



Governance

Our Management Board and Executive Committee

Our Management Board

Executive Committee diversity²

Gender



Nationality



² Including the members of the Management Board.

The duties of the Management Board are described under *Corporate governance* in this Annual Report



Dick Boer

**President and Chief Executive Officer
Chairman Management Board
and Executive Committee**

Dick Boer has served as Chief Executive Officer of Ahold Delhaize since July 24, 2016. Prior to the merger between Ahold and Delhaize, he had served as CEO of Ahold, appointed by the Supervisory Board on September 29, 2010, with an effective date of March 1, 2011. Before that, Dick had served as Chief Operating Officer Ahold Europe since November 6, 2006.

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

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

Dick is a board member of the Consumer Goods Forum (CGF) and co-sponsor of the CGF Health and Wellness pillar. He is a member of the advisory board of fashion retailer G-Star RAW. At the World Economic Forum, he is governor of the Consumer Industries Community and steward of the Future of Health and Healthcare System. Furthermore, Dick is a member of the supervisory board of the Royal Concertgebouw in the Netherlands.

Age: 60

Nationality: Dutch



Frans Muller

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

Frans Muller has served as Deputy Chief Executive Officer and Chief Integration Officer of Ahold Delhaize since July 24, 2016. He was responsible for Delhaize America, including Food Lion and Hannaford, on an interim basis from October 2016 until January 2018. Prior to the merger between Ahold and Delhaize, Frans served as President and CEO of Delhaize Group from 2013. Before joining Delhaize Group, Frans had worked for German retailer Metro AG for over 15 years. From 2006 until 2013, he was a member of the Metro AG Management Board, serving as CEO of Metro Cash & Carry from 2008 until 2013.

Earlier, he served in various positions at Metro AG including managing director of Makro, member of the board of Metro Cash & Carry International, regional director for Eastern Europe and Russia / Ukraine and CEO of Metro Group Buying. From 1988 to 1997, Frans held various management and executive positions at KLM Cargo in Amsterdam, Frankfurt, Vienna and Singapore.

Frans is president of the European Retail Round Table and serves on the board of directors of the Food Marketing Institute Inc. and Vlerick Business School.

Age: 66

Nationality: Dutch



Jeff Carr

**Chief Financial Officer
Member Management Board
and Executive Committee**

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

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

Age: 56

Nationality: British



Kevin Holt

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

Effective January 1, 2018, Kevin Holt became Chief Executive Officer Ahold Delhaize USA. Kevin had been Chief Operating Officer Ahold USA since October 2016, after serving as Chief Operating Officer Delhaize America since July 24, 2016. Prior to the merger between Ahold and Delhaize, he was Executive Vice President of Delhaize Group and Chief Executive Officer of Delhaize America, starting in 2014.

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

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

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

Age: 59

Nationality: American

Our Management Board and Executive Committee

Our Executive Committee



Wouter Kolk

**Chief Operating Officer
the Netherlands and Belgium**

Member Executive Committee¹

Wouter Kolk was appointed Chief Operating Officer the Netherlands and Belgium and member of the Executive Committee of Ahold Delhaize on September 8, 2017.

Wouter re-joined Ahold in 2013 as EVP Specialty Stores and New Markets at Albert Heijn following a six-year period as CEO of international retailer WE Fashion. He became Chief Executive Officer Albert Heijn in January 2015 and will continue to lead Albert Heijn. He 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 boards of the Hortus Botanicus Amsterdam and concert hall Paradiso.

Age: 51

Nationality: Dutch



Abbe Luersman

**Chief Human Resources Officer
Member Executive Committee**

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

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

Abbe is a member of the Network of Executive Women board of directors, the Catalyst advisory board and the Netherlands American Chamber of Commerce board of directors.

Age: 50

Nationality: American



Jan Ernst de Groot

**Chief Legal Officer
Member Executive Committee**

Jan Ernst de Groot has served as Chief Legal Officer since July 24, 2016. Prior to the merger of Ahold and Delhaize, he was appointed Chief Legal Officer and member of Ahold's Executive Committee effective February 1, 2015. He is responsible for Ahold Delhaize's legal affairs, governance and compliance functions 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 chairman of the supervisory council of Hivos, a supervisory board member of ADG Dienstengroep and a board member of the Hermitage Museum Amsterdam.

Age: 54

Nationality: Dutch



Marc Croonen

**Chief Sustainability, Transformation
and Communications Officer
Member Executive Committee**

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

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

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

Age: 57

Nationality: Belgian



Ben Wishart

**Global Chief Information Officer
Member Executive Committee**

Ben Wishart became a member of the Executive Committee, effective 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 since the merger in 2016. He previously served as CIO of Morrisons plc and Whitbread plc and held various senior Information Technology roles at Tesco plc.

Age: 55

Nationality: British

¹ Wouter Kolk will be nominated for appointment to the Management Board at the 2018 annual General Meeting of Shareholders.

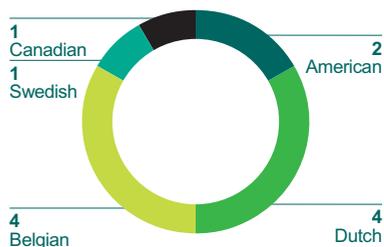
Our Supervisory Board

Supervisory Board diversity

Gender



Nationality



Mats Jansson
Chairman

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

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

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

Age: 66

Nationality: Swedish



Jan Hommen
Vice Chairman

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

Jan was previously Vice Chairman of Ahold's Supervisory Board and served as Chairman of the Audit Committee from 2003 to 2007. He is the former CEO of KPMG the Netherlands and was CEO of ING Group N.V., CFO and vice chairman of the board of management of Royal Philips Electronics N.V. and CFO of Aluminum Company of America Inc.

Currently Jan is chairman of the supervisory board of Koninklijke VolkerWessels N.V., chairman of the board of United World College Nederland, and a member of the supervisory board of ProteoNic B.V. He also serves as an advisor to Advent International PLC and BlackRock Netherlands.

Age: 74

Nationality: Dutch



Jacques de Vaucleroy
Vice Chairman

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

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

Currently Jacques is a member of the board of directors of Swiss Re Ltd, Swiss Re Europe, Fidelity International Ltd and Zabka Polska. He is also a member of the advisory boards of Artexis Easyfairs and CVC Belgium.

Age: 57

Nationality: Belgian



René Hooft Graafland
Chairman of the Audit,
Finance and Risk Committee

René Hooft Graafland has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is Chairman of the Audit, Finance and Risk Committee. Prior to the merger between Ahold and Delhaize, he was appointed to the Ahold 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 vice chairman of the supervisory board and chairman of the audit committee of Wolters Kluwer N.V. Furthermore, he is a member of the supervisory board and of the audit committee of Koninklijke FrieslandCampina N.V. He is also chairman of the supervisory board of Royal Theatre Carré and chairman of the board of Stichting African Parks Foundation.

Age: 62

Nationality: Dutch

Our Supervisory Board

continued



Ben Noteboom

Chairman of the Governance and Nomination Committee

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

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

Ben is 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 supervisory board and audit committee of Wolters Kluwer N.V., and as a member of the boards of the Holland Festival Foundation and the Cancer Center Amsterdam.

Age: 59

Nationality: Dutch



Bill McEwan

Chairman of the Remuneration Committee

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

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

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

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

Age: 61

Nationality: Canadian



Rob van den Bergh

Chairman of the Sustainability and Innovation Committee

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

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

Rob is a member of the supervisory boards of Pon Holdings B.V., Iddink Groep B.V. and Novamedia. He is also a member of the advisory board of CVC Capital Partners and member of the Netherlands Committee of Human Rights Watch.

Age: 67

Nationality: Dutch



Mark McGrath

Mark McGrath has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Governance and Nomination Committee and the Remuneration Committee.

He was first appointed to the Ahold Supervisory Board on April 23, 2008. Mark is a director emeritus of McKinsey & Company. He led the firm's Americas Consumer Goods Practice from 1998 until 2004, when he retired from the company. Mark is a former director of GATX and Aware Inc.

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

Age: 71

Nationality: American



Mary Anne Citrino

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

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

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

Currently Mary Anne is a director of Dollar Tree, Inc. and member of its audit committee and nominating and corporate governance committee. She is a director of Alcoa, Inc. and a member of its governance and nominating committee and public issues committee. Mary Anne is also chair of the audit committee and member of the finance, investment and technology committee of Hewlett Packard, Inc.

Age: 58

Nationality: American

Our Supervisory Board

continued



Johnny Thijs

Johnny Thijs has served on Ahold Delhaize's Supervisory Board since July 24, 2016, and is a member of the Remuneration Committee. Prior to the merger between Ahold and Delhaize, he served on Delhaize's Board of Directors starting in 2014. Johnny was the former CEO of Belgian Post from 2002 to 2014 and served as CEO of TerBeke from 2000 to 2002.

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

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

Age: 65

Nationality: Belgian



Patrick De Maeseneire

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

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

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

Age: 60

Nationality: Belgian



Dominique Leroy

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

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

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

Dominique has been the CEO of Proximus (formerly Belgacom) and a member of the board of directors of Proximus since 2014. She also serves as a board member at the Proximus subsidiaries BICS, Be-Mobile and Proximus Art.

In addition, Dominique serves as a board member at Lotus Bakeries and is chair of the international advisory board of the Solvay Brussels School of Economics and Management. She also serves as a member of the supervisory board of Saint Gobain.

Age: 53

Nationality: Belgian

Corporate governance

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

This section contains an overview of our corporate governance structure and includes information required under the new Dutch Corporate Governance Code, effective January 1, 2017 (Dutch Corporate Governance Code).

