

PROSPECTUS



Koninklijke Ahold Delhaize N.V.

*(incorporated as a public limited liability company in the Netherlands,
with its statutory seat in Zaandam, the Netherlands)*

EUR 500,000,000 1.125% Notes due March 2026 EUR 300,000,000 Floating Rate Notes due March 2021

Koninklijke Ahold Delhaize N.V. (the **Issuer**, the **Company** or **Ahold Delhaize**) will issue the 1.125% notes due March 2026 for an amount of EUR 500,000,000 (the **Fixed Rate Notes**) and the floating rate notes due March 2021 for an amount of EUR 300,000,000 (the **Floating Rate Notes**, together with the Fixed Rate Notes, the **Notes**). The Fixed Rate Notes will bear interest at the rate of 1.125% per annum and the Floating Rate Notes will bear interest determined by reference to three-month EURIBOR and a fixed credit spread of 0.18% per annum. Interest on the Notes is payable annually in arrears on the Interest Payment Dates (as defined below) falling on (i) in respect of the Fixed Rate Notes, March 19 in each year, commencing on March 19, 2019 up to and including the maturity date of the Fixed Rate Notes, being March 19, 2026 (the **Fixed Rate Notes Maturity Date**) and (i) in respect of the Floating Rate Notes, March 19, June 19, September 19 and December 19 in each year, commencing on June 19, 2018 up to and including the maturity date of the Floating Rate Notes, being March 19, 2021 (the **Floating Rate Notes Maturity Date** and, together with the Fixed Rate Notes Maturity Date, the **Maturity Dates** and each a **Maturity Date**).

The obligations of the Issuer under the Notes in respect of principal and interest constitute, (subject to the provisions of Condition 3 (*Negative Pledge*) of the terms and conditions of the Fixed Rate Notes (the **Fixed Rate Notes Terms and Conditions**) and Condition 3 (*Negative Pledge*) of the terms and conditions of the Floating Rate Notes (the **Floating Rate Notes Terms and Conditions** and, together with the Fixed Rate Notes Terms and Conditions, the **Terms and Conditions**)) direct, unconditional and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but only to the extent permitted by applicable laws relating to creditors' rights. Payments on the Notes shall be made free and clear of, and without withholding or deduction for or on account of taxes of the Netherlands or any political subdivision or any authority thereof or therein having power to tax to the extent described in Condition 7 (*Taxation*) of the relevant Terms and Conditions. The holders of Notes will benefit from the Cross Guarantee Agreement among the Company, Delhaize De Leeuw / Le Lion Comm. VA, Retail Business Services, LLC, Delhaize US Holding, Inc. and substantially all of the subsidiaries of Delhaize US Holding, Inc. See Part VIII (*Description of the Cross Guarantee*).

Unless previously redeemed, the Notes mature on the respective Maturity Dates. Furthermore, (i) the Fixed Rate Notes are subject to redemption in whole or in part at their principal amount, together with accrued interest, at the Issuer's option from and including the date falling three months prior to but excluding the relevant Maturity Date and (ii) the relevant Notes are subject to redemption in whole or in part at their principal amount, together with accrued interest and a "make-whole" premium at the Issuer's option at any time prior to the relevant Maturity Date. The respective Notes are subject to redemption in whole, at their principal amount, together with accrued interest, at the Issuer's option at any time in the event of certain changes affecting taxes of the Netherlands. Finally, the relevant Notes are subject to redemption in whole, at 101% of their principal amount, together with accrued interest, at the Issuer's option on any Interest Payment Date at any time when the aggregate principal amount of the Notes outstanding is equal to or less than 20 per cent. of the aggregate principal amount of the relevant Notes issued. See "Terms and Conditions of the Fixed Rate Notes – Condition 5 (*Redemption and Purchase*)" and "Terms and Conditions of the Floating Rate Notes – Condition 5 (*Redemption and Purchase*)". The respective Notes may be redeemed at the option of the holders of the Notes at 101% of their principal amount upon a change of control that is followed by certain ratings downgrades as set forth in "Terms and Conditions of the Fixed Rate Notes – Condition 5 (*Redemption and Purchase*)" and "Terms and Conditions of the Floating Rate Notes – Condition 5 (*Redemption and Purchase*)".

This prospectus (the **Prospectus**) has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), which is the Dutch competent authority for the purpose of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the **Prospectus Directive**) and relevant implementing measures in the Netherlands, as a Prospectus issued in compliance with the Prospectus Directive, Commission Regulation 809/2004, as amended, and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of the Notes. Application has been made for the listing and trading of the Notes on Euronext Amsterdam N.V. (**Euronext Amsterdam**) with effect from March 19, 2018.

The Notes are expected to be assigned, on issue, a rating of BBB by Standard & Poor's Credit Market Services France S.A.S., a division of The McGraw-Hill Companies, Inc. (**Standard & Poor's**) and Baa1 by Moody's Investors Service, Ltd. (**Moody's**). Each of Standard & Poor's and Moody's is established in the European Community and registered pursuant to Regulation 1060/2009/EC of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended by Regulation 513/2011/EC of the European Parliament and of the Council of March 11, 2011. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organization.

