension plan.

In recognition of the long-term incentive that was outstanding and forfeited at the time of Natalie's resignation at her former employer, two performance share awards were granted in 2020 with a grant value of €600 thousand each, one of which vested on April 15, 2021, and one of which will vest the day after the annual General Meeting of Shareholders in April 2022. Both grants will further be subject to the terms and conditions of the long-term incentive plan (including performance targets), as well as the five-year holding period from the date of grant as applicable to members of the Management Board.

Kevin Holt

Kevin was reappointed as a member of the Management Board for a term ending on the day of the annual General Meeting of Shareholders in April 2024. If the Company terminates his employment agreement for reasons other than cause, Kevin is entitled to a severance payment equal to one year's base salary, unless he is eligible for retirement. His employment agreement may be terminated by the Company with a notice period of 12 months and by Kevin with a notice period of six months.

At the General Meeting of Shareholders on April 14, 2020, Kevin was reappointed to the Management Board in view of several long-term strategic and operational initiatives that are ongoing at Ahold Delhaize USA. If his role in these initiatives was concluded before the end of the four-year term, Kevin and the Company had the option to end Kevin's assignment as per the annual General Meeting of Shareholders in April 2022. As executive leadership transition and continuity is critical, Kevin would then subsequently remain attached to the Company as an advisor to the Management Board until December 31, 2022, after which he would retire. In view of the current state of the above initiatives, both parties have agreed to extend the option by one year, up to and including the annual General Meeting of Shareholders to be held in 2023.

Kevin receives a housing allowance of up to \$7,500 net per month. He participates in the Company's U.S. pension plan.

Wouter Kolk

Wouter's current service agreement runs until the annual General Meeting of Shareholders in April 2022, at which Wouter will be nominated for another term of four years. If the Company terminates his service agreement for reasons other than cause, Wouter is entitled to a severance payment equal to one year's base salary. His service agreement may be terminated by the Company with a notice period of 12 months and by Wouter with a notice period of six months. Wouter participates in the Company's Dutch pension plan.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

TOTAL REMUNERATION

The following table provides an overview of the remuneration costs expended in 2021 and 2020 per Management Board member. The costs reported here are not in all cases equal to the amounts that were received by the individual Management Board members. Share-based compensation expense represents the non-cash cost for Ahold Delhaize of performance shares awarded to members of the Management Board. These costs are recognized over the three-year vesting period of the performance shares in accordance with IFRS 2, "Share-based Payment." The actual value of the 2018 GRO share grant, as received after vesting in 2021 by each Management Board member, is detailed in the table *2018 GRO share grant (vested in 2021)*. The actual value of the 2019 GRO share grant that will vest in 2022 is contingent on the share price at the vesting date of April 14, 2022. The number of performance shares that are expected to vest is detailed in the table *2019 GRO share grant (to vest in 2022)*.

Total remuneration in 2021 and 2020 per Management Board member

€ thousand	Direct remuneration						Deferred remuneration				Total remuneration		Fixed vs. variable remuneration ⁵		
	Base salary		Annual cash incentive: EIP ¹		Other ²		Long-term share-based incentive: GRO ³		Pension ⁴		2021	2020	2021	2020	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Frans Muller															
Costs (IFRS)							2,846	2,935		62	77	5,718	6,024	21%–79%	19%–81%
Entitlement ⁶	1,130	1,102	1,412	1,653	268	257	4,377	3,475	62	77	7,249	6,564	16%–84%	18%–82%	
Natalie Knight⁷															
Costs (IFRS)							1,103	817		107	(1)	3,097	2,269	26%–74%	24%–76%
Entitlement ⁶	709	477	887	716	291	260	1,012	721	107	(1)	3,006	2,173	27%–73%	25%–75%	
Kevin Holt															
Costs (IFRS)							2,242	2,259		257	220	4,868	5,270	22%–78%	21%–79%
Entitlement ⁶	943	954	1,179	1,431	247	406	3,229	2,573	257	220	5,855	5,584	18%–82%	19%–81%	
Wouter Kolk															
Costs (IFRS)							1,138	1,129		40	36	2,996	3,142	26%–74%	25%–75%
Entitlement ⁶	736	718	920	1,077	162	182	1,671	1,449	40	36	3,529	3,462	22%–78%	22%–78%	

1 The 2021 EIP represents accrued annual cash incentives to be paid in 2022 subject to shareholder approval of the financial statements.

