

Koninklijke Ahold N.V. is the parent company of the Ahold group. It was founded in 1887 and incorporated as a limited liability company under Dutch law on April 29, 1920. Ahold's common shares are listed on Euronext Amsterdam and its American Depositary Receipts are traded on the over-the-counter market in the United States.

Corporate governance

As a Dutch listed company Ahold is required to comply with the Dutch Corporate Governance Code either by applying its provisions or explaining why it deviates from any provision. Ahold's shareholders consented to all of the proposed changes aimed at compliance with the Dutch Corporate Governance Code during an Extraordinary General Meeting of Shareholders on March 3, 2004. Ahold continues to seek ways to improve its corporate governance by measuring itself against international best practice. On September 20, 2007, Ahold completed the delisting of its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE). Deregistration from the U.S. Securities and Exchange Commission (SEC) became effective on December 27, 2007. This terminates Ahold's reporting obligations with respect to the ADRs on the NYSE which had been suspended since September 28, 2007. The Company's ADRs will continue to be traded on the over-the-counter (OTC) market in the United States.

The decision to delist has been taken as part of Ahold's strategy to improve cost-effectiveness by reducing complexity without detracting from the integrity of its corporate governance and control processes. The benefits of maintaining a U.S. registration and a NYSE listing have declined over time. The majority of Ahold shares held by U.S.-domiciled investors are acquired through Euronext Amsterdam and the average daily trading volume in the United States over the last 12 months has been less than five percent of the total worldwide volume. Ahold expects to be able to fully satisfy its current and future capital requirements based on its financial standing, through a single listing on Euronext Amsterdam. Ahold's Corporate Executive and Supervisory Boards have also taken into account the regulatory, legal, reporting and governance complexity and costs associated with complying with these two registrations.