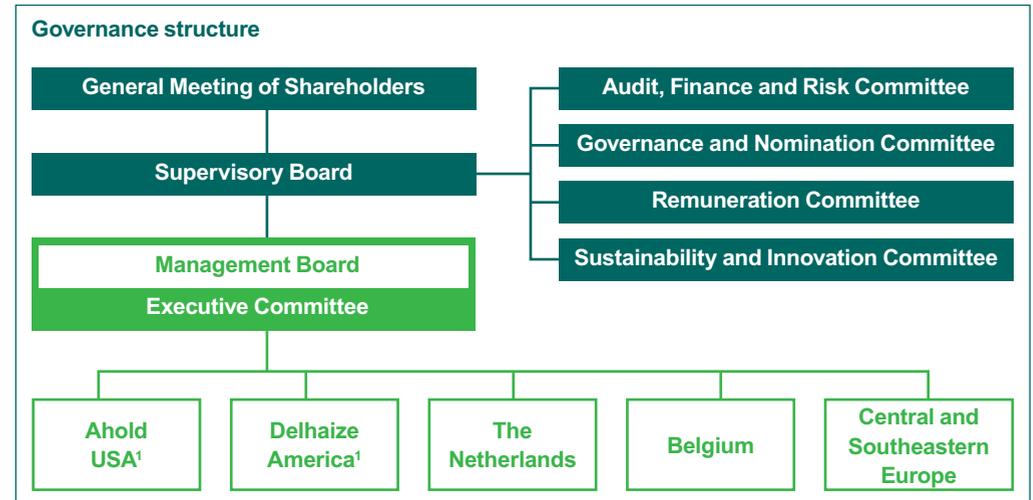
Governance structure

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 2017, our Company comprised a Global Support Office and five reportable segments: Ahold USA, Delhaize America, The Netherlands, Belgium and Central and Southeastern Europe (CSE) – each of which are made up of a number of local brands. From 2018 onwards, in line with the new management structure effective January 1, 2018, we will combine the Ahold USA and Delhaize America reportable segments into one reportable segment: Ahold Delhaize USA. See also *Note 6* to the consolidated financial statements.

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 in order 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.



¹ Ahold USA and Delhaize America reportable segments have been combined into one reportable segment, Ahold Delhaize USA, with effect from January 1, 2018.

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

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.

For a more detailed description of the responsibilities 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.



Corporate governance

continued

Composition of the Management Board and Executive Committee

According to our Articles of Association, the Management Board must consist of at least three members. The current members are: Dick Boer, President and Chief Executive Officer; Frans Muller, Deputy Chief Executive Officer and Chief Integration Officer; Jeff Carr, Chief Financial Officer; and Kevin Holt, Chief Executive Officer Ahold Delhaize USA¹. The current members of the Executive Committee are the members of the Management Board along with Wouter Kolk, Chief Operating Officer the Netherlands and Belgium; Abbe Luersman, Chief Human Resources Officer; Jan Ernst de Groot, Chief Legal Officer; Marc Croonen, Chief Sustainability, Transformation and Communications Officer; and Ben Wishart¹, Global Chief Information Officer.

On January 1, 2018, Pierre Bouchut stepped down from the Management Board and Executive Committee. He will remain available as an adviser and for specific initiatives until July 1, 2018. As of January 1, 2018, Ben Wishart became a member of the Executive Committee. On April 11, 2018, at the annual General Meeting of Shareholders, Wouter Kolk will be nominated for appointment to the Management Board.

At Ahold Delhaize, we believe that a diverse and fully representative Management Board and Executive Committee contributes to well-balanced decision-making processes and the optimal functioning of both the Management Board and the Executive Committee. In accordance with provision 2.1.5 of the Dutch Corporate Governance Code, Ahold Delhaize's diversity policy states that the composition of the Executive Committee

and the Management Board and the combined experience and expertise of their members should reflect the profile of the Company as it relates to nationality, age, education, gender and professional background. This aim for the best fit, in combination with the availability of qualified candidates, has resulted in Ahold Delhaize, as of February 27, 2018, having a Management Board in which all four members are male and an Executive Committee in which one member is female and eight members are male. We seek to identify potential Board members who would enhance the diversity of the Boards in the above-mentioned areas. In order to meet our diversity ambitions and comply with statutory guidelines for gender diversity in the coming years, we continue to work to ensure we build robust development and succession plans; generate diverse, balanced slates; and take the necessary actions to retain our current diverse talents so we can build our talent pipeline and drive greater diversity at all levels in our organization.

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 and Executive Committee 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 19, 2016, Ahold Delhaize's General Meeting of Shareholders adopted our current remuneration policy for Management Board members. On April 12, 2017, Ahold Delhaize's General Meeting of Shareholders adopted an individual exception to this policy. You can find details of this policy in *Remuneration*. For detailed information on the individual remuneration of Management Board members, see *Notes 31* and *32* to the consolidated financial statements.

Possible reappointment schedule Management Board

Name	Date of first appointment	Year of possible reappointment
Dick Boer	May 3, 2007	2019
Jeff Carr	April 17, 2012	2020
Frans Muller	March 14, 2016 ²	2020
Kevin Holt	March 14, 2016 ²	2020

² Effective July 24, 2016.

Evaluation

The Management Board and the Executive Committee conducted a self-assessment by means of a structured dialogue chaired by the CEO. Items that were assessed and discussed included the composition of the Boards, meeting processes and procedures, discussions and decision-making, and team dynamics.

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 good of the enterprise and the relevant interests of all its stakeholders. The Supervisory Board is responsible for monitoring and assessing its own performance.

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

- Issuance of shares
- Acquisitions, redemptions, repurchases of shares, and any reduction in issued and outstanding capital
- Allocation of duties within the Management Board and the adoption or amendment of the Rules of Procedure of the Management Board and the Executive Committee
- Significant changes in the identity or the nature of the Company or its enterprise

Presidium

Following the merger between Ahold and Delhaize, a Presidium was introduced that meets on a monthly basis with the Chief Executive Officer and the Deputy Chief Executive Officer and Chief Integration Officer. The Presidium is composed of the Chairman and first Vice Chairman of the

¹ Effective January 1, 2018.



Corporate governance

continued

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

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

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

A Supervisory Board member is appointed for a four-year term and may be reappointed for another four-year period. The Supervisory Board member may subsequently be reappointed again for a period of two years, which may be extended by, at most, two years.

Conflict of interest

Each member of the Supervisory Board is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and provide all relevant information. In the event of a potential conflict of interest, each member of the Management Board is required to immediately report this to the Chairman 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 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 2017, 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 2017, 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. We are required to convene an annual General Meeting of Shareholders in the Netherlands each year, no later than six months after the end of the Company's financial year. Additional extraordinary General Meetings of Shareholders may be convened at any time by the Supervisory Board, the Management Board, or by one or more shareholders representing at least 10% of the issued share capital.

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

Shareholders are entitled to propose items for the agenda of the annual General Meeting of Shareholders provided that they hold at least 1% of the issued share capital or the shares that they hold represent a market value of at least €50 million. Proposals for agenda items for the 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, only an absolute majority of votes exercised is required to adopt the proposal, regardless of the number of shares represented at the meeting (unless the law or our Articles of Association provide otherwise).

A resolution to amend the Articles of Association that would change the rights vested in the holders of a particular class of shares requires the prior approval of a meeting of that particular class.

A resolution to dissolve the Company may be adopted by the 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.



Corporate governance

continued

Voting rights

Each common share entitles its holder to cast one vote. Dutch law prescribes a record date to be set 28 days prior to the date of the 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 Deutsche Bank Trust Company Americas, the Depositary for the Company's American Depositary Receipt (ADR) facility, to enable ADR holders to exercise their voting rights, which are represented by the common shares underlying the ADRs.

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

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

Cumulative preferred financing shares

All outstanding cumulative preferred financing shares have been issued to SAPFAA. Holders of depositary receipts can obtain proxies from SAPFAA.

In accordance with its articles, the board of SAPFAA consists of three members: one A member, one B member and one C member. The A member is appointed by the general meeting of depositary receipt holders, the B member is appointed by the Company and the C member is appointed by a joint resolution of the A member and the B member. As of February 27, 2018, the members of the board of SAPFAA are:

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

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

Cumulative preferred shares

As of February 27, 2018, no cumulative preferred shares are outstanding. 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, and December 2003 (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 all stakeholders in the Company 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 for no consideration to acquire cumulative preferred shares from the Company from time to time until December 2018. The Option Agreement provides for the possibility of extension by both parties' consent. At Ahold Delhaize, a decision to extend the Option Agreement is at the discretion of the Management Board, subject to the approval of the Supervisory Board. In December 2017, the Company and SCAD commenced discussions on a possible extension of the Option Agreement, in accordance with its terms which require such discussions to start at least one year prior to the expiration date. No conclusion has been reached at this time.

SCAD and the members of its board are independent from the Company. As of February 27, 2018, the members of the board of SCAD are:

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

For details on Ahold Delhaize's cumulative preferred shares, see *Note 20* to the consolidated financial statements. The related documents are available on our website 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 12, 2017, the General Meeting of Shareholders approved a delegation of this authority to the Management Board, relating to the issuance and / or granting of rights to acquire common shares up to a maximum of 10% of the issued common shares through October 12, 2018, and subject to the approval of the Supervisory Board.

Corporate governance

continued

Upon the issuance of new common shares, holders of Ahold Delhaize's common shares have a preemptive right to subscribe to common shares in proportion to the total amount of their existing holdings of Ahold Delhaize's common shares. According to the Company's Articles of Association, this preemptive right does not apply to any issuance of shares to Ahold Delhaize associates. The General Meeting of Shareholders may decide to restrict or exclude preemptive rights. The General Meeting of Shareholders may also resolve to designate the Management Board as the corporate body authorized to restrict or exclude preemptive rights for a period not exceeding five years.

On April 12, 2017, 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 through October 12, 2018.

Repurchase by Ahold Delhaize of its own shares

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

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

The Management Board has been authorized to acquire a number of common shares in the Company or depositary receipts for shares, as permitted within the limits of the law and the Articles of Association and subject to the approval of the Supervisory Board. Such acquisition of shares, at the stock exchange or otherwise, will take place at a price between par value and 110% of the opening price of the shares at Euronext Amsterdam by NYSE Euronext on the date of their acquisition. The authorization takes into account the possibility to cancel the repurchased shares. This authorization is valid through October 19, 2018. Ahold Delhaize may acquire shares in its capital for no consideration or for the purpose of transferring these shares to associates through share plans or option plans, without such authorization. The share buyback program of €1 billion that started on January 9, 2017, was successfully completed on December 29, 2017. In total, 55,166,939 of the Company's own shares were repurchased at an average price of €18.13 per share. On January 2, 2018, the Company commenced the €2 billion share buyback program that was announced on November 8, 2017. The program is expected to be completed before the end of 2018.

Major shareholders

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

Significant ownership of voting shares

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

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

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

The following table lists the shareholders on record in the AFM register on February 27, 2018, that hold an interest of 3% or more in the share capital of the Company¹.