2 "Other" mainly includes gross allowances for net pension, tax compensation (tax equalization charges or refunds for expatriates), allowances for housing expenses, relocation costs, international school fees, employer's contributions to social security plans, benefits in kind such as company cars, tax advice, medical expenses and the associated tax gross-up.

3 The fair value of each year's grant is determined on the grant date and expensed on a straight-line basis over the vesting period. The expense for 2021 reflects this year's portion of the share grants over the previous four years (plans 2018 to 2021).

4 Pension costs are the total net periodic pension costs of the applicable pension plans.

5 Fixed pay comprises the base salary. Variable pay comprises the annual cash incentive plan and the long-term share-based plan.

6 The 2021 entitlement value for the long-term share-based plan is the estimated value based on the closing share price as of the last trading day of the financial year (December 31, 2021) of €30.14 as presented in the table 2019 GRO share grant (to vest in 2022).

The actual value will be determined at vesting on April 14, 2022. The 2020 entitlement value for the long-term share-based program is the value of the 2018 grant which vested in 2021.

7 Natalie Knight started at Ahold Delhaize as Executive Vice President Finance and Member of the Executive Committee on March 1, 2020, and was appointed as member of the Management Board effective April 8, 2020. Her 2020 remuneration reported as member of the Management Board reflects a partial year as of the date of her appointment as member of the Management Board. She received two additional performance share awards with a grant value of €600 thousand each, one of which has vested on April 15, 2021, and one of which will vest the day after the annual General Meeting of Shareholders of Ahold Delhaize in 2022, subject to the terms and conditions of the long-term plan (including performance targets). The related expenses in the amount of €582 thousand were included in "Share-based compensation."

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

MANAGEMENT BOARD REMUNERATION IN CONTEXT

This section places the remuneration of the members of the Management Board and its development over time in the broader context of the remuneration of our associates, the Company's performance, and (for the Chief Executive Officer) external peers.

Internal context

Associates are at the center of our brands' relationships with customers and communities. In establishing the employment conditions of their associates, our brands set compensation and benefits levels in line with job level and local market practices and regularly review remuneration practices, considering societal and market dynamics as well as economic conditions. For the majority of associates, remuneration is based on collective bargaining agreements structured primarily as fixed annual salaries or hourly wages. In addition, store managers and general management associates are eligible to receive a performance-based annual bonus. Associates in senior management positions are eligible for performance-based annual bonuses as well as Ahold Delhaize performance share grants that are linked to the long-term goals of the Company. We consistently apply this approach to our Management Board, whereby we determine remuneration by establishing a relevant reference market, determining the target level within that reference market, and setting a variable-to-fixed ratio that is reflective of our performance culture.

As a large part of the remuneration of the Management Board is linked to the business performance, the ratio between the total remuneration of the respective members of the Management Board and the average remuneration of all associates across the group will be strongly influenced by the overall business performance of our company. Therefore, in years of strong performance, the ratio within the Company is likely to be higher than in years of below-target performance.

The following table sets out the total remuneration for the members of the Management Board, the average remuneration of all associates across the group, and the overall annual performance multiplier and long-term incentive vesting outcomes for 2017 through 2021. To ensure consistency with our standing disclosure practice and to allow for external comparison, the Management Board remuneration detailed below reflects the remuneration costs expensed per Management Board member for the respective year. Likewise, the average remuneration of all associates is calculated as the total (IFRS-based) labor costs divided by the number of associates on an FTE basis. In accordance with the guidance provided by the Monitoring Committee Dutch Corporate Governance Code, contracted personnel is taken into account in this calculation.

