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Governance

Our Management Board and Executive Committee



Frans Muller



President and Chief Executive Officer; Chair and member of the Management Board and Executive Committee; interim Chief Human Resources Officer

Frans Muller started as President and Chief Executive Officer of Ahold Delhaize on July 1, 2018. Before that, he served as Deputy Chief Executive Officer and Chief Integration Officer since 2016. He was also Acting Chief Operating Officer for Delhaize America from October 2016 until January 2018. Prior to Ahold Delhaize, Frans served for three years as President and CEO of Delhaize Group.

Before joining Delhaize Group, Frans worked for German retailer Metro AG for more than 15 years, serving in various leadership positions, including managing director of Makro, member of the board of Metro Cash & Carry International, president for Asia Pacific and Russia / Ukraine, and CEO of Metro group buying.

From 2006 until 2013, he was a member of the Metro AG management board and served as CEO of Metro Cash & Carry from 2008 until 2013. From 1988 to 1997, Frans held various management and executive positions at KLM Cargo in Amsterdam, Frankfurt, Vienna and Singapore.

Frans currently serves as chairman of the board of the Vlerick Business School. He is a member of the board of directors and the governance committee of the Consumer Goods Forum (CGF).

Age: 59



Natalie Knight



Chief Financial Officer; Member Management Board and Executive Committee

Natalie Knight was appointed Chief Financial Officer and a member of the Management Board on April 8, 2020. She 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. In addition to being responsible for the financial and legal teams, Natalie also had global responsibility for IT.

Before that, she spent 17 years at adidas AG in Germany and the U.S., where she held various 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.

Prior to her time with adidas, Natalie held investor relations roles at BASF and Bankgesellschaft Berlin.

Age: 50



Kevin Holt



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

Kevin Holt has served as Chief Executive Officer of Ahold Delhaize USA and a member of the Ahold Delhaize Management Board since January 1, 2018. Prior to that, 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.

A 30-year veteran in the industry, Kevin served as president of retail operations for SuperValu before joining Delhaize Group. During his tenure, the company owned the Albertsons, Jewel-Osco and Save-A-Lot chains and was the third largest food retailing company in the U.S.

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

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

Kevin serves on the board of directors of the Food Marketing Institute, an industry trade association in the U.S. Additionally, he previously chaired FMI's foundation.

Age: 62



Wouter Kolk



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

Wouter Kolk started as Chief Executive Officer Europe and Indonesia on October 1, 2018. He 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.

Wouter is a member of the supervisory board of concert hall Paradiso.

Age: 54

Governance

Our Management Board and Executive Committee continued



Jan Ernst de Groot 

Chief Legal Officer; Member Executive Committee

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

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

Jan Ernst started his career at law firm De Brauw Blackstone Westbroek.

Jan Ernst is a member of the executive board of VNO-NCW Dutch Confederation of Netherlands Industry & Employers, of the supervisory board of ADG Dienstengroep, and is chairman of the supervisory council of ARK Rewilding Netherlands.

Age: 57



Ben Wishart 

Global Chief Information Officer; Member Executive Committee

Ben Wishart became a member of Ahold Delhaize's Executive Committee on January 1, 2018. 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.

Ben is an independent non-executive director at PayPoint. He serves as a member of the nomination and remuneration committees, together with the audit committee and is chair of the cyber and IT sub-committee.

Age: 58



Farhan Siddiqi 

Chief Digital Officer; Member Executive Committee

Farhan Siddiqi joined Ahold Delhaize as Chief Digital Officer and member of the Executive Committee on January 28, 2019. He is responsible for driving digital transformation and innovation across Ahold Delhaize's local brands, focusing on loyalty, data analytics and personalization.

Before joining Ahold Delhaize, Farhan served as chief digital officer at McDonald's, and led the restaurant chain's digital transformation, including the launch of mobile commerce in 20,000 restaurants, a new mobile app and an upgrade of its self-service ordering kiosks. He was also responsible for data analytics and extending the chain's customer relationship management capabilities.

Prior to this, Farhan held various key leadership positions within Bank of America, Target and General Electric, where he focused on implementing successful customer loyalty programs and digital payment solutions and launching strategic partnerships. Farhan serves on the board of directors of Alliant Credit Union.

Age: 52

Management Board composition: nationality

	Dutch	2
	American	2

Gender



Executive Committee composition: nationality

	Dutch	3
	American	3
	British	1

Gender



¹ At the end of 2020, the gender split of the Executive Committee was 75% male and 25% female, as Abbe Luersman retired from the Executive Committee effective February 1, 2021.

Governance

Our Supervisory Board



Peter Agnefjäll



Chair and Chair of the Risk Committee

Peter Agnefjäll has served on Ahold Delhaize's Supervisory Board since April 10, 2019, and as its Chair since January 1, 2021. Peter is Chair of the Risk Committee and a member of the Remuneration Committee, the Governance and Nomination Committee and the Sustainability and Innovation Committee.

Peter serves on the board of directors of Orkla ASA, a leading supplier of branded consumer goods to the grocery, out-of-home, specialized retail, pharmacy and bakery sectors. In addition to this, he serves on the board of directors of Wizz Air and on the advisory board of Deichmann, a family-owned European shoe retailer.

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.

Age: 49



Bill McEwan



Vice Chair and Chair of the Remuneration Committee

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

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

Age: 64



René Hooft Graafland



Chair of the Audit and Finance Committee

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

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

René is member of the supervisory board and audit committee of Koninklijke FrieslandCampina N.V. and chairman of the supervisory board of Lucas Bols N.V. He is chairman of the boards of the Royal Theatre Carré Fund and the Stichting African Parks Foundation. René is also a member of the Monitoring Commissie Corporate Governance Code.

Age: 65



Ben Noteboom



Chair of the Governance and Nomination Committee

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

Ben is former CEO and chairman of the executive board of Randstad Holding N.V., to which he was appointed in 2001. He had first joined Randstad in 1993 and held various senior management positions during his time with the company. Ben is chairman of the supervisory board of Koninklijke Vopak N.V., chairman of its selection and appointment committee and a member of its remuneration committee. He is also a member of the supervisory board of Aegon N.V., chairman of its remuneration committee and a member of its risk committee. In addition, he serves as a member of the board of the Cancer Center Amsterdam.

Age: 62



Katie Doyle



Chair of the Sustainability and Innovation Committee

Katie Doyle has served on Ahold Delhaize's Supervisory Board since April 10, 2019, and is Chair of the Sustainability and Innovation Committee and a member of the Audit and Finance Committee.

Katie was most recently the CEO of Swanson Health Products, a direct-to-consumer health and wellness brand providing a full range of products to help consumers around the world to live healthier, as well as a member of the board of directors of Bemis Company, where she served on the audit, compensation and nominating committees. Prior to these roles, Katie was a senior vice president leading Abbott's Nutrition division for the U.S., Canada and Puerto Rico. Before that, she was senior principal at McKinsey & Company, serving and leading consumer goods and retail clients globally.

Currently, Katie serves as a member of the board of trustees of the Museum of Science and Industry in Chicago, where she serves on the finance and audit committees. She is also a member of the audit committee of Perrigo, an Irish-registered (U.S.-listed) manufacturer of branded and private label over-the-counter and prescription pharmaceutical products.

Finally, she is a member of The Chicago Network, an invitation-only organization of leading C-level female executives.

Age: 53

Governance

Our Supervisory Board continued



Mary Anne Citrino 

Mary Anne Citrino has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Audit and Finance Committee, the Governance and Nomination Committee and the Sustainability and Innovation Committee. Prior to this, she served on Ahold's Supervisory Board starting on March 14, 2016.

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

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

Currently, Mary Anne is a member of the board of directors of Aluminum Company of America Inc. and is a member of its governance and nominating committee and public issues committee. She is also chair of the audit committee and member of the finance, investment and technology committee of Hewlett Packard, Inc.

Age: 61



Dominique Leroy 

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

Dominique is a member of the board of Deutsche Telekom and responsible for the Europe segment. She previously held the position of CEO and member of the board of directors of Proximus (formerly Belgacom) until September 2019. Before being appointed as a member of the board of directors of Proximus, she held various management positions with the company.

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

Dominique is an independent board member for the French construction materials group Compagnie de Saint Gobain. She is an external independent advisor at Bain & Company. She was chairwoman of the international advisory boards of the Solvay Brussels School of Economics and Management and the Proximus affiliates BICS and BE Mobile until September 2019.

Age: 56



Helen Weir 

Helen Weir has served on Ahold Delhaize's Supervisory Board since April 8, 2020, and is a member of the Audit and Finance Committee, the Remuneration Committee and the Sustainability and Innovation Committee.

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

Helen also holds several non-executive positions. She serves as a non-executive director of Greencore Group plc., an Ireland-based international manufacturer of convenience foods. She is chair of the audit committee of Compass Limited (a company retailing under the Bata Brand). She also serves as senior independent director at Superdry Plc, a UK-based fashion retailer. Lastly, Helen serves as director of the Rugby Football Union and as trustee of Marie Curie, a UK-based charity organization providing care and support through terminal illness.