- BlackRock, Inc – 4.49% shareholding (6.14% voting rights) disclosed on June 21, 2017
- DeltaFort Beleggingen I B.V. – 10.82% shareholding (3.43% voting rights) disclosed on July 25, 2016²
- NN Group N.V. – 4.89% shareholding (2.54% voting rights) disclosed on August 9, 2017²
- Stichting Administratiekantoor Preferente Financierings Aandelen Ahold – 14.42% shareholding (5.03% voting rights) disclosed on August 9, 2017³

¹ In accordance with the filing requirements, the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. Further details can be found at www.afm.nl.

² The interest on record for DeltaFort Beleggingen I B.V. and NN Group N.V. includes the indirect and / or potential interest from depositary receipts, as well as the direct and real interest from common shares.

³ SAPFAA holds all outstanding cumulative preferred financing shares and it issued corresponding depositary receipts to investors that were filed under DeltaFort Beleggingen I B.V. and NN Group N.V. Therefore, in relation to the outstanding cumulative preferred financing shares, disclosures are made by both SAPFAA (for the shares) and by DeltaFort Beleggingen I B.V. and NN Group N.V. (for the corresponding depositary receipts).

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



Corporate governance

continued

Articles of Association

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

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

The prior approval of a meeting of holders of a particular class of shares is required for a proposal to amend the Articles of Association that makes any change in the rights that vest in the holders of shares of that particular class.

Right of inquiry

The thresholds for shareholders to exercise the right of inquiry (het enquêterecht) are based on article 346 sub clause 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 20* and *Note 22* to the consolidated financial statements.

External independent auditor

The General Meeting of Shareholders appoints the external independent auditor. The Audit, Finance and Risk Committee recommends to the Supervisory Board the external independent auditor to be proposed for (re)appointment by the General Meeting of Shareholders. In addition, the Audit, Finance and Risk Committee evaluates and, where appropriate, recommends the replacement of the external independent auditor.

On April 12, 2017, the General Meeting of Shareholders appointed PricewaterhouseCoopers Accountants N.V. as external independent auditor for the Company for the financial year 2017.

Decree Article 10 EU Takeover Directive

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

The information required by the Decree Article 10 EU Takeover Directive is included in this *Corporate governance* section, in the *Investors* 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 2017, 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 relevant *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*.

Supervisory Board report



Mats Jansson
Chairman of the Supervisory Board

Dear shareholder,

I am pleased to present our Supervisory Board report for 2017.

During our first full year as Ahold Delhaize, the Supervisory Board fulfilled its responsibilities to supervise and advise the Management Board and oversee the activities and performance of the Company for the benefit of all our stakeholders.

The Board put particular focus on delivering the synergies we committed to at the time of the merger and overseeing further achievements on the Better Together strategy. During 2017, the Management Board provided us with detailed information on the performance of the business as well as strategic and operational developments. Throughout the year, we thoroughly reviewed, discussed and approved the strategic options presented to us by the Management Board.

We also focused on supporting the Management Board in delivering a solid set of full year results and are pleased to report that Ahold Delhaize is on track with its integration and fulfilling its synergy targets. You can find more details on our 2017 focus areas and meetings in this Supervisory Board report.

On behalf of the Supervisory Board,

Mats Jansson

The Supervisory Board operates independently and is responsible for supervising and advising our Management Board as well as overseeing the general course of affairs, long-term strategy and operational performance of the Company. The Supervisory Board is guided in its duties by the interests of the Company and the enterprise connected with the Company, taking into consideration the overall good of the enterprise and the relevant interests of all its stakeholders.

Composition of the Supervisory Board

Ahold Delhaize's Supervisory Board determines the number of its members. The Supervisory Board profile is published on Ahold Delhaize's public website at www.aholddelhaize.com and is updated regularly.

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. In addition, the composition of the Board, including its members' combined experience, expertise and independence should reflect the best fit for Ahold Delhaize's profile and strategy. This aim for the best fit, in combination with the availability of qualified candidates, has resulted in Ahold Delhaize currently having a Supervisory Board in which two members are female and 10 members are male. In order to meet our diversity ambitions and comply with statutory guidelines for gender diversity in the coming years, we pay close attention to gender diversity in selection process for new Supervisory Board members.



Supervisory Board report

continued

Rules of Procedure

The Rules of Procedure of the Supervisory Board state that if a member is concurrently a member of another company's supervisory board, the main duties arising from and / or the number and nature of any other supervisory board memberships must not conflict or interfere with that individual's duties as a member of Ahold Delhaize's Supervisory Board.

Appointment

At the annual General Meeting of Shareholders on April 12, 2017, Jan Hommen was reappointed for his second four-year term and Ben Noteboom was reappointed for his third four-year term. In addition, Stephanie Shern stepped down from the Supervisory Board after the annual General Meeting on April 12, 2017, after having served for 12 years. On August 8, 2017, Jack Stahl resigned from the Supervisory Board after having served one year at Ahold Delhaize and eight years on the Board of Directors of Delhaize.

Ongoing education

New members of our Supervisory Board attend a multiple-day induction program at our businesses in the U.S. and the Netherlands as well as at the Global Support Office in Zaandam. During the onboarding program, new Supervisory Board members are briefed on their responsibilities and informed by senior management on the financial, social, corporate responsibility, human resources, governance, legal and reporting affairs of our Company and its businesses. Throughout the year, all members of our Supervisory Board visit several of our brands, operations and other segments of the Company to gain greater familiarity with senior management and to develop deeper knowledge of local operations, opportunities and challenges of the business. In addition, multiple in-depth workshops are held on various topics to allow the Supervisory Board members to gain greater insight into key priorities of Ahold Delhaize.

Evaluation

The Supervisory Board conducted a self-assessment in early 2018. The Board assessed the performance of its committees and its individual members, as well as the performance of the Management Board and its individual members, during a private meeting. The Supervisory Board was positive, overall, about the performance of its committees, the Management Board and satisfied with the performance of the Supervisory Board. The Board determined that it has made good progress in its continuous development as a team, has a balanced composition that suits the Company in its current stage and works well together in an open atmosphere. As part of the outcome of the assessment, the Supervisory Board will keep a continuous focus on its own size and structure in order to comply with the highest standards of excellence and 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
Mats Jansson	*	*	*	*				*			
Jan Hommen	*	*				*	*	*	*		
Jacques de Vaucleroy	*	*				*		*			
René Hooft Graafland	*	*		*		*			*	*	
Ben Noteboom	*	*					*	*	*	*	
Bill McEwan	*	*	*	*				*	*	*	
Rob van den Bergh	*	*			*			*	*		
Mark McGrath			*	*							
Mary Anne Citrino			*	*		*					
Johnny Thijs	*	*		*			*	*		*	
Patrick De Maeseneire	*	*				*	*	*	*	*	
Dominique Leroy	*	*			*			*	*	*	*

Supervisory Board¹ possible reappointment schedule

Name	Date of first appointment	Reappointment for second and third term	End of current appointment
Mats Jansson	March 14, 2016 ³		2020
Jan Hommen	October 1, 2013	2017	2021
Jacques de Vaucleroy	March 14, 2016 ³		2020
René Hooft Graafland	April 16, 2014 ²		2018
Ben Noteboom	April 28, 2009	2013 / 2017	2021
Bill McEwan	March 14, 2016 ³		2020
Rob van den Bergh	April 20, 2011	2015	2019
Mark McGrath	April 23, 2008	2012 / 2016	2020
Mary Anne Citrino	March 14, 2016		2020
Johnny Thijs	March 14, 2016 ³		2020
Patrick De Maeseneire	March 14, 2016 ³		2020
Dominique Leroy	March 14, 2016 ³		2020

¹ In its decision to nominate its members for reappointment, the Supervisory Board will take 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.



Supervisory Board report

continued

Meetings of the Supervisory Board

During 2017, the Supervisory Board met on eight occasions, of which six meetings were held in person and two meetings by means of a conference call. The Management Board attended these meetings and the other members of the Executive Committee, as well as other senior management, were regularly invited to be present. The Supervisory Board also held several private meetings without other attendees to independently review certain issues and to discuss matters related to the functioning of the Management and Supervisory Boards. The external independent auditor attended the meeting of February 28, 2017, at which the 2016 Annual Report and financial statements were recommended for adoption by the annual General Meeting of Shareholders.

In addition to the scheduled meetings, the members of the Supervisory Board review specific operations or activities of the Company; in 2017, the Supervisory Board reviewed matters related to all aspects of the activities, results, strategy and management of the Company. During its meetings throughout the year, the Supervisory Board reviewed reports from its various committees and regularly assessed the functioning of the Management Board, the organizational strategy, talent management and succession planning. In addition, the Board members have regular contact with associates in various levels of management. These informal consultations ensure that the Supervisory Board remains well-informed about the Company's day-to-day operations.

- **January 2017:** The Supervisory Board held a conference call to discuss Ahold Delhaize's Q4 / full year 2016 trading statement and receive an integration update following the merger. On the same date, the Board of Directors of Delhaize Group approved the Delhaize Group NV/SA statutory accounts and board report for the period from January 1, 2016, up to and including July 23, 2016.
- **February 2017:** During a two-day meeting, the Supervisory Board met to discuss and approve Ahold Delhaize's Q4 / full year 2016 results, as well as the Annual Report 2016 and the supplementary report for Sustainable Retailing 2016. In addition, the Supervisory Board approved the dividend proposal and the 2020 Sustainable Retailing key targets. During the same meeting, the agenda and explanatory notes were approved for the annual General Meeting of Shareholders to be held in April 2017. The proposal to amend the individual performance ratings for the Executive Committee members was also approved by the Board. On the recommendation of the Remuneration Committee, the Supervisory Board resolved to approve the 2016 Executive Committee Incentive Plan Payout, in addition to the approval of the adjustment of the base salary levels of the Executive Committee members. In addition, the Supervisory Board received an update on the divestments in the United States and Belgium as a result of the anti-trust processes following the merger. In light of the revised Dutch Corporate Governance Code, the Rules of Procedure of the Supervisory Board, Management Board and Executive Committee were updated and approved.

The Supervisory Board also discussed next steps for the implementation of the new Dutch Corporate Governance Code. The Board received an update on the overall integration and the performance of Delhaize Belgium, including the brand's progress on its Transformation Plan. Lastly, the Supervisory Board was updated on Ahold Delhaize's enterprise risk management system, IT performance systems and significant legal proceedings with potential impact on the Company.