Management Board remuneration and Company performance

€ thousand	2021	% change	2020	% change	2019	% change	2018	% change	2017
Management Board remuneration									
Chief Executive Officer ¹	5,718	(5)%	6,024	38%	4,356	(13)%	4,989	9%	4,577
Chief Financial Officer ²	3,097	(16)%	3,679	6%	3,463	21%	2,857	1%	2,841
CEO Ahold Delhaize USA	4,868	(8)%	5,270	42%	3,714	3%	3,598	20%	2,994
CEO Ahold Delhaize Europe and Indonesia ³	2,996	(5)%	3,142	72%	1,827				
Average associate remuneration									
Average FTE remuneration ⁴	43	(14)%	50	19%	42	5%	40	—%	40
Company performance									
Annual cash incentive plan (EIP) overall performance multiplier ⁵	125%	(17)%	150%	69%	89%	(20)%	111%	19%	93%
Long-term share-based program (GRO) overall performance multiplier ⁶	126%	8%	117%	72%	68%	(16)%	81%	(25)%	108%

- For 2018 through 2021, CEO refers to Frans Muller. To reflect a full-year remuneration, the 2018 remuneration comprises the remuneration up to July 1, 2018, received in his capacity as Deputy CEO, and from July 1, 2018, received in his capacity as CEO. For 2017, CEO refers to Dick Boer.
- For 2021, CFO refers to Natalie Knight. For 2020, CFO refers to Jeff Carr for the period up to April 8, 2020, and to Natalie Knight for the period from April 8, 2020, onwards. For 2017 through 2019, CFO refers to Jeff Carr.
- Since the position of CEO Ahold Delhaize Europe and Indonesia was created on April 11, 2018, (full-year) numbers for 2017 and 2018 are not available.
- In 2020, Ahold Delhaize recorded a \$1.7 billion (€1.4 billion) expense for incremental pension liabilities due to withdrawal and settlement agreements of several U.S. multi-employer plans. This expense increased the average associate remuneration to 50 thousand per FTE. If this expense was excluded, the average FTE remuneration would be 44 thousand.
- After careful consideration, the Supervisory Board decided to adjust the 2021 EIP multiplier downward to 125%.
- The GRO overall performance multiplier reflects the total performance in the three-year performance period.

Management Board remuneration

2021 MANAGEMENT BOARD REMUNERATION

The following table details the pay ratio of the CEO, CFO, CEO Ahold Delhaize USA and CEO Ahold Delhaize Europe and Indonesia compared to the average remuneration of associates in our stores, warehouses and support offices worldwide.

Pay ratio	2021	2020 ¹	2019	2018	2017
Chief Executive Officer ²	132	122	137	105	114
Chief Financial Officer ³	72	74	84	83	71
CEO Ahold Delhaize USA	113	106	120	89	74
CEO Ahold Delhaize Europe and Indonesia ⁴	69	63	72	44	—

- In 2020, Ahold Delhaize recorded a \$1.7 billion (€1.4 billion) expense for incremental pension liabilities due to withdrawal and settlement agreements of several U.S. multi-employer plans. These incremental labor costs increased the average associate remuneration per FTE, impacting the ratio between the total remuneration of the members of the Management Board and the average remuneration of all associates across the group. To facilitate multi-year comparison, the table shows the 2020 pay ratio including this expense as well as excluding this expense.
- For 2018 through 2021, CEO refers to Frans Muller. To reflect a full-year remuneration, the 2018 remuneration comprises the remuneration up to July 1, 2018, received in his capacity as Deputy CEO, and from July 1, 2018, received in his capacity as CEO. For 2017, CEO refers to Dick Boer.
- For 2020, CFO refers to Jeff Carr for the period up to April 8, 2020, and to Natalie Knight for the period from April 8, 2020, onwards. For 2017 through 2019, CFO refers to Jeff Carr.
- Since the position of CEO Ahold Delhaize Europe and Indonesia was created on April 11, 2018, (full-year) numbers for 2017 and 2018 are not available.