Age: 58



Frank van Zanten 


Frank van Zanten has served on Ahold Delhaize's Supervisory Board since April 8, 2020, and is a member of the Remuneration Committee, the Risk Committee and the Sustainability and Innovation Committee.

Frank is CEO and member of the nomination committee of Bunzl plc, a specialist international distribution and services group.

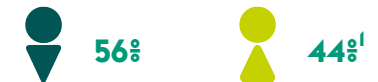
Frank joined Bunzl in 1994 when the company acquired his family-owned business in the Netherlands and he subsequently assumed responsibility for a number of businesses in other countries. In 2002, he became CEO of PontMeyer NV, a listed company in the Netherlands, before re-joining Bunzl in 2005 as the managing director of the continental Europe business area.

Frank also served as a non-executive director at Grafton plc from 2013-2020.

Age: 54

Supervisory Board composition: nationality		
	Dutch	3
	American	2
	Belgian	1
	British	1
	Canadian	1
	Swedish	1

Gender



¹ By the end of 2020, the gender split of the Supervisory Board was 60% male and 40% female, as Jan Hommen retired from the Supervisory Board effective December 31, 2020.

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 new Dutch Corporate Governance Code, effective January 1, 2017 (“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.

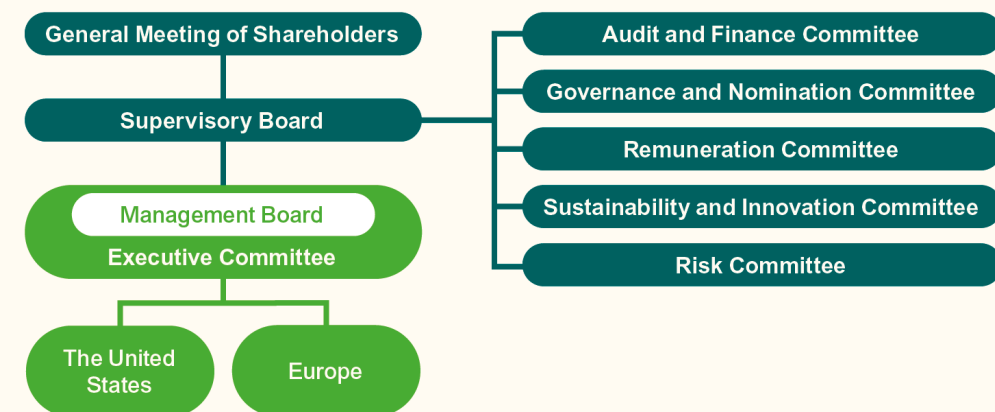
In 2020, our Company comprised a Global Support Office and two reportable segments: The United States and Europe, each of which are made up of a number of local brands.

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.

Governance structure



Management Board and Executive Committee

Our Management Board has the responsibility for the overall management of the Company and oversees corporate governance. 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. The members of the Executive Committee are sometimes 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 functional 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 are: Frans Muller, President and Chief Executive Officer; Natalie Knight, Chief Financial Officer; Kevin Holt, Chief Executive Officer Ahold Delhaize USA; and Wouter Kolk, Chief Executive Officer Europe and Indonesia. The current members of the Executive Committee are the members of the Management Board along with Ben Wishart, Global Chief Information Officer; Farhan Siddiqi, Chief Digital Officer; and Jan Ernst de Groot, Chief Legal Officer.

At the annual General Meeting of Shareholders on April 8, 2020, Natalie Knight was appointed by the Company's shareholders for a term of four years ending on the day of the annual General Meeting of Shareholders in 2024. At the same meeting, Kevin Holt was reappointed to the Management Board (see reappointment schedule below) and we thanked Jeff Carr for his significant contributions to the Company. Abbe Luersman retired from the Executive Committee effective, February 1, 2021, and Frans Muller is currently serving as interim Chief Human Resources Officer during the search for a successor.

Currently, Ahold Delhaize has a Management Board that is 25% female, and an Executive Committee that is 14% female. We recognize this leaves room for improvement, which is reflected in our broad and bold ambition for diversity and inclusion. 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 ambition, see our [Cultivate best talent](#) growth driver.

Governance

Corporate governance continued

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.

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 [Note 31](#) and [Note 32](#) to the consolidated financial statements.

Reappointment schedule Management Board

Name	Date of first appointment	Year of possible reappointment
Frans Muller	March 14, 2016 ¹	2023
Natalie Knight	April 8, 2020	2024
Kevin Holt	March 14, 2016	2024 ²
Wouter Kolk	April 11, 2018	2022

¹ Effective July 24, 2016.

² At the General Meeting of Shareholders on April 8, 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 will have the option to end his assignment as per the annual General Meeting of Shareholders to be held in 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.

Evaluation

In early 2021, the Management Board and the Executive Committee conducted a self-assessment. To facilitate the self-assessment, a questionnaire with open questions was sent to all individual Executive Committee members and the output of the questionnaire was used to facilitate a structured dialogue chaired by the CEO.

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 became more effective.

Items for improvement included diversity. With the retirement of the Chief Human Resources Officer, the need for diversity only increased and there was commitment to look for a successor who will bring a different perspective to further strengthen the team dynamics. Improving interactions between the several layers of the Company's operating model, with direct support by the Executive Committee, is a point of attention for 2021. In terms of meeting efficiency, it was agreed the meeting agendas should allow more time for open discussion on the key strategic topics.

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

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

- Issuance of shares
- Acquisitions, 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

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.

Governance

Corporate governance continued

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 2020, 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 2020, 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 by one or more shareholders (and/or holders of depository receipts) representing at least 10% of the issued share capital.

The agenda for the annual General Meeting of Shareholders must contain certain matters as specified in Ahold Delhaize's Articles of Association and under Dutch law, including the adoption of our annual financial statements. The General Meeting of Shareholders is also entitled to vote on important decisions regarding Ahold Delhaize's identity or character, including major acquisitions and divestments.

Shareholders (and/or holders of depository receipts) are entitled to propose items for the agenda of the annual 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 the annual General Meeting of Shareholders must be submitted at least 60 days prior to the date of the meeting.

Adoption of resolutions

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

Proposals submitted to the agenda by shareholders require an absolute majority of votes cast at the 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 annual 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 annual 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 annual General Meeting of Shareholders to determine whether a person may attend and exercise the rights relating to the annual General Meeting of Shareholders. Shareholders registered at that date are entitled to attend and to exercise their rights as shareholders in relation to the annual 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, previously named Stichting Ahold Continuïteit), 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.

Governance

Corporate governance continued

SCAD and the members of its board are independent from the Company. As of March 2, 2021, the 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. Tree, Vice-Chair	Former CEO APM Terminal Europe
B.M.A van Hussen	Lawyer and former M&A partner at DLA Piper
C.M.S Smith-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 8, 2020, 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 8, 2021, 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 8, 2020, 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 8, 2021.

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 8, 2020, to acquire a number of shares in the Company. Such acquisition of shares, at the stock exchange or otherwise, will, for common shares, 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.

Governance

Corporate governance continued

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 and Finance 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 and Finance Committee evaluates and, where appropriate, recommends the replacement of the external independent auditor.

On April 8, 2020, the General Meeting of Shareholders appointed PricewaterhouseCoopers Accountants N.V. as external independent auditor for the Company for the financial year 2020.

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 2020, 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, including by measuring itself against international best practice.

Corporate governance statement

The Dutch Corporate Governance Code requires companies to publish a statement concerning their approach to corporate governance and compliance with the Code. This is referred to in article 2a of the decree on additional requirements for management reports “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 2020.



“The common theme in our discussions with management was ensuring that decisions taken would prioritize long-term value creation for the Company and all its stakeholders.”

As the report reflects, the situation brought by the COVID-19 pandemic greatly influenced the course of the year for the customers of our brands, associates and the societies where we operate. Protecting the health and safety of customers and associates took center stage and we are proud that the brands successfully secured the food supply for customers despite all the challenges caused by the pandemic.

COVID-19 also presented fresh challenges to the Supervisory Board and its committees, who had to perform their duties virtually since March 2020 due to travel restrictions. Despite these challenges, the Supervisory Board and management continued to have an open, straightforward and constructive dialogue on a number of key topics.

These topics included not only the pandemic and its effect on the Company, but also the digital strategy, e-commerce and profitability, the integration of the U.S. supply chain services, the resolution of several multi-employer pension plans and the Healthy and Sustainable strategy, which we deem critically important for doing the right thing for people and our planet. The common theme in our discussions with management was ensuring that decisions taken would prioritize long-term value creation for the Company and all its stakeholders.

Significant change within the Supervisory Board itself also made 2020 stand out as a special year. Starting at the annual General Meeting of Shareholders in April, we thanked Jacques de Vaucleroy for his many years of distinguished service to the Company and the Supervisory Board, while at the same time welcoming Helen Weir and Frank van Zanten as new board members. Throughout the year, we also prepared for the task of transitioning, with the departure of Jan Hommen at the end of 2020, the expiration of Ben Noteboom's term and Dominique Leroy's retirement.