- **April 2017:** The Supervisory Board discussed the performance of Delhaize Belgium. They also received an update on Ahold Delhaize's U.S. businesses, as well as a separate update on the performance of Peapod, including its strategic roadmap and future business opportunities. Lastly, a financial update was given on the Q1 2017 estimates.
- **May 2017:** During a conference call, the Supervisory Board discussed reports from the external independent auditor and internal auditor as well as the internal control report and the governance, risk and control report. The Board approved the initiation of the SEC deregistration at the end of July 2017. They also discussed and approved the Q1 2017 Interim Report. In addition, the Board was informed that the integration is fully on track, and the Company is delivering its synergies. The Board received an update on divestments in the U.S. and Belgium and was given background on IT service performance, information security and vendor management during Q1 2017. In addition, they received a review on post investments including store expansions, relocations and remodels.
- **June 2017:** During a meeting, the Supervisory Board was updated on developments in the United States and the Company's strategic view and main focus areas. They received a financial update on the previous month and quarterly results to date and an outlook for Q2 2017. The Supervisory Board also discussed the financing strategy of the Company and approved the Euro Commercial Paper program and Ahold Delhaize's first public debt offering to the debt capital markets.
- **June 2017:** During another meeting, the Supervisory Board received an extensive update on the integration efforts and progress. The implementation of the customer savings initiative was presented to the Board and market developments across Ahold Delhaize's businesses were discussed. The Board also addressed strategic initiatives across the brands, as well as the future IT Roadmap to support the strategic framework of each of the brands.
- **August 2017:** The Q2 2017 interim results were presented and subsequently approved by the Supervisory Board. The Board discussed the external and internal audit reports and the overall broadening and strengthening of the control environment. Furthermore, the Board was updated on the U.S. organization, including the establishment of Retail Business Services, which was reportedly on track to be up and running on January 1, 2018. They received an update on the IT Roadmap and priorities regarding information security in relation to data protection; privacy and cyber-defense monitoring were highlighted.



Supervisory Board report

continued

- **September 2017:** The Supervisory Board held a meeting in which they reviewed strategic initiatives and market developments across Ahold Delhaize's brands. They received a financial update and discussed the long-term strategy of the Company.
- **November 2017:** During a two-day meeting, the Supervisory Board approved the Q3 2017 interim results, together with the Company's long-term business and finance plans, and annual budget plan for 2018.
- Throughout the year 2017, the Supervisory Board visited multiple stores and distribution centers.

Attendance

Except for a limited number of occasions, and for valid reasons, all Supervisory Board members attended all Supervisory Board meetings in 2017. In all cases, the Supervisory Board members who were not able to attend made sure they were represented. All Supervisory Board members made adequate time available to give sufficient attention to matters concerning Ahold Delhaize.

Board attendance	Number of meetings held	Number of meetings attended
Mats Jansson	8	6
Jan Hommen	8	8
Jacques de Vaucleroy	8	8
Jack Stahl	6	6
René Hooft Graafland	8	8
Ben Noteboom	8	8
Bill McEwan	8	8
Rob van den Bergh	8	7
Stephanie Shern	3	2
Mark McGrath	8	8
Mary Anne Citrino	8	8
Johnny Thijs	8	8
Patrick De Maeseneire	8	7
Dominique Leroy	8	7

Independence

The Supervisory Board confirms that during 2017 as well as on February 27, 2018, all 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 members of the Supervisory Board was determined by the annual General Meeting of Shareholders on April 12, 2017. Remuneration is subject to annual review by the Supervisory Board.

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



Supervisory Board report

continued

Committees of the Supervisory Board

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

	Audit, Finance and Risk Committee	Governance and Nomination Committee	Remuneration Committee	Sustainability and Innovation Committee
Mats Jansson (Chairman)		Member		
Jan Hommen (Vice Chairman)	Member ⁶	Member		
Jacques de Vaucleroy (Vice Chairman)	Member	Member		
René Hooft Graafland	Chairman ⁶			
Ben Noteboom		Chairman	Member	
Bill McEwan			Chairman	Member
Rob van den Bergh			Member	Chairman
Mark McGrath		Member		
Mary Anne Citrino	Member			
Johnny Thijs			Member	
Patrick De Maeseneire	Member			
Dominique Leroy				Member

⁶ René Hooft Graafland was appointed Chairman of the Audit, Finance and Risk Committee after Jack Stahl stepped down from the Supervisory Board on August 8, 2017. Jan Hommen was appointed as a member of the AFRC as per August 8, 2017.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Supervisory Board in its responsibility to oversee Ahold Delhaize's financing, financial statements, financial reporting process and system of internal business controls and risk management. The Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Senior Vice President Internal Audit, Senior Vice President Accounting, Reporting, Risk & Controls and representatives of the external independent auditor are invited to, and attend, the Audit, Finance and Risk Committee meetings.

The Audit, Finance and Risk Committee determines how the external independent auditor should be involved in the content and publication of financial reports other than the financial statements. The Management Board and the Audit, Finance and Risk 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 2017, the Audit, Finance and Risk Committee held two meetings in person, and three meetings via conference calls. The attendance rate of the members of this Committee was 100%. Throughout the year, the Audit, Finance and Risk Committee closely monitored the financial closing process and reviewed the publication of quarterly results. Updates on internal controls were provided during all Audit, Finance and Risk Committee meetings. The Audit, Finance and Risk Committee was informed regularly on compliance and reviewed and received regular updates on the Company's whistleblower programs.

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

- Quarterly interim reports
- Ahold Delhaize's 2016 Annual Report including the financial statements
- Review and approval of the internal audit plan
- Lease accounting IFRS 16
- The findings in the internal audit letter and the external independent auditor's findings in relation to the internal controls over financial reporting
- The Company's finance structure
- Treasury
- Taxation, including the accounting for tax reforms
- Guarantees
- Self-insurance programs
- Recognition of vendor allowances
- Impairment testing of goodwill
- Employee benefit plan measurement and disclosures
- Appointment of the external independent auditor
- Ahold Delhaize Code of Ethics

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



Supervisory Board report

continued

With the resignation of Jack Stahl from the Supervisory Board, René Hooft Graafland was assigned Chairman of the Audit, Finance and Risk Committee on August 8, 2017. Jan Hommen was appointed as a member of the Audit, Finance and Risk Committee, effective August 8, 2017.

The Supervisory Board has determined that René Hooft Graafland, Jan Hommen and Patrick de Maeseneire are “Audit Committee Financial Experts” within the meaning of the Dutch Corporate Governance Code, provision 2.1.4.

Governance and Nomination Committee

In 2017, the Governance and Nomination Committee held three meetings in person and one via conference call, all of which the Chief Executive Officer was invited to attend. The attendance rate of the Board members of this Committee was 90%. The Committee’s main areas of focus were long-term succession planning for the Supervisory Board and management development. The Committee was also involved in organizational and management changes and overall succession and management development processes as well as governance matters.

Remuneration Committee

In 2017, the Remuneration Committee held five meetings in person and one via conference call, all of which the Chief Executive Officer was invited to attend. The attendance rate of the Board members of this Committee was 97%. During the meetings, the Committee prepared proposals for the Supervisory Board on an individual exception to the remuneration policy for the Management Board, to be adopted by the General Meeting of Shareholders. In addition, the Remuneration Committee prepared proposals for the individual remuneration of members of the Management Board. Lastly, the Committee gave advice on the level and structure of compensation for senior personnel other than members of the Management Board.

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

Sustainability and Innovation Committee

During the course of 2017, the Sustainability and Innovation Committee held three meetings in person, all of which the Deputy Chief Executive Officer was invited to attend. The attendance rate of the Board members of this Committee was 100%. The Committee’s main areas of focus were Ahold Delhaize’s Sustainable Retailing and e-commerce strategies. In addition, digitalization and personalization data analytics were addressed in the meetings.

Conclusion

The Supervisory Board is of the opinion that during the year 2017, its composition, mix and depth of available expertise; working processes; level and frequency of engagement across all prominent Company activities; and access to all necessary and relevant information and the Company’s management and staff were satisfactory and enabled it to carry out its duties towards all the Company’s stakeholders.

The Supervisory Board wishes to express its gratitude to Stephanie Shern and Jack Stahl for their efforts and contributions to the Company.

The Supervisory Board would also like to thank Ahold Delhaize’s shareholders for their support and trust in the Company and its management. Finally, the Board wishes to express its appreciation for the continued dedication, commitment and excellent work of the Management Board and all of Ahold Delhaize’s associates during 2017.

Supervisory Board Zaandam, the Netherlands

February 27, 2018

Remuneration



Bill McEwan

Chairman of the Remuneration Committee of the Supervisory Board

Dear shareholder,

I am pleased to present our 2017 Remuneration report. As one of the world's leading food retail groups, Ahold Delhaize employs 369,000 associates in nine countries. In determining the employment conditions of our associates, we set compensation and benefits levels in line with associates' job level and local market practices. The remuneration practices in each of our local markets are regularly reviewed to take into account the market dynamics and economic conditions. We are committed to the key principle of fair and equitable treatment of all associates as we determine remuneration policies. We apply the same principles in the determination of the Remuneration Policy for the Management Board.

As outlined in our Remuneration Policy, Management Board remuneration is targeted at or near the median of the labor market peer group, consisting of six AEX, six European, and six U.S. peer companies. During the past year, the Management Board's remuneration was implemented in accordance with our Remuneration Policy. This policy is in compliance with the Dutch Corporate Governance Code and was adopted at the annual General Meeting of Shareholders on April 19, 2016. It became effective on July 24, 2016, the first calendar day after the merger of Ahold and Delhaize was finalized. An individual exception to the remuneration policy for the CEO Ahold Delhaize USA (former Chief Operating Officer Ahold USA) was adopted at the annual General Meeting of Shareholders on April 12, 2017.

For the majority of our 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.

The Supervisory Board's Remuneration Committee closely monitors developments in the global, regional and local labor markets and takes these developments into account when making recommendations on the Management Board compensation to the Supervisory Board for consideration and approval.

The following table shows the pay ratio of the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Executive Officer Ahold Delhaize USA compared to the average remuneration of all Ahold Delhaize associates.