EXTERNAL CONTEXT

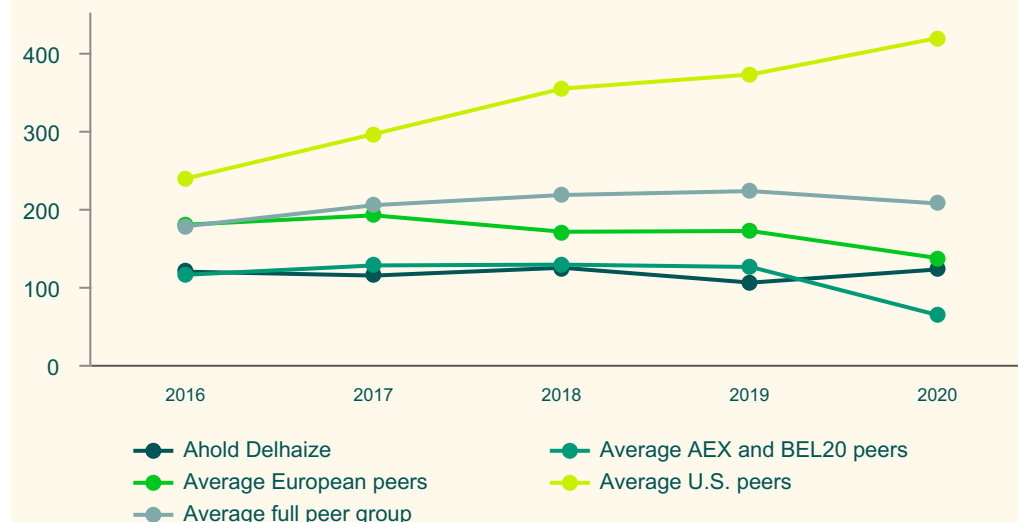
To put Ahold Delhaize's pay ratio into perspective, the following table and chart illustrate how Ahold Delhaize's CEO pay ratio compares to the CEO pay ratio of the companies in the benchmark peer group. All numbers are based on the publicly disclosed 2020 annual reports of the respective companies. For comparison purposes, the ratios have been calculated using the same methodology as is used to determine Ahold Delhaize's pay ratio.

Following the Company's exceptional performance and subsequent bonus payout in 2020, Ahold Delhaize's 2020 pay ratio was higher than in the previous years. The 2020 average pay ratios of our AEX, BEL20 and European peers were significantly lower than in 2019, primarily as a result of base salary reductions and bonus cuts for executives in light of the COVID-19 pandemic. The average pay ratio of our U.S. peers continued its upward trend.

Pay ratio	2020	2019	2018	2017	2016
Ahold Delhaize	122	105	124	114	119
Average AEX and BEL20 peers	63	125	128	127	115
Average European peers	136	171	170	191	179
Average U.S. peers	418	371	353	295	238
Average full peer group	206	222	217	204	177

It is important to note that pay ratios can vary greatly from one industry to another and that, even within the same industry, comparing pay ratios is challenging due to differences in market conditions (e.g., the mix of high- and low-paying countries).

Pay ratios 2016-2020



In determining the compensation of the Management Board, the Supervisory Board will continue to monitor the development of pay ratios in the Company and in comparison to the benchmark peer group.

Management Board remuneration

MANAGEMENT BOARD SHARE-BASED COMPENSATION

SHARE OWNERSHIP

As of January 2, 2022, Management Board members (excluding the former Management Board members) held the following shares and other interests in Ahold Delhaize:

Number of shares	Common shares subject to additional holding requirement ¹	Other common shares	Total common shares
Frans Muller ²	116,768	207,781	324,549
Natalie Knight	21,551	0	21,551
Kevin Holt	93,338	30,644	123,982
Wouter Kolk	33,225	41,416	74,641
Total	264,882	279,841	544,723

¹ In line with best practice 3.1.2 VI of the Dutch Corporate Governance Code 2016 and the Management Board remuneration policy, shares granted and vested under the GRO program to Management Board members should be retained for a period of at least five years after grant, except to finance tax payable at the vesting date, or at least until the date of resignation from the Management Board, if this period is shorter.

² Additionally, 9,579 shares are held by Frans Muller in the form of American Depository Receipts.

PERFORMANCE SHARES

The following table summarizes the status of the GRO program during 2021 for the individual Management Board members.