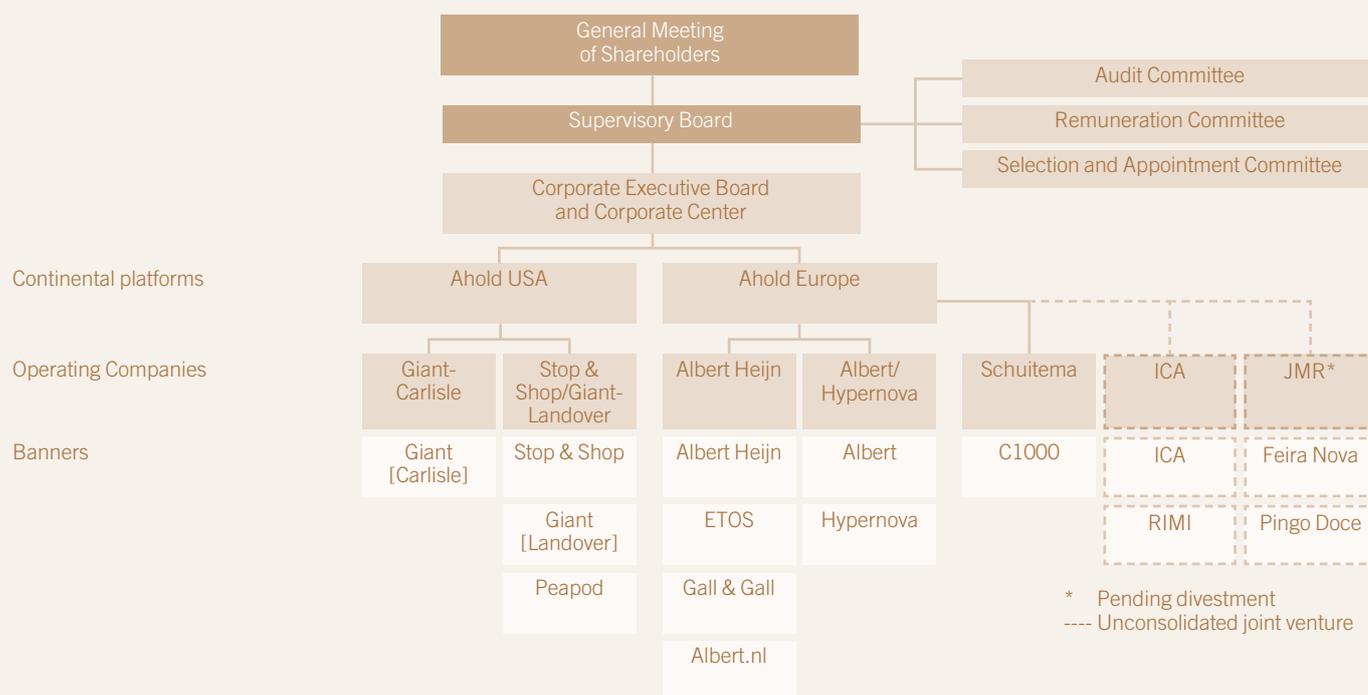
Governance structure

Ahold's governance structure is comprised of a Corporate Center and two continental platforms, Ahold USA and Ahold Europe, each of which contain several operating companies. This structure is focused on enabling the Company to execute its strategy effectively as a Group of companies, and achieve its growth objectives through building powerful local consumer brands.

Ahold's structure has been designed to strike an effective balance between local, continental and Group (Ahold-wide) decision making.

- Locally Ahold remains close to consumers and responsive to their needs.
- Continentally Ahold simplifies and aligns what it does, leveraging its continental capabilities to increase the speed of how it improves value to customers, addresses local market challenges, and realizes scale benefits.

The following diagram shows the governance structure of Ahold and its businesses.



A list of subsidiaries, joint ventures and associates is included in Note 35 to the consolidated financial statements in this Annual Report.

Corporate Executive Board

Ahold is managed by the Corporate Executive Board, which is supervised and advised by the Supervisory Board. The Corporate Executive Board as a whole is responsible for the management and the general affairs of Ahold.

Composition

Ahold's Articles of Association provide that the Corporate Executive Board must consist of at least three members. In the event that one or more members of the Corporate Executive Board is absent or ceases to hold office, the remaining members or the sole remaining member will conduct the management of the Company. At the Annual General Meeting of Shareholders on May 3, 2007, Dick Boer was appointed to the Corporate Executive Board, on which he had been serving as acting member since May 10, 2006. Following the joint decision of the Supervisory Board and Anders Moberg that given the completion of the Road to Recovery of Ahold and the entering by Ahold into a new era, it was in the best interest of all concerned that Anders Moberg would resign as per July 1, 2007, the Supervisory Board appointed John Rishton as acting President and Chief Executive Officer. Kimberly Ross was appointed Deputy Chief Financial Officer per the same date.

On November 15, 2007, the Supervisory Board appointed John Rishton as President and Chief Executive Officer, and Kimberly Ross as Executive Vice President and Chief Financial Officer. She assumed the position of acting Corporate Executive Board member and will be nominated for appointment to the Corporate Executive Board at the Annual General Meeting of Shareholders scheduled for April 23, 2008. Also, Peter Wakkie is available for another term,

and the Supervisory Board will propose to the General Meeting of Shareholders to reappoint him as member of the Corporate Executive Board.

Appointment, suspension and dismissal

The General Meeting of Shareholders appoints, suspends, or dismisses a Corporate Executive 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 a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised, regardless of the number of shares represented at the meeting, is required to adopt the proposal to appoint, suspend or dismiss a Corporate Executive Board member.

Corporate Executive Board members are appointed for a term of four years and may be reappointed for additional terms not exceeding four years. The Supervisory Board may at any time suspend a Corporate Executive Board member.

Remuneration

The General Meeting of Shareholders on May 18, 2006 adopted the remuneration policy for Corporate Executive Board members. Details on this policy can be found in the "Remuneration" section of this Annual Report.

For detailed information on the individual remuneration of Corporate Executive Board members, see Notes 31 and 32 to the consolidated financial statements in this Annual Report.

Retirement and reappointment schedule

Name	Date of birth	Date of initial appointment	Date of possible reappointment
John Rishton	February 21, 1958	May 18, 2006	2010
Peter Wakkie	June 22, 1948	November 26, 2003	2008
Dick Boer	August 31, 1957	May 3, 2007	2011

The Corporate Executive Board Charter can be found in the corporate governance section of our website at www.ahold.com.

Supervisory Board

The Supervisory Board is responsible for supervising and advising the Corporate Executive Board and overseeing the general course of affairs and the strategy of the Company. The Supervisory Board is guided in its duties by the interests of Ahold, taking into consideration the overall good of the enterprise and the relevant interests of all those involved in the Company.

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

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

- Issuance of shares;
- Acquisitions, redemptions, repurchases of shares and any reduction in issued and outstanding capital;
- Allocation of duties within the Corporate Executive Board and the adoption or amendment of the Corporate Executive Board Charter; and
- Significant changes in the identity or the nature of the Company or its enterprise.