Pay ratio	2017	2016
CEO	114	119
Deputy CEO ¹	135	–
CFO	71	71
CEO Ahold Delhaize USA ¹	74	–

¹ Since the Deputy CEO and the CEO Ahold Delhaize USA joined the Company on July 24, 2016, full year numbers for 2016 are not available.

We have calculated the pay ratio between the Total Remuneration of the respective Management Board members and the average remuneration of all Ahold Delhaize associates over 2016 and 2017 to convey the year-over-year changes. The average remuneration of all associates in 2016 is calculated on the basis of pro forma (full year 2016) labor costs. The average remuneration of all associates is calculated as the total labor costs (see *Note 8* to the consolidated financial statements) divided by the number of associates on an FTE basis (see *Five-year overview*). The average remuneration of all associates amounted to €39,572 for 2016 and €40,225 for 2017. The total compensation of the CEO, Deputy CEO, CFO and CEO Ahold Delhaize USA can be found in *Note 31* to the consolidated financial statements.

Remuneration

continued

As set forth in the Remuneration Policy, the total compensation of our Management Board members is positioned at the median level of the peer group we've selected for benchmarking (see page 103). The following table illustrates the pay ratio of our CEO compared to the pay ratios of other CEOs in the peer group. It is important to note that pay ratios across industries are impacted by the different mix of functions from one industry to another. Even within the same industry, comparing pay ratios is challenging due to different market conditions (a mix of high- and low-paying countries).

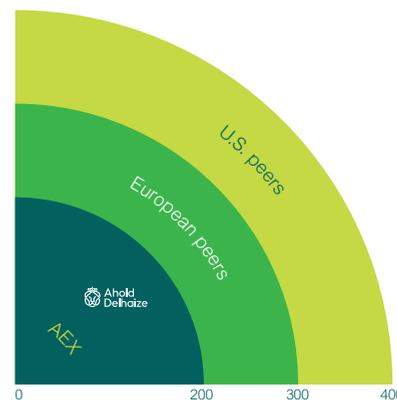
Therefore, to put Ahold Delhaize's pay ratios into perspective, the graph illustrates Ahold Delhaize's position compared to its peers in the European and U.S. markets as well as the AEX companies in the peer group. The ratios mentioned in the table and the graph are derived from the publicly disclosed 2016 annual reports of the respective companies. For comparison purposes the ratios have been calculated using the same methodology as used for Ahold Delhaize's pay ratio.

Pay ratio Ahold Delhaize CEO compared to pay ratios of other CEOs in the peer group (2016 figures)

Ahold Delhaize	Average AEX peers	Average European peers	Average U.S. peers
119	115	179	238
	103.5%	66.5%	50%

The average pay ratio for the CEO position in the full peer group is 188. The graph illustrates Ahold Delhaize's position versus the labor market peer group as defined in the Remuneration Policy.

The Supervisory Board will continue to monitor the development of pay ratios both within the Company and in comparison with the peer group.



Our remuneration policy remains unchanged for 2018. At the Supervisory Board's discretion, effective in 2018, two replacements have been made in the labor market and Total Shareholder Return (TSR) peer groups due to corporate actions at Metro and Staples. Metro demerged into Ceconomy and Metro Cash & Carry. The former Metro has been replaced in each of the two peer groups by Metro Cash & Carry. Staples was delisted as a consequence of its purchase by Sycamore and has been replaced by Lowe's Companies in each of the two peer groups.

In 2017, the Company announced the upcoming retirement of Pierre Bouchut from the Management Board as well as the intended appointment of Wouter Kolk to the Management Board. The latter appointment will be brought forward for shareholder approval at the annual General Meeting of Shareholders on April 11, 2018. The implementation of these Management Board changes will be in accordance with our Remuneration Policy.

The Remuneration Committee also conducted interviews on Management Board remuneration and its link to the Company's overall strategy with each of the members of the Management Board. The Remuneration Committee will continue to monitor and review Ahold Delhaize's Remuneration Policy to ensure that it continues to be aligned to support the strategy and long-term growth of the Company, the needs of all internal and external stakeholders, and our commitment to making a sustainable contribution to society at large. If the Supervisory Board determines that changes to the existing Remuneration Policy are appropriate and required, we will seek shareholder approval at future General Meetings.

I look forward to presenting this Remuneration report for discussion with all our shareholders at our upcoming annual General Meeting of Shareholders on April 11, 2018.

Bill McEwan
Chairman of the Remuneration Committee of the Supervisory Board



Remuneration

continued

Ahold Delhaize's remuneration policy was prepared in accordance with the Dutch Corporate Governance Code. It was adopted at the General Meeting of Shareholders on April 19, 2016. The remuneration policy became effective on July 24, 2016, the first calendar day after the merger of Ahold and Delhaize was finalized. An individual exception to the remuneration policy was adopted at the General Meeting of Shareholders on April 12, 2017.

Remuneration policy

Remuneration philosophy

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

Management Board remuneration policy

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

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

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

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

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

Market competitive pay

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

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

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

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

An individual exception to the remuneration policy of the Management Board applies for the CEO Ahold Delhaize USA (Kevin Holt). The Supervisory Board determines the remuneration for the CEO Ahold Delhaize USA on the basis of a local reference market, the U.S. retail labor market reference group comprising 14 companies.



Remuneration

continued

Base salary

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

Annual cash incentive plan: Executive Committee Incentive Plan

The Management Board members participate in the Executive Committee Incentive Plan (EIP). The EIP is an annual cash incentive plan that employs three equally weighted financial measures: sales growth (30%), underlying operating margin (30%) and operating cash flow (30%), as well as personal objectives (10%). The at-target payout as a percentage of base salary is 100%, contingent on full achievement of the objectives, with a cap at 150% of the base salary in the event of above-target performance.

Long-term equity-based program: Global Reward Opportunity

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

In line with market practice, the target value of the long-term incentives granted under the program differs by role. For the CEO, the target value is 235% of base salary; for the Deputy CEO and 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 COO Europe the target value is 150% of base salary.

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

Linked to RoC

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

Linked to TSR

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

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

TSR performance peer group

Tesco	Kroger
Carrefour	Costco
Metro	Target
Casino Guichard	Walgreen
Perrachon	Boots Alliance
J Sainsbury	Best Buy
W M Morrisson	Staples
Walmart	

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

Linked to Sustainable Retailing

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

Shareholding requirements and ownership guidelines

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

Remuneration

continued

Claw-back

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

Pensions and other contract terms

Pension

All existing pension arrangements in the Netherlands have been brought in line with the applicable fiscal pension regulations. The pension plan for Management Board members is calculated similarly to that of all other associates of the Company in the Netherlands and is referred to as a defined benefit plan, based on career average salary. The retirement age (in 2017) is 67. The pensionable salary is capped at around €100,000 (2017: € 98,995). Each Management Board member working on a Dutch contract pays a pension premium contribution identical to that of all other Ahold Delhaize associates in the Netherlands. In addition, Management Board members receive a gross (age-dependent) pension allowance and can choose to participate in a Net Pension Arrangement by investing the net (after tax) amount. The Net Pension Arrangement is identical to that of all other associates of the Company in the Netherlands whose pensionable salary exceeds the cap. Participation in this Net Pension Arrangement is voluntarily.

Members of the Management Board working on a non-Dutch contract are offered pension plans in line with local practices.

Loans

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

Additional arrangements

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

(Service) Agreements

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

Future outlook

In light of changes to the labor market reference group and TSR peer group due to the demerger of Metro Group and delisting of Staples, the Supervisory Board will include substitute comparable companies. For benchmarking purposes, from 2018 onwards, Metro Cash & Carry will replace Metro Group, and Lowe's Companies will replace Staples in the labor market peer group. For relative TSR measurement, this substitution comes into effect for the 2016 and 2017 GRO awards and to-be-granted GRO share awards.

2017 Management Board Remuneration

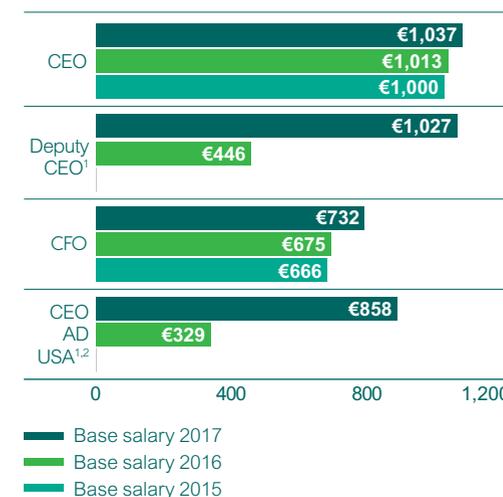
The Management Board remuneration for 2017 is in accordance with the Management Board remuneration policy. This policy was adopted at the General Meeting of Shareholders on April 19, 2016, and an individual exception was adopted at the General Meeting of Shareholders on April 12, 2017.

2017 Base salary

The base salaries of members of the Management Board were adjusted effective January 2017, and for the CEO Ahold Delhaize USA effective May 2017 in accordance with the adoption of the individual exception by the General Meeting of Shareholders on April 12, 2017.

Base salary

thousands



¹ For the members appointed to the Management Board in 2016, the 2016 base salary reflects a partial year.

² For 2017, CEO AD USA refers to the COO Ahold USA. The salary of the CEO AD USA has been converted from U.S. dollars into euros using the 2017 year-to-date average \$ / € exchange rate of 0.8868.

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

Remuneration

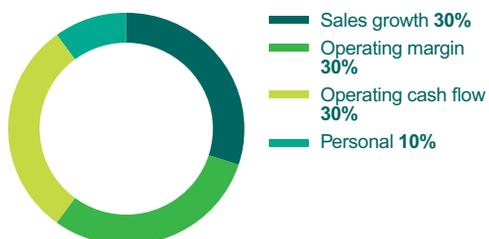
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2017 Annual cash incentive plan: EIP

The EIP uses three equally weighted financial measures: sales growth (30%), operating margin (30%) and operating cash flow (30%). In addition, personal objectives (10%) are included.