We would like to thank Jan, Ben and Dominique for their significant contributions to the Company. A special thanks goes to Jan, who started his first term back in 2003, played an important role in navigating the Company through one of its most difficult periods, and was instrumental in bringing Ahold and Delhaize together.

We are also pleased to nominate Bala Subramanian and Jan Zijdeveld at the annual General Meeting of Shareholders in April 2021 to further strengthen the Supervisory Board.

From a financial perspective, 2020 was a successful year, but we are aware of and humbled by the cause of this success. In our dialogue with management, it has always been clear that the proceeds should be used to invest in the sustainable success of the Company to create long-term value for all its stakeholders. This idea has been at the heart of our decision-making on many difficult topics throughout the year.

I would like to conclude by saying that it is a great honor that the Supervisory Board decided to elect me as its Chair, and I would like to thank the Management Board, the Executive Committee, but, above all, associates across all the local brands, who worked incredibly hard to live up to our values and make 2020 a memorable year despite such challenging circumstances.

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 8, 2020, Jacques de Vaucleroy stepped down from the Supervisory Board; at the same meeting, Helen Weir and Frank van Zanten were appointed by our shareholders. With Helen's appointment, the Supervisory Board strengthened its financial expertise and knowledge in retail and fast-moving consumer goods, and at the same time broadened its diversity. Frank van Zanten brings international experience and expertise from a complex distribution business and, in line with the Supervisory Board's profile, is still active as CEO of an internationally operating company. In deviation of provision 4.4.4 of the Dutch Corporate Governance Code, Helen and Frank 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 four Board members are female and five are male and the Supervisory Board comprises six different nationalities. We recognize that diversity remains an area for improvement and, in our search assignments, we continue to look for opportunities to strengthen the diversity of our composition.

Ongoing education

As part of its ongoing education, the Company organized several deep dives for the Supervisory Board, held virtually. 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 was 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

Under the leadership of the new Chair, the Supervisory Board conducted a self-assessment in early 2021 to evaluate its own performance as well as the performance of its committees and individual members. To facilitate the self-assessment, a questionnaire with open questions was sent to all individual Supervisory Board members. The feedback was used as input for three break-out groups comprising three Supervisory Board members each, who provided input for a structured dialogue during the Supervisory Board meeting in February 2021.

Overall, the Supervisory Board was positive about its own functioning and its relationship with management, even with the limited opportunities to meet in-person due to the travel restrictions brought on by the pandemic. The Supervisory Board continued to function as a team where different opinions and perspectives are valued and respected. Key areas of supervision, such as strategy, financial performance, health and sustainability and risk management were covered well.

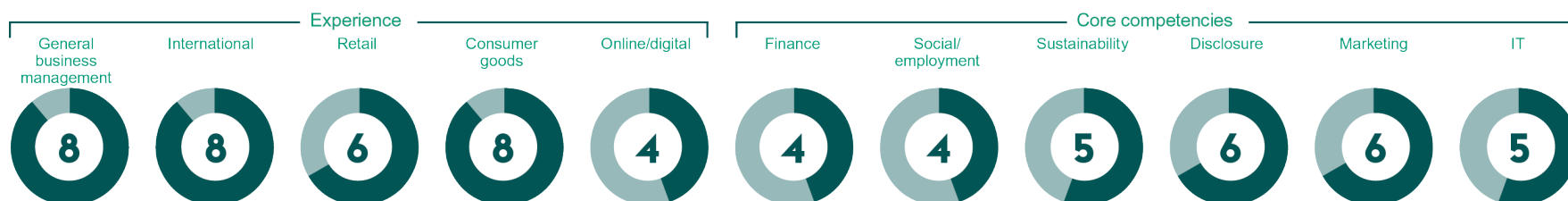
Several opportunities for improvement were discussed. These included succession planning and talent management, whereby the Supervisory Board will continue to seek engagement with top talents in the Company. To maintain good oversight of the Company's culture, the Supervisory Board expressed the need to make regular on-site visits to the brands' stores and operations as soon as circumstances allow. The diversity of the Supervisory Board itself and the Company's leadership teams still needs improvement and will remain a focus point in 2021 and beyond. Lastly, in a retail landscape that continues to face disruption from different angles, the Supervisory Board and management need to continue to preserve sufficient quality time to assess and discuss the Company's long-term strategic challenges and opportunities.

Governance

Supervisory Board report continued

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	*	*		*		*			*	*	
Dominique Leroy	*	*		*	*			*	*	*	*
Ben Noteboom	*	*					*	*	*	*	
Mary Anne Citrino			*	*		*					
Katie Doyle	*	*	*	*	*	*		*		*	*
Helen Weir	*	*	*	*	*	*	*		*		*
Frank van Zanten	*	*	*	*			*		*	*	*



Reappointment schedule Supervisory Board¹

Name	Date of birth	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	March 14, 2016 ³	2020	2022
René Hooft Graafland	September 24, 1955	April 16, 2014 ²	2018	2022
Dominique Leroy	November 8, 1964	March 14, 2016 ³	2020	2024
Ben Noteboom	July 4, 1958	April 28, 2009	2013 / 2017	2021
Mary Anne Citrino	April 24, 1959	March 14, 2016	2020	2024
Katie Doyle	October 20, 1967	April 10, 2019		2023
Helen Weir	August, 17, 1962	April 8, 2020		2024
Frank van Zanten	February 24, 1967	April 8, 2020		2024

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.

² Effective January 1, 2015.

³ Effective July 24, 2016.

Governance

Supervisory Board report continued

Supervisory Board engagement

During 2020, 12 Board meetings took place, of which only one could be organized as an in-person meeting. For the remainder of the meetings, the Supervisory Board used collective video calls, which turned out to be a reasonable alternative for in-person meetings, allowing for effective communication and interaction. The meetings were attended by the Management Board and other members of the Executive Committee. Also, senior management and key talents of the Company were regularly invited to present on specific topics.

Throughout 2020, the Supervisory Board focused on a number of key topics. The most obvious was the **COVID-19 crisis**. During an extra meeting in March, the Supervisory Board was informed by management about the impact of the crisis on the health and safety of associates and customers, the Company's crisis management governance structure and the impact on its U.S. and European businesses and their respective supply chains. In addition, an update from the Group Treasurer on the potential impact of the COVID-19 crisis from a Treasury perspective was discussed. During 2020, the Supervisory Board received frequent updates from the Global Crisis Management Team on the status of the crisis. During the second half of 2020, the Supervisory Board participated in a deep dive on the potential impact of the pandemic on the Company's long-term strategy.

Another key topic was the transformation and expansion of Ahold Delhaize's **U.S. supply chain operations**. This investment supports the new three-year strategy to move the U.S. supply chain into a fully integrated, self-distribution model. Given its significance, the risks associated with this type of project and its importance for supporting the U.S. brands in becoming best-in-class omnichannel grocers, the Supervisory Board had requested to receive regular updates on the status of the project. For this purpose, the meeting in June was used for an extensive update, including information on the technology (IT) risks, governance and the change impact on the organization.

During the year 2020, the Company further refined and set its **Healthy and Sustainable strategy**. At several meetings, the Supervisory Board, through its Sustainability and Innovation Committee, discussed the long-term strategy and encouraged management to set ambitious sustainability targets for the Company.

The status and potential resolution of several **U.S. multi-employer pension plans** were discussed at a number of Board meetings during 2020. These discussions ultimately resulted in the Company's decisions to withdraw from the 1500 Plan and the National Plan and settle the FELRA and MAP pension liabilities for a combined value of €1.4 billion. The central dilemma discussed during these meetings was whether this investment would yield sufficient long-term value for the brands and their stakeholders. Ultimately, the brands were encouraged to make the investments to improve the security of pension benefits for associates as well as to reduce the financial risk for the brands.

Lastly, a key topic during 2020 was the Company's **digital strategy, including e-commerce and profitability**. With the pandemic accelerating online sales, the Supervisory Board had several discussions with management on the impact of this acceleration on the evolution of the Company's business model. An important dilemma they discussed was where to invest in our omnichannel model to ensure the right balance between traditional brick-and-mortar operations and digital and e-commerce capabilities, while maintaining a healthy margin at the same time. The meeting in November was used to have a deep-dive session, facilitated by the CFO, on this important topic.

Overall, the following topics were discussed during 2020:

January: Leading up to the Supervisory Board meeting in February, the Company's portfolio strategy was reviewed with management and members of the Supervisory Board in three separate break-out groups to allow quality time for these discussions.

February: During a two-day in-person meeting, the Supervisory Board discussed and approved Ahold Delhaize's Q4/full year results, the dividend proposal and the issuance of a senior bond. Dinner was used as a working session to discuss the outcome of the three break-out groups that discussed the Company's portfolio strategy. Upon the recommendation of the Remuneration Committee, the Supervisory Board resolved to approve the Company's performance and short-term incentive multiplier for 2019 and the 2020 salary adjustments for the Executive Committee members. Lastly, the Supervisory Board received an update on health and sustainability.