Appointment

The General Meeting of Shareholders appoints, suspends or dismisses 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 a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised, regardless of the number of shares represented at the meeting, is required. A Supervisory Board member is appointed for a four-year term and is eligible for reappointment. However, a Supervisory Board member may not serve for more than 12 years.

Committees of the Supervisory Board

The Supervisory Board has established the following permanent committees:

Audit Committee

The Audit Committee assists the Supervisory Board in its responsibilities to oversee financing, financial statements, the financial reporting process and the system of internal business controls and risk management. It is also responsible for pre-approving all audit services and permitted non-audit services.

Selection and Appointment Committee

The Selection and Appointment Committee makes recommendations to the Supervisory Board regarding candidates for service on the Corporate Executive Board and the Supervisory Board.

Remuneration Committee

The Remuneration Committee recommends the remuneration policy for the Corporate Executive Board to be adopted by the General Meeting of Shareholders, prepares proposals to the Supervisory Board for remuneration of individual members of the Corporate Executive Board and advises the Corporate Executive Board on the level and structure of compensation for other senior personnel.

The following charters can be found in the corporate governance section of Ahold's website at www.ahold.com: the Supervisory Board Charter, the Audit Committee Charter, the Remuneration Committee Charter and the Selection and Appointment Committee Charter.

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 him with all relevant information. Each member of the Corporate Executive Board is required to immediately report any potential conflict of interest to the Chairman of the Supervisory Board and to the other members of the Corporate Executive Board and provide the Chairman of the Supervisory Board and the other members of the Corporate Executive Board with all relevant information. The Chairman determines whether there is a conflict of interest. If a member of the Supervisory Board or a member of the Corporate Executive Board has a conflict of interest with the Company, the member may not participate in the discussions and/or decision-making process on a subject or transaction in relation to the conflict of interest. The Chairman of the Supervisory Board shall arrange for such transactions to be disclosed in the Annual Report. No such conflicts of interest occurred in 2007. In accordance with provision III.6.4 of the Dutch Corporate Governance Code, Ahold reports that no transactions between the Company and legal or natural persons who hold at least 10 percent of the shares in the Company have occurred in 2007.

Shares and shareholders' rights

For details on the number of outstanding shares, see Note 20 to the consolidated financial statements included in this Annual Report. For details on listings, share performance, and dividend policy with respect to Ahold's common shares, see the "Investor relations" section.

Issue of additional shares and pre-emptive rights

Shares may be issued pursuant to a resolution of the General Meeting of Shareholders upon a proposal of the Corporate Executive Board with the approval of the Supervisory Board. The General Meeting of Shareholders may resolve to delegate this authority to the Corporate Executive Board for a period not exceeding five years. A resolution of the General Meeting of Shareholders to issue shares or to authorize the Corporate Executive Board to do so is subject also to the approval of each class of shares whose rights would be adversely affected by the proposed issuance or delegation. The General Meeting of Shareholders approved a delegation of this authority to the Corporate Executive Board, subject to the approval of the Supervisory Board until and including November 3, 2008 with respect to the issuance and/or granting of rights to acquire common shares up to a maximum of 10 percent of the outstanding common shares.

Holders of common shares have a pre-emptive right to purchase common shares upon the issue of new common shares in proportion to the aggregate amount of their existing holdings of Ahold's common shares. According to the Company's Articles of Association, this pre-emptive right does not apply in respect of any issuance of shares to employees of Ahold. The General Meeting of Shareholders may resolve to restrict or exclude pre-emptive rights. The General Meeting of Shareholders may also designate by resolution the Corporate Executive Board for a period not exceeding five years as the corporate body authorized to restrict or exclude pre-emptive rights. An absolute majority of votes cast in the General Meeting of Shareholders is required to adopt a resolution to restrict or exclude rights or to delegate this authority to the Corporate Executive Board, provided that at least one-half of the issued and outstanding share capital is represented at such meeting. A majority of at least two-thirds of the votes cast is required if less than one-half of the issued and outstanding share capital is represented. The General Meeting of Shareholders has delegated the authority to restrict or exclude the pre-emptive rights of holders of common shares upon the issuance of common shares and/or upon the granting of rights to subscribe for common shares to the Corporate Executive Board until and including November 3, 2008.