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

2017 EIP Performance measures



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

Actual EIP

thousands



- For the members appointed to the Management Board in 2016, the 2016 EIP reflects a partial year.
- 2017 EIP represents accrued annual cash incentives to be paid in 2018 and subject to shareholder approval of the financial statements.
- The overall 2017 financial performance multiplier was 93%. This reflects our financial results being modestly below target. The individual EIP amounts also include the component linked to individual performance.
- For 2017, CEO AD USA refers to the COO Ahold USA. The EIP of the CEO AD USA has been converted from U.S. dollars into euros using the 2017 year-to-date average \$ / € exchange rate of 0.8868. For 2016, CEO AD USA refers to the COO Delhaize America for the period up to October 1, 2016, and the COO Ahold USA for the period starting October 1, 2016. The 2016 EIP of the CEO AD USA has been converted from U.S. dollars into euros using the 2016 year-to-date average \$ / € exchange rate of 0.912519.

2017 Long-term equity-based program: GRO

The Management Board members participate in Ahold Delhaize's long-term equity-based incentive program, GRO. The 2017 GRO award was made the day after the 2017 annual General Meeting of Shareholders.

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

2017 GRO grant

To calculate the number of shares to be granted, the at-target value of the award is divided by the six-month average share price preceding the annual award date, calculated over the fourth quarter of 2016 and the first quarter of 2017. Scenario analyses are prepared regularly to estimate the possible future payout levels.

At-target grant and maximum vesting performance shares

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

All percentages constitute a percentage of base salary.



Remuneration

continued

2017 GRO share grant calculation – Example CEO

	At-target share grant (% of base salary)	Award value (base salary ¹ at-target grant %)	Number of shares granted (award value divided by six-month average share price)
RoC performance shares	94%	975,118	48,819
TSR performance shares	94%	975,118	48,819
Sustainability performance shares	47%	487,560	24,410
	235%	2,437,796	122,048

¹ Table assumes base salary of €1,037,360 and six-month average share price of €19.97.

2017 GRO share grant calculation – Example CFO

	At-target share grant (% of base salary)	Award value (base salary ² at-target grant %)	Number of shares granted (award value divided by six-month average share price)
RoC performance shares	70%	512,578	25,662
TSR performance shares	70%	512,578	25,662
Sustainability performance shares	35%	256,289	12,831
	175%	1,281,445	64,155

² Table assumes base salary of €732,254 and six-month average share price of €19.97.

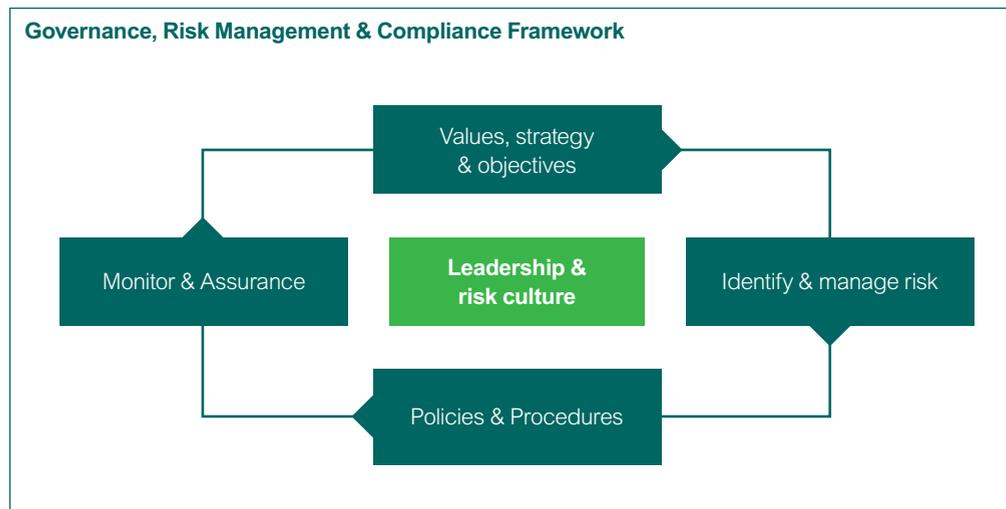
How we manage risk

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

In order to meet our Better Together objectives, we must be agile and entrepreneurial so that we can respond quickly and effectively to rapid changes in the retail landscape and take advantage of business opportunities whenever and wherever they exist. Meeting these challenges requires us to take risks in a responsible way. Having a proactive approach to risk management that is embedded in our business processes benefits our decision-making and helps us create and preserve value. Managing risks and unpredictable conditions in a timely way increases the likelihood that we will achieve our business objectives, while ensuring compliance with internal and external requirements.

We strive for a culture of openness and transparency in which risks are identified and addressed proactively. Risk management is an integral part of responsible leadership.

At Ahold Delhaize, we have created a Governance, Risk Management and Compliance (GRC) Framework that allows us to effectively identify, assess and manage our risks. This GRC Framework consists of global policies and controls as well as a GRC committee structure that functions as a platform to address relevant risks across functional areas of our Company. In 2017, we implemented the GRC committee structure at the local brand level and continued to integrate and harmonize our policy and control framework across the Ahold Delhaize businesses. We are constantly reviewing and updating our global policies, procedures and controls to ensure consistency in our overall compliance and to support the successful execution of our strategy.



Risk management and internal control

Enterprise risk management

Ahold Delhaize's enterprise risk management (ERM) program is designed to provide executive management with an understanding of the Company's key business risks and associated risk management practices. Within each business, management identifies the principal risks to the achievement of the business objectives and the actions needed to mitigate these risks. Senior brand and global executives periodically review these risks and the related mitigation practices. The observations are aggregated into an enterprise risk management report that is presented to the Management Board and Supervisory Board, as required by the Dutch Corporate Governance Code. Our local brand management is required to review their principal

risks and risk management practices with the Management Board as a regular part of the business planning and performance cycle. Additionally, the Management Board considers the risks impacting the Company from a strategic perspective and provides complementary insights into existing and emerging risks, which are subsequently included in the consolidated ERM process. Ahold Delhaize's enterprise risk management program influences the formation of policies, procedures and controls; the scope of internal audit activities; and the focus of the business planning and performance process. During 2017, we fully integrated our risk management program into one consistent approach for both the former Ahold and former Delhaize group companies.

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 our business objectives as well as potential threats to achieving those objectives and can be categorized as follows:

Strategic

In pursuing our Better Together strategy, Ahold Delhaize is prepared to take risks in a responsible way that takes our stakeholders' interests into account. Through our annual strategic cycle, we follow a logical and systematic process of analysis, dialogue and planning to optimize our decision-making. We use a fact-based analysis of our different markets and brands to support our strategic decision-making process in a way that considers financial, economic, social and political developments that may impact our ability to achieve our objectives. Generally, the Company's risk appetite is between average and above average.

Operational

Operational risks include unforeseen incidents that could result from failures in internal processes or systems, human error, or adverse external events that could negatively impact the day-to-day operation of our business. Our risk appetite related to the management and execution of our day-to-day business is generally low, as we seek to minimize the downside impact of operational failures.

How we manage risk

continued

Financial

With respect to financial risks, Ahold Delhaize has a prudent financial strategy, the principles of which are governed by the treasury policy. We are committed to maintaining an investment-grade credit rating and are averse to any risks that could jeopardize the integrity of our financial reporting. Our financial risk management, risk appetite and sensitivities are further detailed in *Note 30* of the consolidated financial statements.

Compliance

At Ahold Delhaize, an essential part of our strategic framework is behaving according to our values. One of Ahold Delhaize's values is "Integrity," which means that the Company and all its associates do the right thing to earn customers' trust. We strive for full compliance with laws and regulations and with our policies and procedures everywhere we do business. Consequently, our risk appetite in this area is very low.

Sensitivity analysis

At Ahold Delhaize, we follow closely the impact of different internal and external risk factors on our operations. The purpose of our sensitivity analysis is to assess these risks on the Company's current strategy to determine their impact on our business and the viability of our business model, as well as our ability to meet our financial liabilities and other obligations. Our strategy is based on assumptions relating to: the global economic climate, changes in consumer behaviors, competitor actions, market dynamics and our current and planned structure, among other factors.

Scenario	Associated principal risks	Description
Competitive pressure	<ul style="list-style-type: none"> Competitive environment 	<p>Failure to design and execute our strategic promises could result in not achieving the anticipated benefits of price repositioning and cost savings programs or other strategic initiatives.</p> <p>Failure over a long period of time to adapt to new market dynamics and consumer behaviors could also lead to loss of market share to new market entrants or new shopping channels.</p> <p>These factors may have a material adverse effect on the Company's financial position, results of operations and liquidity.</p>
Information security, and / or data breach and business disruption	<ul style="list-style-type: none"> Business continuity Information security and privacy Strategic initiatives 	<p>In the event of a successful data breach, the Company could be subject to material monetary penalties, loss of customers and damage to our corporate reputation; it could also lead to potential litigation.</p>

In the table to the left are two extreme scenarios that are considered severe but possible. None of these scenarios individually threaten the viability of the Company, however, the compound impact of these scenarios has been evaluated as the most severe stress scenario.

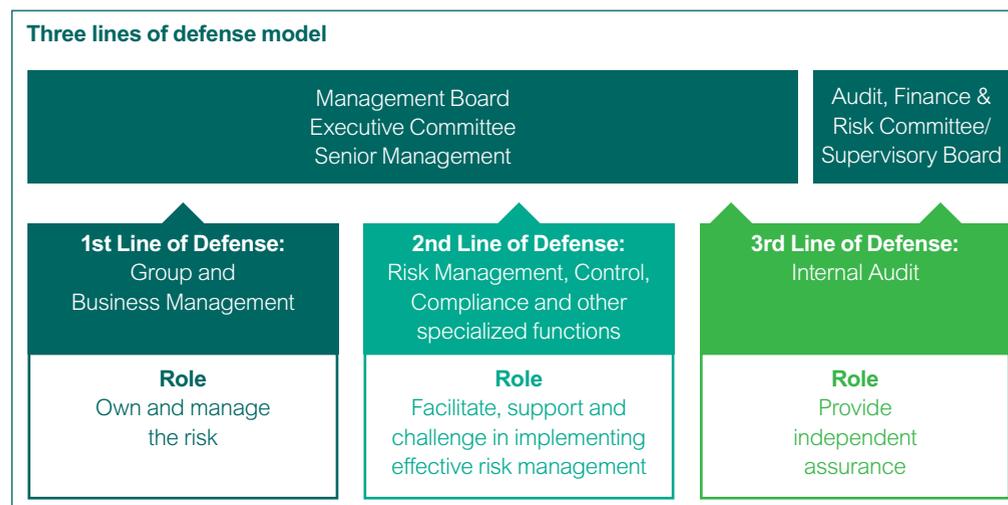
These scenarios are hypothetical and purposefully severe for the purpose of illustrating outcomes that could have the ability to threaten the viability of the Company. In the case of these scenarios arising, mitigation plans at global and brand level have been defined, and if applicable, various options are available to the Company to maintain liquidity and support ongoing operations. These options include: accessing new external funding early, more radical short-term cost-reduction actions and adjustments to capital allocation.