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2021	Granted	Performance adjustment ¹	Vested ²	Forfeited	Outstanding at the end of 2021	Maximum number of shares ³	Fair value per share at the grant date (€)
Frans Muller											
2018 TSR grant				51,408	—	(10,282)	41,126	—	—	N/A	16.58
2018 RoC grant	April 12, 2018	April 15, 2021	April 12, 2023	51,408	—	25,704	77,112	—	—	N/A	17.89
2018 Sustainability grant				25,704	—	6,426	32,130	—	—	N/A	17.89
2019 TSR grant				17,304	—	—	—	—	17,304	25,956	14.47
2019 RoC grant	April 11, 2019	April 14, 2022	April 11, 2024	40,374	—	—	—	—	40,374	60,561	20.01
2019 EPS grant				40,374	—	—	—	—	40,374	60,561	20.01
2019 Sustainability grant				17,304	—	—	—	—	17,304	25,956	20.01
2020 TSR grant				17,261	—	—	—	—	17,261	25,891	14.51
2020 RoC grant	April 9, 2020	2023 AGM + 1 day	April 9, 2025	40,274	—	—	—	—	40,274	60,411	19.98
2020 EPS grant				40,274	—	—	—	—	40,274	60,411	19.98
2020 Sustainability grant				17,261	—	—	—	—	17,261	25,891	19.98
2021 TSR grant				—	16,720	—	—	—	16,720	25,080	7.41
2021 RoC grant	April 15, 2021	2024 AGM + 1 day	April 15, 2026	—	39,013	—	—	—	39,013	58,519	20.25
2021 EPS grant				—	39,013	—	—	—	39,013	58,519	20.25
2021 Sustainability grant				—	16,720	—	—	—	16,720	25,080	20.25

Management Board remuneration

MANAGEMENT BOARD SHARE-BASED COMPENSATION

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2021	Granted	Performance adjustment ¹	Vested ²	Forfeited	Outstanding at the end of 2021	Maximum number of shares ³	Fair value per share at the grant date (€)
Natalie Knight⁴											
2018 TSR grant				10,663	—	(2,133)	8,530	—	—	N/A	17.10
2018 RoC grant	April 9, 2020	April 15, 2021	April 9, 2025	10,663	—	5,331	15,994	—	—	N/A	18.45
2018 Sustainability grant				5,332	—	1,333	6,665	—	—	N/A	18.45
2019 TSR grant				3,999	—	—	—	—	3,999	5,998	13.40
2019 RoC grant	April 9, 2020	April 14, 2022	April 9, 2025	9,331	—	—	—	—	9,331	13,996	18.52
2019 EPS grant				9,331	—	—	—	—	9,331	13,996	18.52
2019 Sustainability grant				3,999	—	—	—	—	3,999	5,998	18.52
2020 TSR grant				7,698	—	—	—	—	7,698	11,547	14.51
2020 RoC grant	April 9, 2020	2023 AGM + 1 day	April 9, 2025	17,961	—	—	—	—	17,961	26,941	19.98
2020 EPS grant				17,961	—	—	—	—	17,961	26,941	19.98
2020 Sustainability grant				7,698	—	—	—	—	7,698	11,547	19.98
2021 TSR grant				—	7,820	—	—	—	7,820	11,730	7.41
2021 RoC grant	April 15, 2021	2024 AGM + 1 day	April 15, 2026	—	18,247	—	—	—	18,247	27,370	20.25
2021 EPS grant				—	18,247	—	—	—	18,247	27,370	20.25
2021 Sustainability grant				—	7,820	—	—	—	7,820	11,730	20.25
Kevin Holt											
2018 TSR grant				38,066	—	(7,614)	30,452	—	—	N/A	16.58
2018 RoC grant	April 12, 2018	April 15, 2021	April 12, 2023	38,066	—	19,033	57,099	—	—	N/A	17.89
2018 Sustainability grant				19,033	—	4,758	23,791	—	—	N/A	17.89
2019 TSR grant				12,766	—	—	—	—	12,766	19,149	14.47
2019 RoC grant	April 11, 2019	April 14, 2022	April 11, 2024	29,787	—	—	—	—	29,787	44,680	20.01
2019 EPS grant				29,787	—	—	—	—	29,787	44,680	20.01
2019 Sustainability grant				12,766	—	—	—	—	12,766	19,149	20.01
2020 TSR grant				15,412	—	—	—	—	15,412	23,118	14.51
2020 RoC grant	April 9, 2020	2023 AGM + 1 day	April 9, 2025	35,962	—	—	—	—	35,962	53,943	19.98
2020 EPS grant				35,962	—	—	—	—	35,962	53,943	19.98
2020 Sustainability grant				15,412	—	—	—	—	15,412	23,118	19.98
2021 TSR grant				—	13,760	—	—	—	13,760	20,640	7.41
2021 RoC grant	April 15, 2021	2024 AGM + 1 day	April 15, 2026	—	32,107	—	—	—	32,107	48,160	20.25
2021 EPS grant				—	32,107	—	—	—	32,107	48,160	20.25
2021 Sustainability grant				—	13,760	—	—	—	13,760	20,640	20.25