Corporate governance

General Meeting of Shareholders

Ahold's shareholders exercise their rights through an Annual and Extraordinary General Meetings of Shareholders. These meetings must be held in the Netherlands, and specifically in the municipalities of Zaanstad, Amsterdam, The Hague, Rotterdam, Utrecht, Amersfoort or Haarlemmermeer. Each year, no later than six months after the end of the financial year of the Company, Ahold is required to convene an Annual General Meeting of Shareholders. Additional Extraordinary General Meetings of Shareholders may be convened at any time by the Supervisory Board, the Corporate Executive Board or by one or more shareholders representing at least 10 percent of the issued share capital. The agenda for the Annual General Meeting of Shareholders must contain certain matters as specified in Ahold's Articles of Association and under Dutch law. This includes, among other things, the adoption of Ahold's annual financial statements. Shareholders are entitled to propose items to be put on the agenda of the General Meeting of Shareholders provided they hold at least 1 percent of the issued share capital or the shares held by them represent a market value of at least EUR 50 million. Adoption of such a proposal requires a majority of votes cast at the General Meeting of Shareholders representing at least one-third of the issued shares. If this qualified majority is not achieved but a majority of the votes exercised was in favor of the proposal, then a second meeting may be held. In the second meeting, only a majority of votes exercised, regardless of the number of shares represented at the meeting (unless the law or articles of association provide otherwise), is required to adopt the decision. Proposals for matters to be included in the agenda for the General Meeting of Shareholders must be submitted at least 60 days before the day of the meeting. Ahold may, however, refrain from including a matter on the agenda if this would prejudice its vital interests. The General Meeting of Shareholders is also entitled to approve important decisions regarding the identity or the character of Ahold, including major acquisitions and divestments.

The Corporate Executive Board may set a record date to determine that a person may attend and exercise the rights relating to a General Meeting of Shareholders. Shareholders registered at that date are entitled to attend and to exercise the rights of shareholders in respect of such General Meeting of Shareholders, regardless of a sale of shares after the record date. Shareholders may be represented by written proxy.

Ahold is one of the companies participating in the Shareholder Communication Channel ("Stichting Communicatiekanaal Aandeelhouders"). The Company has used the Shareholder Communication Channel to distribute the agenda for the Annual General Meeting of Shareholders and a voting instruction form that allows shareholders to grant power to an independent proxy holder, either by mail or via the internet.

Holders of ADRs will receive notice from The Bank of New York, the Depository for Ahold's ADR facility, whenever it receives notice of a General Meeting of Shareholders or solicitation of consents or proxies of holders of common shares. The Depository will provide a statement that the owners of ADRs on the record date will be entitled to instruct the Depository as to the exercise of any voting rights represented by the common shares underlying their ADRs. If the Depository does not receive instructions from any owner, the Depository will deem the owner to have instructed the Depository to give a discretionary proxy to a person designated by Ahold for the underlying common shares.

Voting rights

Each common share gives the right to cast one vote. Subject to certain exceptions provided by Dutch law or Ahold's Articles of Association, resolutions are passed by a majority of the votes cast. A resolution to amend the Articles of Association that would change the rights vested in the holders of a particular class of shares requires the prior approval of a meeting of that particular class. A resolution

to dissolve the Company may be adopted by the General Meeting of Shareholders following a proposal of the Corporate Executive Board made with the approval of the Supervisory Board. Any proposed resolution to wind up the Company must be disclosed in the notice calling the General Meeting of Shareholders at which that proposal is to be considered.

No votes may be cast at a General Meeting of Shareholders in respect of shares that are held by Ahold or any of its subsidiaries. These shares are not taken into account for the purpose of determining how many shareholders are voting and are represented, or how much of the share capital is represented at a General Meeting of Shareholders.

Holders of depositary receipts with respect to cumulative preferred financing shares may attend the General Meeting of Shareholders. The voting rights on the underlying shares may be exercised by Stichting Administratiekantoor Preferente Financierings Aandelen Ahold ("SAPFAA"), a foundation organized under the laws of the Netherlands in the manner described in Note 24 to the consolidated financial statements in this Annual Report.

Cumulative preferred financing shares

All outstanding cumulative preferred financing shares have been issued to SAPFAA. The purpose of SAPFAA is, among other things, to acquire and hold cumulative preferred financing shares against the issue of depositary receipts, as well as to exercise all voting rights attached to these shares. Holders of depositary receipts can obtain proxies from SAPFAA. Pursuant to its Articles of Association, 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 March 5, 2008, the members of the board of SAPFAA were:

Member A:	J.H. Ubas, Chairman
Member B:	W.A. Koudijs
Member C:	C.W.H. Brüggemann

Ahold 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 voting rights attached thereto, see Note 24 to the consolidated financial statements in this Annual Report.