Control framework

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

Three lines of defense model

In a time of significant transition and change, Ahold Delhaize has carried forward the unwavering commitment to integrity that was at the core of Ahold and Delhaize Groups prior to the merger.





How we manage risk

continued

In early 2017, we launched the Ahold Delhaize Code of Ethics, which is based on four ethical principles:

- We respect each other
- We follow the law
- We act ethically in all our relationships
- We have the courage to speak up

The Code of Ethics is intended to help each associate understand and follow relevant compliance and ethical principles, and to know when and where to ask for advice or report a compliance or ethics breach, which includes the use of whistleblower lines, available to our associates in each of our locations.

In 2017, our brands' whistleblower lines received 6,817 reports. Approximately 34% of the reports were made anonymously. On average, 94% of the reports were investigated and resolved within the quarter in which they were received. In 2017, there were no substantiated reports of significant financial reporting, accounting, fraud or ethical violations.

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.

Monitoring and assurance

We use a comprehensive business planning and performance review process to monitor the Company's performance. This process covers the adoption of strategy, budgeting and the reporting of current and projected results. We assess business performance according to both financial and non-financial targets. In order to meet business needs and the requirements of the Dutch Corporate Governance Code, we have a Group-wide management certification process in place, which requires that the executive management team members at each of our reporting entities send letters of representation to the Financial Disclosure Committee on a quarterly basis.

These letters confirm whether the reporting entities are in compliance with Ahold Delhaize's Code of Ethics, policies on fraud prevention and detection, accounting and internal control standards, and disclosure requirements.

On July 31, 2017, Ahold Delhaize filed a certification with the U.S. Securities and Exchange Commission (SEC) in connection with the deregistration of its ordinary shares, which has terminated the Company's U.S. corresponding reporting obligations with the SEC.

While the Company will no longer be subject to the Sarbanes Oxley Act regulations related to control over financial reporting, we are still subject to the Dutch Corporate Governance Code, which is consistent with Sarbanes Oxley in spirit and substance. Consequently, we have decided to keep our current internal control environment in place. All of our businesses are required to continue to maintain a sound internal control environment with robust policies, procedures, controls and a strong financial discipline, and to comply with our current internal controls framework so that we can continue to provide a high level of assurance to our senior leadership, Audit, Finance and Risk Committee, investors and external regulators.

At the direction of the global Governance, Risk & Compliance Committee, the GSO Compliance team along with the GSO Risks and Controls team are finalizing their review of the current global policies, procedures and related internal control framework with the respective operational and executive owners. Their aim is to ensure that the revised global standards address all relevant risks to the Company and that the control objectives are consistent, are applicable to all our business units and provide a robust level of assurance. 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.

Governance, Risk management and Compliance Committee

The global Governance, Risk and Compliance (GRC) Committee is responsible for reviewing the Company'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 GRC. To support local management and provide visibility regarding local risks to the global GRC Committee, each of our brands has a local GRC committee that operates in parallel to the global GRC committee process.

During 2017, the global GRC Committee met on a quarterly basis. In addition to Ahold Delhaize's Chief Legal Officer (Chairman), the Chief Executive Officer and the Chief Financial Officer sit on the GRC Committee, along with other members of local and global management responsible for our governance, risk management, accounting and reporting, compliance and assurance functions.



How we manage risk

continued

Declaration

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

Ahold Delhaize supports the Dutch Corporate Governance Code and makes the following declaration in accordance with provision I.4.3:

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. Management is not aware of any critical failings of these systems during 2017.

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 2017 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 and operated effectively in 2017 and provide reasonable assurance that the financial statements are free of material misstatement.

Risk factors

The principal risk factors that may impede the achievement of Ahold Delhaize's objectives with respect to strategy, operations, financial and compliance matters are described in the following section. The enterprise risk management system, the governance and control standards incorporated within our GRC Framework, and the monitoring systems described above are the principal means by which we identify and manage these risks. Management is not aware of any critical failings in these systems during 2017.

The following overview of risks relating to Ahold Delhaize should be read carefully when evaluating the Company's business, its prospects and the forward-looking statements contained in this Annual Report. The following risks, which may or may not materialize, could have a material adverse effect on Ahold Delhaize's financial position, results of operations and liquidity or could cause actual results to differ materially from the results contemplated in the forward-looking statements contained in this Annual Report.

Our principal risks remain substantially unchanged from 2016. The risk related to the Ahold Delhaize merger has been updated to reflect the completion of the merger and current focus on the integration. The aggregation of risks to the Ahold Delhaize enterprise risk management report did not result in new principal risks, although nuances have been identified and processed.

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

How we manage risk

continued

Ahold Delhaize's principal risks and uncertainties¹

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

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

How we manage risk

continued

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
<p>Information security and privacy (O, C)</p> <p>A lack of security around, or non-compliance with, privacy requirements for customer or associate data might negatively impact strategic initiatives relating to customer loyalty</p>	<p>A better place to shop</p> <p>A better place to work</p>	<ul style="list-style-type: none"> • Consumer confidence • Sensitivity of data • Changing or conflicting privacy legislation or regulations • Use of third parties to process and store data • Global security threats • Growth of online sales • Lack of awareness of regulations and internal requirements 	<ul style="list-style-type: none"> • Strategic and tactical information security policy and guidelines • Information security and privacy governance • Control standards for information management and security • Security and Privacy by Design • Payment Card Industry (PCI) and privacy compliant control framework • Information security capabilities • Information security and data privacy awareness programs • Cyber insurance coverage 	<p>Ahold Delhaize's business operations generate and maintain confidential commercial and personal information concerning customers, associates, suppliers and the Company. Data breaches with disclosure of confidential information to unintended third parties may negatively impact Ahold Delhaize's corporate reputation and competitive position or result in litigation or regulatory action. This could have a material adverse effect on Ahold Delhaize's financial position or reputation.</p>
<p>Labor (O)</p> <p>Ahold Delhaize's brands might not be able to negotiate extensions or replacements on acceptable terms, or face unfavorable expectations or demands from trade unions</p>	<p>A better place to work</p> <p>Our sustainable business model</p>	<ul style="list-style-type: none"> • People management and associate engagement • Expiring collective bargaining agreements • Relationships with the relevant trade unions 	<ul style="list-style-type: none"> • Associate engagement survey and response • Performance management cycle • Contract negotiation process • Functions that support relationships with trade unions • Contingency plans 	<p>A work stoppage or other event due to the failure of one or more of Ahold Delhaize's brands to renegotiate a collective bargaining agreement, or otherwise, could be disruptive to our businesses, lead to adverse publicity and have a material adverse effect on the Company's results of operations and financial position.</p>
<p>Legislative and regulatory environment (C)</p> <p>A changing legislative and regulatory environment might increase the cost of doing business, tax levels and the complexity of our operations</p>	<p>Our sustainable business model</p>	<ul style="list-style-type: none"> • Increased focus on compliance, and enforcement • Public opinion / pressure • International and national tax developments • Local regulatory changes • Diversity of jurisdictions • Changing political climate • Unfavorable position of retail in the value chain 	<ul style="list-style-type: none"> • Knowledge and awareness of regulations • Monitoring, review and reporting on changes • Operational procedures and guidance • Education of regulators and public policymakers, e.g., through industry associations • Tax policy • Engaging with stakeholders 	<p>Ahold Delhaize's activities are subject to various laws and regulations in each local market where it operates. The cost of compliance with any of these laws could impact Ahold Delhaize's operations and reduce its profitability. See further discussion of the consequences of the legislative and regulatory risks below.</p>



How we manage risk

continued

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
<p>Merger-related changes at Ahold Delhaize in the United States (S)</p> <p>We could be unable to realize the expected benefits of the merger after the integration</p>	<p>Our sustainable business model</p> <p>Our promises</p>	<ul style="list-style-type: none"> Integration of the businesses more difficult or time-consuming than expected Process and structural changes Key staff leaving the Company 	<ul style="list-style-type: none"> Governance structure with direct Management Board involvement and Supervisory Board oversight Integration management office, plans and processes Monthly integration reviews Synergy targets The creation of Ahold Delhaize USA and one Retail Business Services organization to support our brand-centric strategy for the United States 	<p>If Ahold Delhaize is unable to realize the organizational and growth opportunities as well as other benefits after implementing the new U.S. structure and organization, this could have a material adverse effect on the Company's reputation or have a material adverse effect on Ahold Delhaize's financial position.</p>
<p>Pension plan funding (F)</p> <p>Ahold Delhaize is exposed to the financial consequences of a number of defined benefit pension plans covering a large number of its associates in the Netherlands and in the United States</p>	<p>Our sustainable business model</p>	<ul style="list-style-type: none"> Low interest rates Stock market performance Changing pension laws Longevity Increasing U.S. healthcare costs 	<ul style="list-style-type: none"> Governance structure with a Company-wide pension committee responsible for monitoring pension plan funding for Company-sponsored and multi-employer plans 	<p>A decrease in equity returns or interest rates may negatively affect the funding ratios of Ahold Delhaize's pension funds, which could lead to higher pension charges and contributions payable. According to Dutch law and / or contractually agreed funding arrangements, Ahold Delhaize may be required to make additional contributions to its pension plans if minimum funding requirements are not met. In addition, a significant number of union associates in the United States are covered by multi-employer plans (MEPs).</p> <p>Significant increases in healthcare and pension funding requirements could have a material adverse effect on the Company's financial position, results of operations and liquidity.</p> <p>See more details on risks related to MEPs in Other risks and uncertainties below and in Note 23 to the consolidated financial statements.</p>