In a separate call in February, the Annual Report 2019 and the Agenda with the explanatory notes for the 2020 General Meeting of Shareholders in April were approved.

March: During the March meeting, the Supervisory Board received an update on the impact of the pandemic on the Company (see above for details).

April: The Supervisory Board received a financial update and evaluated the Stop & Shop remodeling program, approving the capital investment for another batch of stores in this program. The remainder of the meeting was used by the Supervisory Board to prepare for the upcoming General Meeting of Shareholders.

May: During May, the Supervisory Board approved the Q1 2020 interim report and discussed the report of the Audit and Finance Committee, including the report of the external independent auditor and internal auditor. Lastly, the Supervisory Board received an ERM update that focused on the key risks resulting from the pandemic, which included the safety and security of associates and customers, supply chain disruption and product availability.

June: During this meeting, the Supervisory Board participated in a deep dive on IT and cyber security, during which the Supervisory Board discussed the cyber security awareness culture in the Company, the vulnerability of its supply chains (both virtual and physical) and the level of investment in cyber security. Furthermore, the Supervisory Board received a strategy update from bol.com and an update on the Stop & Shop remodeling project and participated in a deep dive on the supply chain project in the U.S.

Governance

Supervisory Board report continued

August: During this meeting, the Supervisory Board approved the Q2 2020 interim results and the interim dividend payment. In addition, the Supervisory Board received a litigation update.

September: The central theme in this meeting was Company strategy; the Supervisory Board received a strategy update on the European and U.S. businesses. This was followed by an update on the Company's digital strategy and, related to that, its data management strategy. Together with management, the Supervisory Board reflected on the interconnectivities of the several strategies and discussed investment priorities. The Supervisory Board observed that data is a critical foundation for the Company's omnichannel strategy, and therefore urged management to continue to invest in proper data governance and security to protect these assets, which ultimately belong to the Company's customers and associates.

November: The November meeting was used to discuss and approve the budget for 2021 and the long-term plan for 2022/2023. The Supervisory Board contemplated the complexity of setting a budget with ambitious, but realistic, targets in a time of prolonged uncertainty caused by the pandemic. The Supervisory Board participated in a workshop on e-commerce and profitability. Lastly, the Supervisory Board approved the acquisition of FreshDirect in the U.S.

In addition, the Supervisory Board held several private meetings without other attendees. The private sessions were, among others, 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. During these meetings, the composition of the Supervisory Board was discussed, including the succession process for the position of Chair of the Supervisory Board. The CEO was regularly invited to (parts of) the private meetings to discuss the performance of the Management Board and the Executive Committee. A number of these meetings focused on the CFO position and were used to highlight Natalie Knight's start as CFO of the Company.

During 2020, the Chair and the CEO continued to hold regular one-on-one meetings to discuss progress. After the announcement that Peter Agnefjäll would succeed Jan Hommen as the Chair of the Supervisory Board, Peter joined the one-on-one meetings in the context of the Chair transition program.

Lastly, the external independent auditor attended the meetings in February 2020, at which the 2019 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 2020. 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 and Finance Committee		Governance and Nomination Committee		Remuneration Committee		Sustainability and Innovation Committee		Risk Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Peter Agnefjäll	11	11					5	5	3	3	2	2
Bill McEwan	11	11					5	5	3	3	2	1
René Hooft Graafland	11	10	5	5					3	3	2	2
Dominique Leroy	11	11			7	6			3	3	2	2
Ben Noteboom	11	10			6	6	5	3	3	3		
Mary Anne Citrino	11	10	5	4	6	6			3	3		
Katie Doyle	11	11	3	3	1	1			3	3		
Helen Weir	7	7	3	3			3	3	3	3		
Frank van Zanten	7	7					3	3	3	3	2	2
Jan Hommen	11	11			7	7			3	3	2	1
Jacques de Vaucleroy	4	4	2	2								

Independence

The Supervisory Board confirms that, during 2020, as well as on March 2, 2021, Supervisory Board members were independent within the meaning of provision 2.1.10 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](#).

Governance

Supervisory Board report continued

Share positions

The following Supervisory Board members held shares in the Company during 2020.

Member	Position
Jan Hommen	15,000 common shares
Ben Noteboom	15,637 common shares
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 2020.

Committees of the Supervisory Board

The Supervisory Board started 2020 with four committees. It established a fifth, the Risk Committee, effective July 1, 2020, to have a dedicated focus on business risks and ensure there is oversight over how different risks are supervised among the other committees and the Supervisory Board itself. All committees are assigned specific tasks, have advisory powers and provide the Supervisory Board with regular updates on their meetings. The current composition is detailed in the following table.

	Audit and Finance Committee	Governance and Nomination Committee	Remuneration Committee	Sustainability and Innovation Committee	Risk Committee
Peter Agnefjäll (Chair)		Member ¹	Member	Member	Chair
Bill McEwan			Chair	Member	Member
René Hooft Graafland	Chair			Member	Member
Dominique Leroy		Member		Member	Member
Ben Noteboom		Chair	Member	Member	
Mary Anne Citrino	Member	Member		Member	
Katie Doyle	Member		Member	Chair	
Helen Weir	Member		Member	Member	
Frank van Zanten			Member	Member	Member

¹ Peter Agnefjäll became member of the Governance & Nomination Committee effective January 1, 2021.

Audit and Finance Committee

The Audit and Finance Committee assists the Supervisory Board in its responsibility to oversee Ahold Delhaize's financing, financial statements, financial reporting process and system of internal business controls and system of risk management. 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 and Finance Committee meetings.

The Audit and Finance Committee determines how the external independent auditor should be involved in the content and publication of financial reports other than the financial statements. The Management Board and the Audit and Finance Committee report to the Supervisory Board annually on their cooperation with the external independent auditor, including the auditor's independence. The Supervisory Board takes these reports into account when deciding on the nomination for the appointment of an external independent auditor that is submitted to the General Meeting of Shareholders.

In 2020, the Audit and Finance Committee held one meeting in-person and four video meetings. The attendance rate of the members of this Committee was 94%. 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 impact of the pandemic on the risk profile of the Company and its financial position and paid specific attention to the integration of ESG reporting into the regular financial reporting processes and the project to implement a uniform and harmonized global financial recording and reporting system. 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. 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 and Finance Committee and its Chair held several private meetings together with the CFO, the Senior Vice President Internal Audit and the external independent auditor. During the private sessions with the CFO, her onboarding and start at the Company were regularly discussed.

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

Governance and Nomination Committee

In 2020, the Committee held five meetings that the CEO and the Chief HR Officer were invited to attend. In addition, the Committee held two private meetings. The attendance rate of the members of this Committee was 96%. The Committee evaluated the performance of the members of the Supervisory Board and the Executive Committee and approved the 2020 goals for the members of the Management Board and the Executive Committee. The Committee received updates on the specific development plans for key officers of the Company, diversity and inclusion and talent planning. Together with management, the Committee reflected on the outcome of the associate engagement survey.

The Committee was asked by the Supervisory Board to lead the Chair succession process under the leadership of Dominique Leroy. In its assignment, the Supervisory Board expressed a preference for an internal candidate; however, for the sake of completeness, an executive search firm was asked to perform an external scan simultaneously. The process resulted in a recommendation to the Supervisory Board to appoint Peter Agnefjäll as the new Chair, effective January 1, 2021, which was unanimously endorsed by the Board. The Committee also led the search for new Board members, which resulted in the planned nomination of Bala Subramanian and Jan Zijderveld at the upcoming General Meeting of Shareholders in April.

Governance

Supervisory Board report continued

Remuneration Committee

In 2020, the Committee held five meetings, all of which the CEO and the Chief HR Officer were invited to attend. The attendance rate of the members of the Committee was 90%. The Committee discussed and approved the salary recommendations for members of the Management Board and the Executive Committee, as well as the incentive targets for 2020. In addition to the regular topics, the Committee spent time evaluating the impact of the pandemic on the variable pay component of the remuneration of the members of the Management Board and the Executive Committee and carefully weighed what would be an appropriate approach in these exceptional circumstances. For the 2020 incentive programs, the Supervisory Board, upon recommendation of the Committee, concluded on a pay-per-plan approach given management's achievement in balancing the interests of all stakeholders with a strong focus on long-term value creation in their decision making throughout the year. The Committee also assessed and evaluated options to structure the incentive plans for 2021 and beyond, which will again be impacted by uncertainty due to the pandemic.

Sustainability and Innovation Committee

During 2020, the Committee held three meetings and the attendance rate of its members was 100%. During the first meeting, the Chief Digital Officer presented a deep dive on strategic innovation opportunities, including an update on the approach and the governance to accelerate innovation across the Company. During the second meeting, the Committee received updates from Delhaize Belgium and The GIANT Company about their progress on the healthy and sustainable agenda. The Committee also participated in a workshop by Risk & Controls and KPMG in which it was informed about the TCFD framework and the initial climate risk assessment performed by the Company.