Cumulative preferred shares

No cumulative preferred shares are currently outstanding. Ahold entered into an option agreement with Stichting Ahold Continuïteit ("SAC") designed to exercise influence with respect to a potential change in control over the Company. SAC is a Dutch foundation whose statutory purpose is to safeguard the interests of the Company and all stakeholders in the Company and to resist to the best of its ability influences that might conflict with those interests by affecting the Company's continuity, independence or identity. As of March 5, 2008, the members of the board of SAC were:

Name	Principal or former occupation
N.J. Westdijk, Chairman	Former CEO of Royal Pakhoed N.V.
M. Arentsen	Former CFO of CSM N.V.
G.H.N.L. van Woerkom	President and CEO of ANWB
W.G. van Hassel	Former lawyer/former chairman, Dutch Bar Association

SAC is independent of the Company. For details on Ahold's cumulative preferred shares, see Note 20 to the consolidated financial statements in this Annual Report.

Repurchase by Ahold of its own shares

Ahold may acquire fully paid shares of any class in its capital for no consideration at any time or for a consideration subject to certain provisions of Dutch law and the Company's Articles of Association, if:

1. Shareholders' equity, less the payment required to make the acquisition, does not fall below the sum of paid-in and called-up capital and any reserves required by Dutch law or Ahold's Articles of Association; and
2. Ahold and its subsidiaries would thereafter not hold a number of shares exceeding the limit set by law (currently an aggregate nominal value of 10 percent of the issued share capital).

No votes may be exercised on any shares held by Ahold or its subsidiaries in its capital. The resolution of the Corporate Executive Board in respect of an acquisition for consideration by the Company of shares in its capital of any class is subject to the approval of the Supervisory Board. Shares in the Company's own capital may only be acquired if the General Meeting of Shareholders has authorized the Corporate Executive Board to do so. Such authority may apply for a maximum period of 18 months and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired. Ahold may acquire shares in its capital for no consideration or for the purpose of transferring these shares to employees pursuant to share plans or option plans, without such authorization. The Corporate Executive Board has been authorized to acquire shares until and including November 3, 2008, subject to the approval of the Supervisory Board.

On August 30, 2007, Ahold announced a EUR 1 billion share buyback program. The total number of shares repurchased under this program was 96,427,207 common shares at an average price of EUR 10.3702. Of the total shares repurchased, 76,427,207 were cancelled as at January 3, 2008 in accordance with resolutions adopted at Ahold's Annual General Meeting of Shareholders held on May 3, 2007. The remaining 20 million shares repurchased are held by Ahold as treasury shares for delivery under employee share-based compensation plans.

Major shareholders

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

Significant ownership of voting shares

Pursuant to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets ("Autoriteit Financiële Markten") (the "AFM"), if, as a result of that acquisition or disposal, the percentage of outstanding capital interest or voting rights held by that person or legal entity reaches, exceeds or falls below any of the following thresholds:

5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 30 percent, 35 percent, 40 percent, 50 percent, 60 percent, 75 percent and 95 percent.

The obligation to notify the AFM also applies when a percentage of outstanding capital interest or voting rights held by any person or legal entity reaches, exceeds or falls below a threshold as a result of a change in the total outstanding capital or voting rights of Ahold.

In addition local rules may apply to investors.

The following information was obtained from the public notifications on record with the AFM as of March 5, 2008:

Shareholder	Date of disclosure	Capital interest ²	Voting rights ²
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold ¹	January 3, 2008	15.32%	5.87%
ING Groep N.V.	January 15, 2008	9.69%	5.43%
DeltaFort Beleggingen B.V.	November 1, 2006	9.18%	3.28%
AllianceBernstein Corporation	September 27, 2007	5.01%	4.25%
Capital Research and Management Company	February 7, 2008	4.91%	5.66%
Barclays Global Investors	November 13, 2007	4.54%	5.19%
Brandes Investment Partners Inc	November 1, 2006	0.00%	9.25%

¹ All of the outstanding cumulative preferred financing shares are held by SAPFAA, for which SAPFAA issued corresponding depositary receipts to investors that filed under ING Groep N.V. and DeltaFort Beleggingen B.V.