How we manage risk

continued

Risk	Strategic area	Key risk drivers	Mitigating actions	Potential consequences
<p>Product safety (O, C) The consumption of own-brand products or other food or non-food products could result in our customers' injury, illness or death, due to food fraud in the supply chain or other developments</p>	<p>A better place to shop</p>	<ul style="list-style-type: none"> • Internationalization of the supply chain • Incidents across the world • Increased number of own-brand products • Transparency and speed of communications (social media) 	<ul style="list-style-type: none"> • Product safety policies • Control standards for food and non-food products • Standard operating procedures • Dedicated product integrity guidance and controls in our brands • Monitoring of performance in the business • Tracing of product origins and conditions of production • Third-party certification • Insurance program • Participation in industry associations • Exploring new technologies (e.g., blockchain) 	<p>Though it has mitigating actions in place, Ahold Delhaize may face product safety problems, including disruptions to the supply chain caused by food-borne illnesses and negative consumer reaction to incidents, which may have a material adverse effect on the Company's reputation, results of operations and financial position.</p>
<p>Strategic initiatives (S) Activities are increasingly undertaken in the form of projects. Ahold Delhaize might not be able to deliver on the objectives of its strategic projects</p>	<p>Our sustainable business model Our promises</p>	<ul style="list-style-type: none"> • Changing retail environment • Dependencies between projects and operational activities • Availability of required capabilities 	<ul style="list-style-type: none"> • Ahold Delhaize's governance structure • Approved strategies • Program and project management • Business review process 	<p>Ahold Delhaize is implementing its Better Together strategy. If the Company is not able to deliver on the objectives of its underlying strategic projects, the realization of key elements of its strategy may be at risk. This could have a material adverse effect on Ahold Delhaize's financial position, results of operations and liquidity.</p>



How we manage risk

continued

Other risks and uncertainties

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

Sustainable retailing (S, O)

Increased regulatory demands, stakeholder awareness and the growing sentiment that large retailers must address sustainability issues across the entire supply chain mean that Ahold Delhaize's brands and reputation may suffer if it does not adequately address relevant sustainability issues affecting the food retail industry. We have integrated Sustainable Retailing into our Better Together strategy to ensure that it is part of our daily business, and that we continue to improve our performance, with a focus on three strategic areas: promoting healthier eating, reducing food waste and creating healthy and inclusive workplaces. Through the implementation of our strategy, we aim to strengthen the communities where we operate.

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

For more information see *Our Better Together strategy*.

Insurance programs (F)

Ahold Delhaize manages its insurable risks through a combination of self-insurance and commercial insurance coverage. A large part of our operations is self-insured for workers' compensation, general liability, property, vehicle accident and certain healthcare-related claims. Self-insurance liabilities are estimated based on actuarial valuations. While we believe that the actuarial estimates are reasonable, they are subject to changes caused by claim reporting patterns, claim settlement patterns, regulatory economic conditions and adverse litigation results. It is possible that the final resolution of some claims may require us to make significant expenditures in excess of our existing reserves. In addition, third-party insurance companies that provide the fronting insurance that is part of our self-insurance programs require us to provide certain collateral. We take measures to assess and monitor the financial strength and credit-worthiness of the commercial insurers from which we purchase insurance. However, we remain exposed to a degree of counterparty credit risk with respect to such insurers. If conditions of economic distress were to cause the liquidity or solvency of our counterparties to deteriorate, we may not be able to recover collateral funds or be indemnified from the insurer in accordance with the terms and conditions of our policies.

Pension funds and multi-employer plans (F)

A significant number of union employees in the United States are covered by multi-employer plans based on obligations arising from collective bargaining agreements. The risks to the Company involved with participating in MEPs include the following:

- The Company's contributions to a multi-employer plan in which it participates may be used to fund benefits to employees of other participating employers.
- If the Company seeks to withdraw from some of its MEPs, it must obtain the agreement of the applicable unions and, in connection with this, the Company may be required to pay those plans an amount based on its allocable share of the unfunded vested benefits of the plan, referred to as a withdrawal liability.
- If another participating employer stops contributing to an MEP in which the Company participates (e.g., due to bankruptcy), the Company and other remaining participating employers may have to increase their contributions to fund the unfunded obligations of the plan allocable to the withdrawing employer.
- An MEP in which the Company participates may become insolvent and the Company may be required, in certain circumstances, to increase its contributions to fund the payment of benefits by the MEP.

In addition, Ahold Delhaize may be required to pay significantly higher amounts to fund U.S. associate healthcare plans in the future.

For additional information, see *Note 23* to the consolidated financial statements.

Other financial risks (F)

Other financial risks include foreign currency translation risk, credit risk, interest rate risk, liquidity risk and contingent liabilities to third parties relating to lease guarantees.

For information relating to these financial risks, see *Note 30* and *Note 34* to the consolidated financial statements.

Unforeseen tax liabilities (C)

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



How we manage risk

continued

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

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

From time to time, Ahold Delhaize and its businesses are parties to legal and regulatory proceedings in a number of countries, including the United States, and may be subject to investigations or inquiries, including but not limited to investigations or inquiries by the competition authorities related to alleged violations of competition laws in jurisdictions where they conduct business. Based on the prevailing regulatory environment or economic conditions in the markets in which Ahold Delhaize businesses operate, litigation, investigations or inquiries may increase in frequency and materiality. These legal and regulatory proceedings may include matters involving personnel and employment issues, personal injury, antitrust claims, data privacy and data protection claims, franchise claims and other contract claims and matters, among others. We estimate our exposure to these legal and regulatory proceedings and establish provisions for the estimated liabilities where it is reasonably possible to estimate and where the potential realization of a loss contingency is more likely than not.

The assessment of exposures and ultimate outcomes of legal and regulatory proceedings involves uncertainties. Adverse outcomes of these legal proceedings, or changes in our assessments of proceedings, could potentially result in material adverse effects on our financial results. For further information, see *Note 34* to the consolidated financial statements.



Non-financial information and diversity

The EU Directive on the disclosure of non-financial and diversity-related information was published at the end of 2014. It was transposed into Dutch legislation before the end of 2016, resulting in two separate decrees: Disclosure of non-financial information (“Bekendmaking niet-financiële informatie”) and Disclosure of diversity policy (“Bekendmaking diversiteitsbeleid”). These decrees make it mandatory for companies to include non-financial and diversity-related information in their annual reports.

The information required under these decrees is incorporated throughout this report. The table to the right provides an overview of the key topics to be addressed and where they can be found.

Theme		Section	Ahold Delhaize website	Page
Business model	Our Better Together strategy defines the kind of group we want to be, what drives us, and how our brands will win in all our markets.	Our Better Together strategy		28-29
		Our purpose		30-31
		Our sustainable business model		32-37
		Our promises		38-45
		Our values		46-48
Environmental matters	At Ahold Delhaize, we are reducing our energy intensity and emissions by assessing and reducing the environmental impact of our operations. We have already uncovered plenty of opportunities: from the refrigerators, transport methods and energy we use, to how we dispose of waste.	Our promises	https://www.aholddelhaize.com/en/sustainable-retailing/	44-45
		Our response to stakeholder needs		49-57
		How we manage risk	sustainable-retailing-in-practice/	108-117
		Sustainability performance	climate-impact/	250
Social and personnel matters	We recognize that diversity and inclusion are critical to our Company's success – they make us better and increase associate engagement.	Our promises	https://www.aholddelhaize.com/en/sustainable-retailing/	42-43
		Our values		46-48
		Our response to stakeholder needs	sustainable-retailing-in-practice/	49-57
		How we manage risk	create-an-inclusive-and-healthy-workplace/	108-117
		Sustainability performance		250
Respect for human rights	We are committed to respecting the human rights of our associates, our customers, our communities and the people who work throughout our supply chains.	Our promises	https://www.aholddelhaize.com/en/sustainable-retailing/sustainable-retailing-in-practice/create-an-inclusive-and-healthy-workplace/our-position-on-human-rights/	38-45
		Our values		46-48
		Our response to stakeholder needs		49-57
			https://www.aholddelhaize.com/en/about-us/code-of-ethics/	
		https://www.aholddelhaize.com/en/about-us/code-of-ethics/our-standards-of-engagement/		



Non-financial information and diversity

continued

The information required under the two decrees is incorporated throughout this report. The table to the right provides an overview of the key topics to be addressed and where they can be found.

Theme		Section	Ahold Delhaize website	Page
Anti-corruption and bribery	Being a trustworthy retailer of choice is very important for us. We are committed to conducting business with integrity, in an ethically responsible manner and in compliance with the law in all countries and jurisdictions in which we operate.	Our values	https://www.aholddelhaize.com/en/about-us/code-of-ethics/	46-48
Diversity	We strive to create a workplace that reflects the diversity of our communities and where each person feels valued and inspired to develop to their full potential.	Our promises		43
		Our Management Board and Executive Committee		83
		Our Supervisory Board		85
	In the composition of our Management and Supervisory Boards, we aim for diversity of nationality, age, education, gender and professional background.	Sustainable Retailing data		255



Declarations

Introduction

This 2017 Ahold Delhaize Annual Report dated February 27, 2018, (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 2017 financial statements “jaarrekening” within the meaning of section 2:361 of the Dutch Civil Code, please refer to *Financials*. The members of the Management Board and the Supervisory Board have signed the 2017 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: *Message from our CEO, Who we are, The world around us, Business Review, 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, please refer to subsection *Other information* under *Financials*, and to the section *Investors*.

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 2017 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 December 31, 2017, 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.

Management Board

Dick Boer
President and Chief Executive Officer

Frans Muller
Deputy Chief Executive Officer
and Chief Integration Officer

Jeff Carr
Chief Financial Officer

Kevin Holt
Chief Executive Officer Ahold Delhaize USA

This Annual Report, including the 2017 financial statements, which are audited by PricewaterhouseCoopers Accountants N.V., has been presented to the Supervisory Board. The 2017 financial statements and the independent auditor’s report relating to the audit of the 2017 financial statements were discussed with the Audit, Finance and Risk Committee in the presence of the Management Board and the external independent auditor. The Supervisory Board recommends that the General Meeting of Shareholders adopts the 2017 financial statements included in this Annual Report and recommends the proposal to pay a cash dividend for the financial year 2017 of €0.63 per common share.

Supervisory Board

Mats Jansson (Chairman)
Jan Hommen (Vice Chairman)
Jacques de Vaucleroy (Vice Chairman)
René Hooft Graafland
Ben Noteboom
Bill McEwan
Rob van den Bergh
Mark McGrath
Mary Anne Citrino
Johnny Thijs
Patrick De Maeseneire
Dominique Leroy