The Notes will be issued in bearer form and shall have denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000.

An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described in the chapter Part I (*Risk Factors*) starting on page 6.

Amounts payable on the Floating Rate Notes will be calculated by reference to EURIBOR. As at the date of this Prospectus, the administrator EURIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmark Regulation**). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the European Money Markets Institute (**EMMI**) is not currently required to obtain authorisation or registration.

Definitions used, but not defined, in this section can be found elsewhere in this Prospectus. The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Notes will initially be represented by a temporary global note in bearer form (the **Temporary Global Note**) without interest coupons, which is expected to be deposited with a common safekeeper on behalf of Clearstream Banking S.A. (**Clearstream, Luxembourg**) and Euroclear Bank SA/NV (**Euroclear**) on or about March 19, 2018 (the **Closing Date**). The Temporary Global Note will be exchangeable for a permanent global note in bearer form (the **Permanent Global Note**) without interest coupons attached, upon certification as to non-U.S. beneficial ownership, not earlier than the first day following the expiry of 40 days after the Closing Date.

This Prospectus is dated March 15, 2018.

Joint Bookrunners

BNP PARIBAS

Deutsche Bank

Goldman Sachs International

J.P. Morgan

Co-Managers

ABN AMRO

ING

Société Générale Corporate & Investment Banking

This Prospectus has been prepared for the purposes of the listing and admission to trading of the Notes on Euronext Amsterdam and does not constitute an offer of, or an invitation by or on behalf of the Managers to, subscribe or purchase any of the Notes in any jurisdiction by any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see Part IV (*Documents Incorporated by Reference*) below).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers that is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes.

For a description of further restrictions on offers and sales of Notes and distribution of this Prospectus (see Part XV (*Subscription and Sale*) below).

No person is or has been authorized to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information must not be relied upon as having been authorized by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Managers and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

Neither the Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the

accuracy or completeness of the information contained in this Prospectus or any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Manager) in connection with the issue and offering of the Notes.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer or the offering of the Notes. The Managers do not accept any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Notes or the distribution of the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Notes are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**). The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) unless they have been so registered or pursuant to an available exemption from the registration requirements of the Securities Act. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this document, see "Subscription and Sale" below.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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PART I: RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Notes. Most of these factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are described below.

*The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons that may not be considered material risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. The sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should also read the detailed information set out elsewhere in this Prospectus or incorporated by reference in this Prospectus and reach their own views prior to making any investment decision and consult with their own professional advisors if they consider it necessary. Terms defined in "Terms and Conditions of the Notes" (the **Terms and Conditions**) below shall have the same meaning where used below. All references to "our", "we", "us", etc. are to the Issuer.*

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFILL ITS OBLIGATIONS UNDER THE NOTES

We have financial debt outstanding that could negatively impact our business.

As of December 31, 2017, Ahold Delhaize's consolidated net debt was €2,503 million, which represents 7% of our total assets. Net debt is the difference between (i) the sum of loans, finance lease liabilities, cumulative preferred financing shares and short-term debt (i.e., gross debt) and (ii) cash, cash equivalents, current portion of available-for-sale financial assets, and short-term deposits and similar instruments. Our level of debt could:

- make it difficult for us to satisfy our obligations, including interest payments under the Notes and our other debt obligations;
- limit our ability to obtain additional financing for us and our respective subsidiaries to operate our businesses;
- limit our financial flexibility in planning for and reacting to industry changes;
- place us at a competitive disadvantage as compared to less leveraged companies;
- increase our vulnerability to general adverse economic and industry conditions, including changes in interest rates; and
- require us to dedicate a substantial portion of our cash flow to payments on our debt, reducing the availability of our cash flow for other purposes.

We may borrow additional funds to support our capital expenditures, working capital needs, to finance future acquisitions and for other purposes. The incurrence of additional debt could make it more likely that we will experience some or all of the risks described above.

If we do not generate positive cash flows, we may be unable to service our debt.

The mid- to long-term ability to pay principal, premium, if any, and interest on our debt will depend on the future operating performance of our and our respective subsidiaries' businesses. Future operating performance will be subject to market conditions and business factors that will often be beyond our or their control. Consequently, we are not able to guarantee that there will be sufficient cash flows to pay the principal, premium, if any, and interest on our debt. If cash flows and capital resources are insufficient to allow us to make scheduled payments on our debt, we may have to take alternative measures, such as reducing or delaying capital expenditures, selling assets, seeking additional capital or restructuring or refinancing our debt. We are not able to guarantee that the terms of our debt will allow us to take these alternative measures or that these alternative measures, individually or in the aggregate, will allow us to satisfy our scheduled debt service obligations. If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- our lenders could terminate their commitments and commence foreclosure proceedings against our assets; and
- we or one or more of our respective subsidiaries could be forced into bankruptcy or liquidation.

Certain of our debt agreements require us to maintain specified financial ratios and meet specific financial tests. Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in us being required to repay these borrowings before their due date. If we were unable to make this repayment or otherwise refinance these borrowings, our lenders could foreclose on our assets. If we were unable to refinance these borrowings on favorable terms, our business could be adversely impacted.