Risk Committee

The Risk Committee was established on July 1, 2020, and met twice in 2020, with an attendance rate of 83%. During the first meeting, the Committee received an update on the Company's Enterprise Risk Management processes and reflected on the principal risks as identified by this process. During the second meeting, the Committee received an update by the CEO Ahold Delhaize USA on several projects (including IT projects) that are underway within the U.S. businesses.

Conclusion

The Supervisory Board is of the opinion that during the year 2020, 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, resulting in an exceptional year where the Company played a crucial role in society and the local communities, and delivered strong financial results at the same time.

The Supervisory Board would like to thank Jan Hommen, Ben Noteboom and Dominique Leroy for their outstanding contributions to the Supervisory Board and the Company. We are also 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 operated in this year and express its gratitude to associates and management for their passion, dedication and courage to deliver on Ahold Delhaize's promises to customers and all its other stakeholders.

Supervisory Board Zaandam, the Netherlands

March 2, 2021

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, risk management and compliance framework



Governance

How we manage risk continued

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 Governance, Risk, Management and Compliance 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 customer base.

Risk appetite: 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.

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

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.

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.

Three lines of defense model



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.

Governance

How we manage risk continued

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

Compliance and ethics

At Ahold Delhaize, our shared values support an ethical culture and are the foundation of our commitment to conduct our business by doing what's right, every day. Our Code of Ethics is based on four ethical principles:

- **We respect each other:** people are our most valuable assets. We are committed to providing a safe, secure and inclusive environment where all associates and customers are respected and appreciated.
- **We follow the law:** we comply with applicable laws and regulations everywhere we do business and do not tolerate violations of the law.
- **We act ethically** in all our relationships and avoid conflicts of interest.
- **We have the courage to speak up** when misconduct or ethical violations are observed, or when there are questions regarding the interpretation or application of our Code or other external laws and regulations and internal policies and standards.

Applying our values and ethical principles enables associates to make good choices and protect our relationships with our colleagues, our customers and our communities. The Code of Ethics is intended to help each associate comply with relevant legal and regulatory obligations and make ethical choices as it relates to our business. The Code of Ethics also provides guidance on when and where to ask for advice or report a compliance or ethics breach, including by means of whistleblower lines available to associates in each of our locations.

The principles in the Code apply to all associates of Ahold Delhaize and its businesses. Associates of certain defined grade levels are trained in compliance with the Code on an annual basis. The full Code is available in the corporate governance section of Ahold Delhaize's public website at www.aholddelhaize.com.

In addition to our Code of Ethics, we have a global policy and control framework that addresses and monitors key risks to our business. These policies and controls relate to internal processes (e.g., financial reporting, capital investments, purchasing and tax) as well as to legal and regulatory risks (e.g., data privacy, competition and antitrust, and corruption and bribery).

Whistleblower reporting

Ahold Delhaize and its brands provide reporting options for associates, including the Speak Up line, a global reporting line that is monitored by third-party provider Navex. The Speak Up line is available to report potential misconduct or seek guidance on ethical issues, and is accessible either by telephone or internet, 24 hours per day, seven days per week. All reports are forwarded to the appropriate internal resource for review and prompt response or investigation. All reports are treated confidentially, so callers can feel comfortable providing useful information without fear of retaliation.

In 2020, our whistleblower lines received 6,994 reports (2019: 6,653), over 86% of which were related to routine HR issues. After human resource-related issues, the five most frequently reported issues were employee theft/dishonesty (2%), workplace safety (2%), substance abuse (1%), violation of a law (1%), and data privacy (<1%).

Approximately 41.2% (2019: 40.5%) of the reports were made anonymously. On average, reports were investigated and resolved within 17 days. In 2020, there were no substantiated reports of significant financial reporting, accounting, fraud or ethical violations.

Additionally, the Ahold Delhaize Compliance and Ethics team maintains and monitors an email box (ethics@aholddelhaize.com) that can be used to report potential ethical or compliance concerns and to seek guidance regarding ethical dilemmas.

No retaliation

Associates of Ahold Delhaize companies are encouraged to raise concerns about inappropriate behavior or possible violations of law or policy. Ahold Delhaize companies will not retaliate or allow retaliation against anyone who, in good faith, reports a potential violation of the law, our Code of Ethics or any other Company policy. Any form of retaliation is a serious violation of our Code of Ethics and may result in disciplinary action, up to and including termination of employment.

In addition, we have recently expanded the availability of our whistleblower lines to third parties within or connected to our Supply Chain. We are in the process of actively promoting this availability on our external website and communications as well as within our supply chain.

Corruption and bribery

Ahold Delhaize and its brands are committed to conducting business in an ethically responsible manner and complying with the law in all countries and jurisdictions in which we operate. This commitment specifically includes compliance with laws relating to anti-corruption and bribery. The Ahold Delhaize Code of Ethics and our Global Anti-Corruption and Bribery Policy prohibit any form of corruption or bribery, including facilitation payments. There were no known incidences of bribery or corruption during the year.

How we manage risk

Declarations

Introduction

This 2020 Ahold Delhaize Annual Report dated March 2, 2021, (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 2020 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 2020 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](#).

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 2020 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 3, 2021, 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 2020.

This report includes those material risks and uncertainties that are relevant to the expectation of the Company’s continuity for the period of twelve 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 2020 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 2020 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

This Annual Report, including the 2020 financial statements, which are audited by PricewaterhouseCoopers Accountants N.V., has been presented to the Supervisory Board.

The 2020 financial statements and the independent auditor’s report relating to the audit of the 2020 financial statements were discussed with the Audit and Finance 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 2020 financial statements included in this Annual Report and recommends the proposal to pay a cash dividend for the financial year 2020 of €0.90 per common share. An amount of €0.50 per common share was paid as interim dividend on August 27, 2020. The remaining amount of €0.40 per common share shall be payable on April 29, 2021.

Supervisory Board

Peter Agnefjäll (Chair)

Bill McEwan (Vice Chair)

René Hooft Graafland

Dominique Leroy

Ben Noteboom

Mary Anne Citrino

Katie Doyle

Helen Weir

Frank van Zanten

Remuneration

Letter from the Remuneration Committee Chair

Dear shareholder

I am pleased to present our 2020 Remuneration report.



“A substantial part of our executive pay will be linked to transparent ESG performance measures.”

By any measure, 2020 has been an unprecedented year. The COVID-19 pandemic has affected our lives in ways previously unimaginable. Across the globe, tens of millions have fallen ill and millions have passed away, while many more have seen their worlds transformed and their financial security threatened. In these extraordinary circumstances, our organization continued to serve its critical role in society, as front-line associates went above and beyond to meet customer needs and care for people in their communities.

While the economic impact of the crisis on some industries has been devastating, many of our brands have delivered unprecedented strong performances. We are keenly aware that we have been fortunate and would have preferred to have achieved our results under different circumstances. Our brands have been committed to ensuring front-line associates are appropriately recognized for their dedication and perseverance. In the United States, our brands offered hazard pay and additional bonuses. In Europe, front-line associates also received appreciation bonuses for their extraordinary efforts. Many associates will also benefit from the Company's financial performance through our regular incentive programs and profit-sharing schemes.

Throughout the year, we closely monitored developments in the global, regional and local labor markets when making recommendations to the Supervisory Board about Management Board remuneration. After careful evaluation of the impact of the pandemic on the variable pay component of the remuneration of the members of the Management Board, and carefully weighing what would be an appropriate approach in these exceptional circumstances, we concluded on a pay-per-plan approach given management's achievement in balancing the interests of all stakeholders with a strong focus

on long-term value creation in their decision making throughout the year. We believe this to be fair and transparent.

We also engaged with our stakeholders to discuss and receive feedback on our executive remuneration Principles and Procedures (adopted with 94.64% of votes in favor), the new Remuneration Policy for the Supervisory Board (98.76% in favor), and our remuneration disclosures (82.64% in favor). Other specific items included the use of ESG metrics in our incentive plans and our approach to the remuneration of key management personnel going forward.

Looking forward

The implications of the pandemic will likely reverberate for years to come. For 2021, we have set challenging performance conditions that give consideration to the enduring economic uncertainty and will continue to monitor business conditions throughout the year.

In support of our Healthy and Sustainable ambition and in line with feedback we received from our stakeholders, 20% of the achievable cash bonus for our Management Board and Executive Committee as well as of our senior and mid-level leadership in 2021 will be tied to ambitious targets for healthier eating and the reduction of food waste and carbon emissions. This will be in addition to the 15% of our long-term share-based incentive that was already tied to sustainability targets, which means that a substantial part of our executive pay will be linked to transparent ESG performance measures.

I look forward to presenting this Remuneration report at our annual General Meeting of Shareholders on April 14, 2021.

On behalf of the Remuneration Committee,

Bill McEwan

Remuneration

Remuneration policy

Ahold Delhaize's Remuneration Policies for the Management Board and Supervisory Board were prepared in accordance with the Dutch Corporate Governance Code. The Remuneration Policy for the Management Board was adopted by the General Meeting of Shareholders on April 10, 2019, and became effective retroactively as of January 1, 2019. The Principles and Procedures, and the Remuneration Policy for the Supervisory Board were adopted by the General Meeting of Shareholders on April 8, 2020, and became effective retroactively as of January 1, 2020.