² 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 obtained at www.afm.nl

Corporate governance

Articles of Association

Ahold's Articles of Association set forth certain aspects governing organization and corporate governance. The current text of the Articles of Association is available at the Trade Register of the Chamber of Commerce and Industry for Amsterdam and at www.ahold.com.

The Articles of Association were amended in May 2007, as a result of changes in Dutch corporate law in light of the introduction of electronic communication methods that came into effect in 2007.

On August 22, 2007, Ahold's Articles of Association were amended to allow for a capital repayment and reverse stock split to return EUR 3 billion to Ahold's shareholders. The reverse stock split consisted of a consolidation of every five existing shares with a nominal value of then EUR 0.24 each, into four new shares with a nominal value of EUR 0.30 each.

Set out below are two further provisions of the Articles of Association with respect to the objectives of Ahold and provisions on the dissolution and liquidation of Ahold.

Description of the objectives of Ahold

Pursuant to article two of the Company's Articles of Association, Ahold's objectives are "to promote or join others in promoting companies and enterprises, to participate in companies and enterprises, to finance – including the giving of guarantees and acting as surety for the benefit of third parties as security for liabilities of companies and enterprises with which the Company is joined in a group or in which the Company owns an interest or with which the Company collaborates in any other way – to conduct the management of and to operate companies engaged in the wholesale and retail trade in consumer and utility products and companies that produce such products, to operate restaurants and companies engaged in rendering public services, including all acts and things which relate or may be conducive thereto in the broadest sense, as well as to promote, to participate in, to conduct the management of and, as the case may be, to operate businesses of any other kind."

Liquidation

In the event of Ahold's dissolution and liquidation, the surplus assets remaining after satisfaction of all debts will be distributed in accordance with the provisions of Dutch law and the Company's Articles of Association in the following order:

1. to the holders of cumulative preferred shares, the nominal amount or the amount paid thereon, if lower, as well as any dividends in arrears and dividends over the current dividend period until the date of payment of liquidation proceeds;
2. to the holders of cumulative preferred financing shares, the nominal amount and share premium paid on these shares, as well as any dividends in arrears and dividends over the current dividend period until the date of payment of liquidation proceeds;
3. to the holders of common shares, the nominal amount of these shares, as well as their proportional share in the common shares share premium account; and
4. to the holders of the 120 outstanding founders' certificates, 10 percent of the balance remaining after the distributions mentioned above have been made and after the amounts of the general reserves and profit reserves created since December 31, 1961 have been deducted in accordance with Ahold's Articles of Association. The balance remaining after all of the above distributions shall be for the benefit of the holders of Ahold's common shares in proportion to the aggregate nominal value of common shares held by each of them.

Auditor

The General Meeting of Shareholders appoints the external auditor. The Audit Committee makes a recommendation to the Supervisory Board with respect to the external auditor to be proposed for (re) appointment by the General Meeting of Shareholders. In addition, the Audit Committee evaluates and, where appropriate, recommends the replacement of the external auditor. The Audit Committee also pre-approves the fees for audit and permitted non-audit services to be performed by the external auditor as negotiated by the Corporate Executive Board. The Audit Committee shall not approve the engagement of the external auditor to render non-audit services prohibited by applicable laws and regulations or that would compromise their independence.

On May 3, 2007, the General Meeting of Shareholders reappointed Deloitte Accountants B.V. as external auditor for the Company for the fiscal year 2007.

Decree Article 10 EU Takeover Directive

Pursuant to the Decree Article 10 Takeover Directive, Ahold has to report on its capital structure, restrictions on the transfer of securities and on voting rights, significant shareholdings in Ahold, the rules governing the appointment and dismissal of members of the Corporate Executive Board and members of the Supervisory Board and the amendment of the articles of association, the powers of the Corporate Executive Board, and in particular the power to issue shares or to repurchase shares, significant agreements to which Ahold is a party and which are effectuated, changed or dissolved upon a change of control of Ahold following a takeover bid and any agreements between Ahold and the members of the Corporate Executive Board or employees providing for compensation if their employment ceases because of a takeover bid.

The information required by the Decree Article 10 EU Takeover Directive is included in this "Corporate governance" section and the "Investor relations" section, and the notes referred to therein, or included in the description of any relevant contract.

Compliance with Dutch Corporate Governance Code

Ahold applies all of the relevant provisions of the Dutch Corporate Governance Code.