Management Board remuneration

MANAGEMENT BOARD SHARE-BASED COMPENSATION

	Grant date	Vesting date	End of retention period	Outstanding at the beginning of 2021	Granted	Performance adjustment ¹	Vested ²	Forfeited	Outstanding at the end of 2021	Maximum number of shares ³	Fair value per share at the grant date (€)
Wouter Kolk⁵											
2018 TSR grant				21,433	—	(4,287)	17,146	—	—	N/A	16.58
2018 RoC grant	April 12, 2018	April 15, 2021	April 12, 2023	21,433	—	10,716	32,149	—	—	N/A	17.89
2018 Sustainability grant				10,717	—	2,679	13,396	—	—	N/A	17.89
2019 TSR grant				6,607	—	—	—	—	6,607	9,910	14.47
2019 RoC grant	April 11, 2019	April 14, 2022	April 11, 2024	15,416	—	—	—	—	15,416	23,124	20.01
2019 EPS grant				15,416	—	—	—	—	15,416	23,124	20.01
2019 Sustainability grant				6,607	—	—	—	—	6,607	9,910	20.01
2020 TSR grant				7,175	—	—	—	—	7,175	10,762	14.51
2020 RoC grant	April 9, 2020	2023 AGM + 1 day	April 9, 2025	16,740	—	—	—	—	16,740	25,110	19.98
2020 EPS grant				16,740	—	—	—	—	16,740	25,110	19.98
2020 Sustainability grant				7,175	—	—	—	—	7,175	10,762	19.98
2021 TSR grant				—	6,950	—	—	—	6,950	10,425	7.41
2021 RoC grant	April 15, 2021	2024 AGM + 1 day	April 15, 2026	—	16,216	—	—	—	16,216	24,324	20.25
2021 EPS grant				—	16,216	—	—	—	16,216	24,324	20.25
2021 Sustainability grant				—	6,950	—	—	—	6,950	10,425	20.25
Subtotal Management Board members				892,060	301,666	51,664	355,590	—	889,800	1,334,690	

1 Represents the adjustment to the number of performance shares granted resulting from the TSR, RoC and Sustainability performance.

2 The vesting date of the 2018 grant was April 15, 2021. The share price was €23.02 on April 15, 2021.

3 For the TSR performance grants, the maximum number of performance shares that could potentially vest equals 175% of outstanding performance shares, for the award granted in 2018, if Ahold Delhaize's ranking is one. For the TSR performance grants awarded in 2019, 2020 and 2021, the maximum number of performance shares that could potentially vest equals 150% of the outstanding performance shares if the Company's ranking is one. For the RoC performance grants, the EPS performance grants and the Sustainability performance grants the maximum number of performance shares that could potentially vest equals 150% of outstanding performance shares (as explained in the sections [Main characteristics of performance shares granted in 2019 through 2021](#) and [Main characteristics of performance shares granted in 2018](#) from [Note 32](#)). The minimum number of performance shares that could potentially vest would be nil (as explained in the sections [Main characteristics of performance shares granted in 2019 through 2021](#) and [Main characteristics of performance shares granted in 2018](#) from [Note 32](#)).