Principles and procedures

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

Our principles

Our Remuneration Policies are designed to be simple, effective and transparent. Their design is based on the guiding principles outlined below. Since the Company does not provide any variable remuneration to members of the Supervisory Board, some of these principles may apply to a lesser extent, or not apply at all, to the 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 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 in relation to the recruitment and retention of top management. The target total remuneration level is typically at or near the median, while consideration is given to the size of Ahold Delhaize relative to the peer group.

Consistency

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

Transparency

In our Annual Report and on our Company website, we provide an extensive disclosure of how the Remuneration Policies were implemented, 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 the Company's stakeholders and society at large. As a global company, we have a large variety of stakeholders. To customers, associates and communities – the three primary groups that Ahold Delhaize impacts – we promise to be a better place to shop, a better place to work, and a better neighbor. We also commit to transparency and high integrity with a broad list of stakeholders who have a strong interest in our company, including shareholders, global and local suppliers, governments, and NGOs.

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

Each year, we 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.

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

Remuneration

Remuneration policy continued

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

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

Remuneration Policy for the Management Board

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.

The composition (risk profile) of the Total Direct Compensation levels is considered 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 equity-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.

Remuneration

Remuneration policy continued

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 (“ExCo”) Incentive Plan (“EIP”).

The Company’s priority and goal is 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, 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 equity-based plan: Global Reward Opportunity

The Management Board members participate in the Company’s long-term equity-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%), earnings per share (EPS) growth (35%), and total shareholder return (TSR) (15%). In addition, a non-financial performance measure (15%) is included related to sustainability targets.

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.

Link to RoC

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 to-be-granted 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. Dependent 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.

Remuneration

Remuneration policy continued

Shareholding requirements and 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.

Claw-back

A claw-back provision is in place and may be applied to the Management Board members' annual cash incentive plan (EIP) as well as the long-term equity 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) retirement age is 68. The pensionable salary is capped at or near €100,000 (2020: €104,616). 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.

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 employees 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 twelve months and by the Management Board member with a notice period of six months.

Remuneration Policy for the Supervisory Board

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 leads 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

Remuneration policy continued

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 role.

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

Travel time compensation fee

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

Shareholding

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

Pensions and other contract terms

Pension

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

Remuneration

2020 Remuneration at a glance

The Remuneration Policy of the Management Board aligns the focus of the Management Board with the interests of the Company's shareholders, stakeholders, and society at large. A large part of the remuneration of the Management Board is tied to and dependent on the delivery of the Company's strategy. Therefore, in years of strong performance, remuneration will be higher than in years of below-target performance.

The Company's strong performance in 2020 resulted in above-target multipliers for the short- and long-term incentives (150% and 117%, respectively) and, consequently, higher remuneration than in 2019, when these multipliers were below target (89% and 68%, respectively).

Frans Muller, Chief Executive Officer



Natalie Knight¹, 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

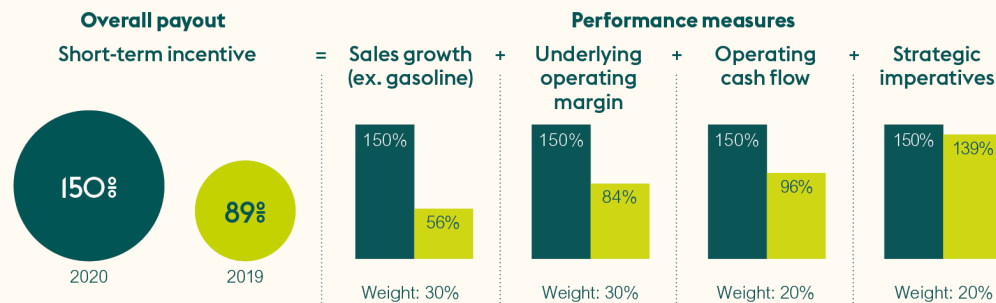


Wouter Kolk, CEO Ahold Delhaize Europe and Indonesia

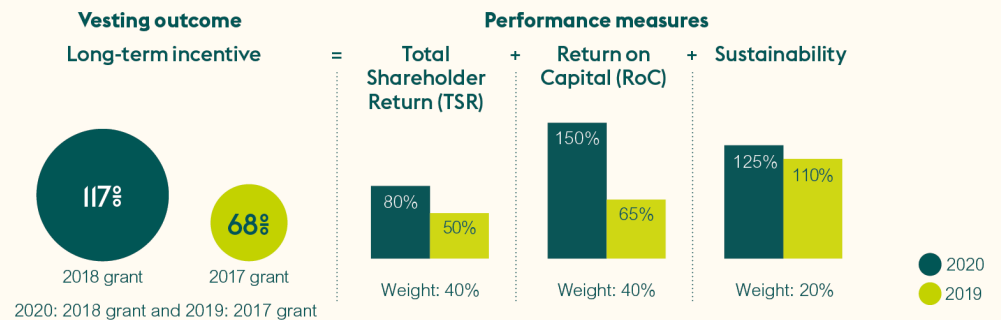


● Base salary (fixed) ● Annual cash incentive (variable) ● Long term incentive (variable) ● Other ● Pension

Annual cash incentive ExCo Incentive Plan



Long-term equity-based incentive Global Reward Opportunity



Remuneration

2020 Remuneration

2020 Management Board remuneration

The remuneration paid to the members of the Management Board in 2020 was in line with the Remuneration Policy for the Management Board that was adopted by the General Meeting of Shareholders on April 10, 2019 (Remuneration Policy – adopted with 92.09% of votes in favor), and April 8, 2020 (Principles and Procedures – adopted with 94.64% of votes in favor). Individual exceptions for Kevin Holt, as adopted by the General Meeting of Shareholders on April 12, 2017, and April 8, 2020, were in force in 2020.

Base salary

The annual base salaries of the members of the Management Board were reviewed in early 2020 as part of the regular remuneration review. In determining the base salaries, the Remuneration Committee considered external and internal salary movement, individual and Company performance, as well as input from the Management Board members. Furthermore, the development of internal pay ratios was taken into consideration. The annual base salaries of the Management Board members were increased as of January 1, 2020. The increase amounted to 1.6% for Frans Muller and Kevin Holt, and 10.6% for Wouter Kolk.

Base salaries per Management Board member

€ thousand	2020	2019
Frans Muller Chief Executive Officer	1,102	1,085
Natalie Knight¹ Chief Financial Officer	477	—
Kevin Holt² CEO Ahold Delhaize USA	954	955
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia	718	649

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

2 The 2020 and 2019 salaries have been converted from U.S. dollars into euros; for 2020, using the 2020 year-to-date average dollar-euro exchange rate of 0.8770; for 2019, using the 2019 year-to-date average dollar-euro exchange rate of 0.8934.

Annual cash incentive: EIP

The members of the Management Board participated in the annual cash-based Executive Committee Incentive Plan (EIP). Three performance measures were established to track financial performance in 2020: sales growth (weighted 30%), underlying operating margin (weighted 30%), and operating cash flow (weighted 20%). In addition, net consumer online sales growth was included as a strategic imperative (weighted 20%) to track performance against the Company's objective of omnichannel growth.

Performance targets are set in the context of the Company's mid-term strategic and operational objectives, and revised annually to ensure they are challenging yet realistic. Ahold Delhaize does not disclose the actual targets per performance measure, as this would require the disclosure of commercially sensitive information.

The at-target payout as a percentage of base salary was 100%, contingent on the full achievement of the objectives, with a maximum of 150% of the target value in the event of above-target performance.

Performance realized

Performance measure	Weight	Performance multiplier	
		2020	2019
Sales growth (ex. gasoline)	30%	Exceeded maximum	56%
Underlying operating margin	30%	Exceeded maximum	84%
Operating cash flow	20%	Exceeded maximum	96%
Strategic imperatives	20%	Exceeded maximum	139%
Total (%)	100%	150%	89%

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	2020	2019
				Actual bonus ¹	Actual bonus ²
Frans Muller Chief Executive Officer	1,102	100% of base salary: 1,102	150%	1,653	965
Natalie Knight³ Chief Financial Officer	477	100% of base salary: 660	150%	716	—
Kevin Holt⁴ CEO Ahold Delhaize USA	954	100% of base salary: 954	150%	1,431	851
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia	718	100% of base salary: 718	150%	1,077	578

1 The 2020 EIP represents accrued annual cash incentives to be paid in 2021, subject to shareholder approval of the financial statements.

2 The 2019 EIP represents the actual amount paid in 2020.

3 The 2020 EIP reflects the amount received for the period from Natalie's appointment to the Management Board on April 8, 2020, to the end of the year.

4 The 2020 and 2019 figures have been converted from U.S. dollars into euros; for 2020, using the 2020 year-to-date average dollar-euro exchange rate of 0.8770; for 2019, using the 2019 year-to-date average dollar-euro exchange rate of 0.8934.

Remuneration

2020 Remuneration continued

Definitions of EIP performance measures

Performance measure	Definition	Relevance to our strategy
Sales growth (ex. gasoline)	Sales growth (excluding 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 focus 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 that highlight specific strategic and key business priorities of the Company. In 2019 and 2020, net consumer online sales growth was the single strategic imperative. Taking into account feedback from our stakeholders about the importance they attach to ESG factors, for 2021, three performance measures were selected that reflect the Company's commitment to a healthy and sustainable future: healthy products, food waste and carbon emissions.</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>2019 and 2020: Net consumer online sales growth reflects our focus on omnichannel growth.</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 reduce 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.

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 equity-based incentive: GRO

The members of the Management Board participated in Ahold Delhaize's long-term equity-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 disclose the actual targets per performance measure, as this would require the disclosure of commercially sensitive information.

Award of new grants

The 2020 GRO share grant was made the day after the 2020 annual General Meeting of Shareholders, on April 8, 2020. The vesting of the 2020 GRO performance shares in 2023 will be subject to performance on three financial measures: RoC (weighted 35%), EPS (weighted 35%), and TSR (weighted 15%). In addition, a non-financial performance measure (weighed 15%) is included that relates to the Company's sustainability targets. For the 2020 share grant, Sustainability is measured based on three equally weighted performance measures: healthy products, food waste and carbon emissions (please refer to the table on page 137 for definitions).

Remuneration

2020 Remuneration continued

At-target 2020 GRO share grant and maximum vesting

	Performance shares				Total at-target grant	Total maximum vesting
	RoC (35%)	EPS (35%)	TSR (15%)	Sustainability (15%)		
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.

2020 GRO share grant calculation – Example: Frans Muller, Chief Executive Officer

	At-target share grant (% of base salary)	Award value (base salary at-target grant %)	Number of performance shares granted (award value divided by six-month average share price)
RoC performance shares	82%	€906,486	40,274
EPS performance shares	82%	€906,486	40,274
TSR performance shares	35%	€388,494	17,261
Sustainability performance shares	35%	€388,494	17,261
Total	235%	€2,589,960	115,070

Table assumes a base salary of €1,102,110 and a six-month average share price of €22.51.

2020 GRO share grant calculation – Example: Natalie Knight, Chief Financial Officer

	At-target share grant (% of base salary)	Award value (base salary at-target grant %)	Number of performance shares granted (award value divided by six-month average share price)
RoC performance shares	61%	€404,250	17,961
EPS performance shares	61%	€404,250	17,961
TSR performance shares	26%	€173,250	7,698
Sustainability performance shares	26%	€173,250	7,698
Total	175%	€1,155,000	51,318

Table assumes a base salary of €660,000 and a six-month average share price of €22.51.

Vesting of previous grants

The vesting of the 2017 and 2018 GRO grants was subject to performance on two financial performance measures, RoC (weighted 40%) and TSR (weighted 40%), as well as performance against sustainability targets (weighted 20%). For the 2017 and 2018 share grants, 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. The percentage of own-brand food sales from healthy products ("healthy products" – the internal target) is the measure we used to drive performance in pursuit of the Company's objective to facilitate healthier eating.

Performance realized

Performance measure	Weight	Performance multiplier	
		2018 grant (to vest in 2021)	2017 grant (vested in 2020)
Total shareholder return	40%	80%	50%
Return on capital	40%	150%	65%
Sustainability ¹	20%	125%	110%
Total (%)	100%	117%	68%

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.

Remuneration

2020 Remuneration continued

2018 GRO share grant (to vest in 2021)¹

	Total number of performance shares granted in 2018	Multiplier	Total number of performance shares to vest in 2021	Share price ²	Estimated value in € thousand 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	€23.11	3,475
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	€23.11	721
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	€23.11	2,573
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	€23.11	1,449

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

² The estimated value is based on the closing share price on the last trading day of the financial year (December 31, 2020) of €23.11. The actual value will be determined at vesting on April 15, 2021.

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.

2017 GRO share grant (vested in 2020)¹

	Total number of performance shares granted in 2017	Multiplier	Total number of performance shares vested in 2020	Share price	Total value in € thousands ²
Frans Muller Chief Executive Officer					
2017 TSR grant	41,152	50%	20,576		
2017 RoC grant	41,152	65%	26,748		
2017 Sustainability grant	20,576	110%	22,633		
Total vested April 9, 2020	102,880		69,957	€22.09	1,545
Kevin Holt CEO Ahold Delhaize USA					
2017 TSR grant	34,563	50%	17,281		
2017 RoC grant	34,563	65%	22,465		
2017 Sustainability grant	17,282	110%	19,010		
Total vested April 9, 2020	86,408		58,756	€22.09	1,298
Wouter Kolk CEO Ahold Delhaize Europe and Indonesia					
2017 TSR grant	15,020	50%	7,510		
2017 RoC grant	15,020	65%	9,763		
2017 Sustainability grant	7,510	110%	8,261		
Total vested April 9, 2020	37,550		25,534	€22.09	564

¹ The 2017 GRO grant was awarded on April 13, 2017.

² The total value is based on the share price on the April 9, 2020 vesting date of €22.09. The estimated value of each grant as previously disclosed in the Annual Report 2019 was based on the closing share price on the last trading day of the financial year 2019 (December 29, 2019) of €22.75.

Remuneration

2020 Remuneration continued

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.
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)	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. • Carbon 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 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.

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.

Remuneration

2020 Remuneration continued

Total remuneration

The following table provides an overview of the remuneration costs expensed in 2020 and 2019 per Management Board member. The costs reported here are not in all cases equal to the compensation that was received by the individual Management Board member. 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 2017 GRO share grant, as received in 2020 by each Management Board member, is detailed in the table *2017 GRO share grant (vested in 2020)*. The actual value of the 2018 GRO share grant that will vest in 2021 is contingent on the share price at the vesting date of April 15, 2021. The number of performance shares that are expected to vest is detailed in the table *2018 GRO share grant (to vest in 2021)*.

Total remuneration in 2020 and 2019 per Management Board member

€ thousand	Base salary		Annual cash incentive plan: EIP ¹		Other ²		Long-term equity-based program: GRO ³		Pension ⁴		Total remuneration		Fixed vs. variable remuneration ⁵		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
Frans Muller															
Costs (IFRS)							2,935	1,971		77		6,024	4,356	19%-81%	27%-73%
Entitlement ⁶	1,102	1,085	1,653	965	257	248	3,475	1,545		87		6,564	3,930	18%-82%	30%-70%
Natalie Knight															
Costs (IFRS)							817	—		(1)		2,269	—	24%-76%	
Entitlement ⁶	477	—	716	—	260	—	721	—		—		2,173	—	25%-75%	
Kevin Holt															
Costs (IFRS)							2,259	1,270				5,270	3,714	21%-79%	31%-69%
Entitlement ⁶	954	955	1,431	851	406	429	2,573	1,298		220	209	5,584	3,742	19%-81%	31%-69%
Wouter Kolk															
Costs (IFRS)							1,129	400				3,142	1,827	25%-75%	40%-60%
Entitlement ⁶	718	649	1,077	578	182	168	1,449	564		36	32	3,462	1,991	22%-78%	36%-64%

1 The 2020 EIP represents accrued annual cash incentives to be paid in 2021 and 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 2020 reflects this year's portion of the share grants over the previous four years (plans 2017 to 2020).

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 equity-based program.

6 The 2020 entitlement value for the long-term equity-based program is the estimated value based on the closing share price as of the last trading day of the financial year (December 31, 2020) of €23.11 as presented in the table 2018 GRO share grant (to vest in 2021). The actual value will be determined at vesting on April 15, 2021. The 2019 entitlement value for the long-term equity-based program is the value of the 2017 grant which vested in 2020.

Remuneration

2020 Remuneration continued

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 an annual performance-based bonus. Associates in senior management positions are eligible for performance-based annual bonuses as well as Ahold Delhaize performance share grants that are linked to the long-term goals of the Company. We consistently apply this approach to our Management Board, determining remuneration by establishing a relevant reference market, deciding on the desired target level within that reference market, and setting a variable-to-fixed ratio that is reflective of our performance culture.

As a large part of the remuneration of the Managing Board is linked to the business performance, the pay ratio between the total remuneration of the respective members of the Management Board and the average remuneration of all associates across the group will also be 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 rates for 2016 through 2020. 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.