4 Natalie Knight started at Ahold Delhaize as Executive Vice President Finance and Member of the Executive Committee on March 1, 2020, and was appointed as member of the Management Board effective April 8, 2020. She received two additional performance share awards with a grant value of €600 thousand each, one of which has vested on April 15, 2021, and one of which will vest the day after the annual General Meeting of Shareholders of Ahold Delhaize in 2022, subject to the terms and conditions of the long-term plan (including performance targets).

5 Wouter Kolk, Chief Executive Officer Ahold Delhaize Europe and Indonesia has been a member of the Management Board since April 11, 2018.

Supervisory Board remuneration

REMUNERATION POLICY FOR THE SUPERVISORY BOARD

The Remuneration Policy for the Supervisory Board was adopted by the General Meeting of Shareholders on April 8, 2020, (98.76% of votes in favor) and became effective retroactively as of January 1, 2020.

BENCHMARK PEER GROUP

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

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

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

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

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

REMUNERATION

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

Annual base fees

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

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

Annual committee fees

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

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

Travel time compensation fee

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

SHAREHOLDING

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

PENSIONS AND OTHER CONTRACT TERMS

Pension

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

Loans

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

Term

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

Resignation

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

Supervisory Board remuneration

2021 SUPERVISORY BOARD REMUNERATION

The remuneration paid to the members of the Supervisory Board in 2021 was in accordance with the Remuneration Policy for the Supervisory Board. The following table outlines the total remuneration for the members of the Supervisory Board for 2017 through 2021.

€ thousand ^{1,2}	2021	2020	2019	2018	2017
Peter Agnefjäll (appointed in 2019)	230	138	104	—	—
Bill McEwan (reappointed in 2020)	162	150	208	209	150
René Hooft Graafland (reappointed in 2018)	134	129	143	145	136
Katie Doyle (appointed in 2019)	133	126	104	—	—
Helen Weir (appointed in 2020)	128	88	—	—	—
Mary Anne Citrino (reappointed in 2020)	125	119	130	130	133
Frank van Zanten (appointed in 2020)	117	83	—	—	—
Bala Subramanian (appointed in 2021)	89	—	—	—	—
Jan Zijderveld (appointed in 2021)	93	—	—	—	—
Ben Noteboom (retired in 2021)	35	109	125	135	145
Dominique Leroy (retired in 2021)	30	116	118	123	125
Jan Hommen (reappointed in 2017, retired on December 31, 2020)	—	223	243	249	223
Jacques de Vaucleroy (retired in 2020)	—	31	120	144	170
Rob van den Bergh (resigned in 2019)	—	—	39	148	148
Mark McGrath (resigned in 2019)	—	—	44	136	143
Mats Jansson (retired in 2018)	—	—	—	68	255
Johnny Thijs (resigned in 2018)	—	—	—	31	128
Patrick De Maeseneire (resigned in 2018)	—	—	—	32	123
Jack Stahl (resigned in August 2017)	—	—	—	—	111
Stephanie Shern (resigned in April 2017)	—	—	—	—	37
Total remuneration Supervisory Board	1,276	1,312	1,378	1,550	2,027
Number of Supervisory Board members³	11	11	11	12	14

1 In the remuneration of the Supervisory Board members, the Company has considered the composition and the responsibilities of the Supervisory Board and its related committees, as well as the responsibilities of its individual members in the respective years.

2 For the members who were appointed or resigned during a year, the remuneration for that respective year reflects a partial year.

3 These numbers include members who were appointed or resigned during the respective year.

As of January 2, 2022, Peter Agnefjäll held 7,200 Ahold Delhaize common shares and Bill McEwan held 7,125 Ahold Delhaize American Depositary Receipts common shares. None of the other Supervisory Board members held Ahold Delhaize shares.

Ahold Delhaize does not provide loans or advances to members of the Supervisory Board. No loans or advances are outstanding. Ahold Delhaize does not issue guarantees to the benefit of members of the Supervisory Board. No such guarantees are outstanding.