Management Board remuneration and Company performance

€ thousand	2020	% change	2019	% change	2018	% change	2017	% change	2016
Management Board remuneration									
Chief Executive Officer ¹	6,024	38%	4,356	(13)%	4,989	9%	4,577	(3)%	4,714
Chief Financial Officer ²	3,679	6%	3,463	21%	2,857	1%	2,841	1%	2,802
CEO Ahold Delhaize USA ³	5,270	42%	3,714	3%	3,598	20%	2,994		
CEO Ahold Delhaize Europe and Indonesia ⁴	3,142	72%	1,827						
Average associate remuneration									
Average FTE remuneration	50	19%	42	5%	40	— %	40	— %	40
Company performance									
Annual cash incentive plan (EIP) overall performance multiplier	150%	69%	89%	(20)%	111%	19%	93%	(14)%	108% ⁵
Long-term equity-based program (GRO) overall performance multiplier ⁶	117%	72%	68%	(16)%	81%	(25)%	108%	(26)%	146% ⁷

1 For 2018, 2019 and 2020, 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 2016 and 2017, CEO refers to Dick Boer.

2 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 2016 through 2019, CFO refers to Jeff Carr.

3 Since the position of CEO Ahold Delhaize USA was created on July 24, 2016, full-year numbers for 2016 are not available.

4 Since the position of CEO Ahold Delhaize Europe and Indonesia was created on April 11, 2018, (full-year) numbers for 2016, 2017, and 2018 are not available.

5 The overall performance multiplier for the 2016 EIP was determined pro-rata for the period up to and after the merger between Ahold and Delhaize Group.

6 The GRO overall performance multiplier reflects the total performance in the three-year performance period.

7 The overall performance multiplier reflects post-merger performance.

Remuneration

2020 Remuneration continued

The following table illustrates the pay ratio of the Chief Executive Officer, Chief Financial Officer, Chief Executive Officer Ahold Delhaize USA, and Chief Executive Officer Ahold Delhaize Europe and Indonesia compared to the average remuneration of associates in our stores, warehouses and support offices.

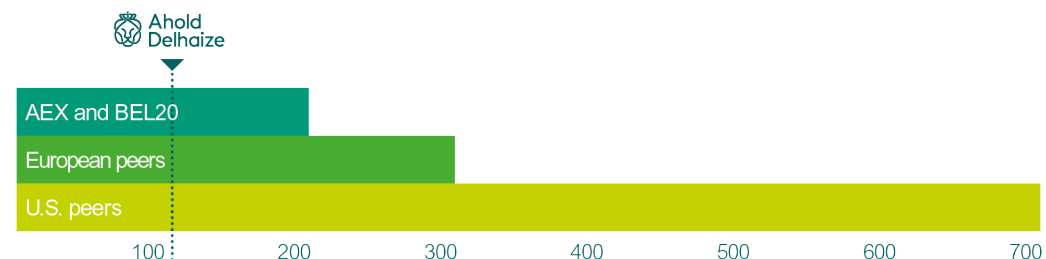
Pay ratio	2020	2019	2018	2017	2016
Chief Executive Officer ¹	122	105	124	114	119
Chief Financial Officer ²	74	83	71	71	71
CEO Ahold Delhaize USA ³	106	89	90	74	—
CEO Ahold Delhaize Europe and Indonesia ⁴	63	44	—	—	—

- For 2018, 2019 and 2020, 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 2016 and 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 2016 through 2019, CFO refers to Jeff Carr.
- Since the position of CEO Ahold Delhaize USA was created on July 24, 2016, full-year numbers for 2016 are not available.
- Since the position of CEO Ahold Delhaize Europe and Indonesia was created on April 11, 2018, (full-year) numbers for 2016, 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, as explained in [Note 24](#). These incremental labor costs increased the average remuneration of all associates, impacting the pay ratio between the total remuneration of the respective members of the Management Board and the average remuneration of all associates across the group. If we were to exclude these incremental pension liabilities, our reported average remuneration of all associates would be €44 thousand and the pay ratio for the CEO would increase from 122 to 137. Similarly, the pay ratio for the CFO, CEO Ahold Delhaize USA and CEO Ahold Delhaize Europe and Indonesia would increase to 84, 120 and 72, respectively.

External context

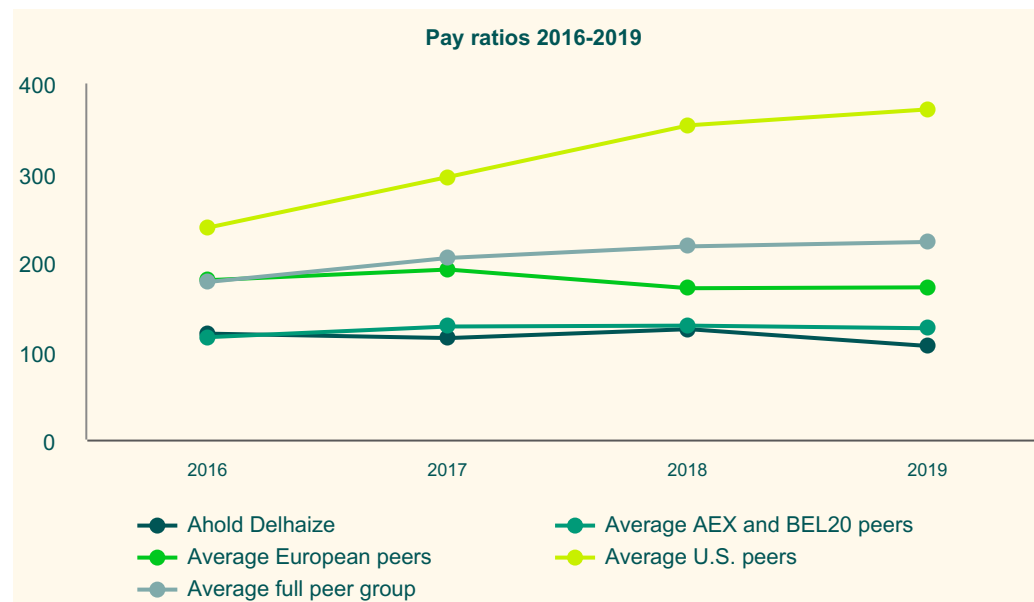
In line with the Remuneration Policy for the Management Board, the total remuneration of the Management Board members is positioned around the median level of our benchmark peer group. The following chart illustrates the pay ratio of our CEO in 2019 compared to the pay ratios of other CEOs in our benchmark peer group.



All numbers are based on the publicly disclosed 2019 annual reports of the respective companies. For comparison purposes, the ratios have been calculated using the same methodology as used to determine Ahold Delhaize's pay ratio. It is also 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).

To further 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 over a longer period of time.

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



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 with the peer group.

Remuneration

2020 Remuneration continued

Supervisory Board remuneration

The remuneration of the members of the Supervisory Board in the first quarter of 2020 was determined based on the annual remuneration as adopted by the extraordinary General Meeting of Shareholders on March 14, 2016 (99.19% of votes in favor). The remuneration of the members of the Supervisory Board as of the second quarter of 2020 was determined in line with the Remuneration Policy for the Supervisory Board as adopted by the General Meeting of Shareholders on April 8, 2020 (98.76% of votes in favor). Given the nature of the responsibilities of the Supervisory Board, 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 receive committee fees and travel time compensation contingent upon their activities and responsibilities.

The following table outlines the total remuneration for the members of the Supervisory Board for 2016 through 2020.

Total remuneration per Supervisory Board member^{1,2}

€ thousand	2020	2019	2018	2017	2016 ⁴
Peter Agnefjäll (appointed in 2019)	138	104	—	—	—
Bill McEwan (reappointed in 2020)	150	208	209	150	71
René Hooft Graafland (reappointed in 2018)	129	143	145	136	127
Ben Noteboom (reappointed in 2017)	109	125	135	145	133
Katie Doyle (appointed in 2019)	126	104	—	—	—
Mary Anne Citrino (reappointed in 2020)	119	130	130	133	136
Dominique Leroy (reappointed in 2020)	116	118	123	125	58
Helen Weir (appointed in 2020)	88	—	—	—	—
Frank van Zanten (appointed in 2020)	83	—	—	—	—
Jan Hommen (reappointed in 2017, retired on December 31, 2020)	223	243	249	223	177
Jacques de Vaucleroy (retired in 2020)	31	120	144	170	80
Rob van den Bergh (resigned in 2019)	—	39	148	148	132
Mark McGrath (resigned in 2019)	—	44	136	143	160
Mats Jansson (retired in 2018)	—	—	68	255	115
Johnny Thijs (resigned in 2018)	—	—	31	128	55
Patrick De Maeseneire (resigned in 2018)	—	—	32	123	59
Jack Stahl (resigned in August 2017)	—	—	—	111	76
Stephanie Shern (resigned in April 2017)	—	—	—	37	140
Derk Doijer (resigned in July 2016)	—	—	—	—	56
Total remuneration Supervisory Board	1,312	1,378	1,550	2,027	1,575
Number of Supervisory Board members³	11	11	12	14	15

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.

4 Up to the date of the merger between Ahold and Delhaize, the Ahold Supervisory Board remuneration applied, as adopted at the General Meeting of Shareholders on April 16, 2014. Ahold Delhaize's Supervisory Board remuneration, as adopted at the General Meeting of Shareholders on April 19, 2016, applied as of July 24, 2016, the first calendar day after the merger of Ahold and Delhaize was finalized. As of the second quarter of 2020, the Supervisory Board Remuneration policy applies, as adopted at the General Meeting of Shareholders on April 8, 2020