The cross guarantee mechanism in place with us and some of our subsidiaries entails certain limits and restrictions and enforcing such guarantee in a legal proceeding, as necessary, would entail additional costs and formalities for the Noteholders.

The Guarantors are subsidiaries of the Issuer. Potential investors must read the description of the Cross Guarantee Agreement set out in Part VIII (*Description of the Cross Guarantee*) of the Prospectus. In particular, the Noteholders will benefit from the Cross Guarantee Agreement, but it must be noted that in certain circumstances a Guarantor may terminate its guarantee. Also, the obligations of the Guarantors under the Cross Guarantee Agreement are limited to the maximum amount that can be guaranteed without constituting a fraudulent conveyance or fraudulent transfer under the various applicable insolvency laws. The Guarantors are obligated to make payments owed in respect of the Notes, in the event of non-payment by the Issuer without Noteholders needing to take any formal action. However, in case of default of the Issuer and non-performance by the Guarantors, if any Noteholder decides to enforce the guarantee in a legal proceeding, he would proceed directly against one or, if a single Guarantor is unable to financially satisfy a claim, several Guarantors (the guarantee binds all parties to the Cross Guarantee Agreement, but it is possible that the Noteholder must proceed against several Guarantors in case of default of one or several Guarantors). The Fiscal Agent will only proceed to make payment, if he has received an adequate amount from one or several Guarantors. The Fiscal Agent shall deduct the movable withholding tax on the accrued interests that would be reimbursed, if and to the extent so required by applicable law. The Cross Guarantee Agreement is governed by New York law, which may lead to additional costs as the Noteholders may need to request assistance of a lawyer with expertise in financial products and New York law.

As a guarantor under the Cross Guarantee Agreement and some other agreements, under certain circumstances, we may have to pay for financial indebtedness of any of our subsidiaries.

Under the Cross Guarantee Agreement, if any financial indebtedness (as defined under Part VIII (*Description of the Cross Guarantee*) of the Prospectus) owed by one of our subsidiaries party to such agreement is not recoverable from such entity, the creditor may call upon the guarantee and claim against any of the guarantors, including Ahold Delhaize, in accordance with the terms of the Cross Guarantee Agreement. We may therefore have to pay for any Financial Indebtedness of any of our subsidiaries party to the Cross Guarantee Agreement in case of default of such party. Apart from our guarantee under the Cross Guarantee Agreement, we may also have to pay amounts owed by any of our subsidiaries in case of default by such subsidiaries, in instances where we guaranteed the undertakings of any such subsidiaries.

Our results are subject to risks relating to competition and pressure on profit margins in the food retail industry.

The food retail industry is competitive and generally characterized by pressure on profit margins. Our competitors include international, national, regional and local supermarket chains, supercenters, independent grocery stores, specialty food stores, warehouse club stores, retail drug chains, convenience stores, membership clubs, general merchandisers, discount and online retailers and restaurants. It is possible that we could face increased competition in the future from some or all of these competitors. In addition, consolidation in the food retail industry due to increasing competition from larger companies is also likely to continue. Food retail businesses generally compete on the basis of location, quality of products, service, price, product variety, store condition and eCommerce offerings. The ability to maintain our current position depends upon the ability of our respective subsidiaries to compete in the food retail industry through various means such as price promotions, continued reduction of operating expenses where the cost savings are reinvested in our Company, enhancing customer offerings and store expansions. To the extent that prices are reduced to maintain or grow market share, net income and cash generated from the respective subsidiaries' operations could be adversely affected. Some of our competitors may have financial, distribution, purchasing and marketing resources that are greater than ours, and there is no assurance that we will be able to successfully compete in the markets where our respective subsidiaries operate. Profitability could be impacted as a result of the pricing, purchasing, financing, advertising or promotional decisions made by our competitors. Such an impact on profitability could have an adverse effect on our business and the businesses of our respective subsidiaries, cash flows, financial condition or operating results.

General economic factors may adversely affect our financial performance.

General economic conditions in the areas where our respective subsidiaries operate may adversely affect our overall financial performance. Factors such as higher interest rates, higher fuel and other energy costs, weakness in the housing market, inflation, deflation, higher levels of unemployment, unavailability of consumer credit, higher consumer debt levels, higher tax rates and other changes in tax laws, overall economic slowdown and other economic factors could adversely affect consumer demand for the products our respective subsidiaries sell, require a change in the mix of products that are sold to one with a lower average profit margin and result in slower inventory turnover and greater markdowns on inventory. Higher interest rates, higher fuel and other energy costs, higher transportation costs, inflation, higher costs of labor, insurance and healthcare, foreign exchange rate fluctuations, higher tax rates and other changes in tax laws, changes in other laws and regulations and other economic factors could increase the cost of sales and selling, general and administrative expenses, and otherwise adversely affect operations and operating results. These factors could affect not only our respective subsidiaries operations, but also the operations of suppliers from whom they purchase goods, which could result in an increase in the cost to us of the goods sold to customers.

Our international operations subject us to numerous risks.

We are a global company incorporated in the Netherlands with key suppliers operating internationally. We may further expand our business and operations into new countries. The international nature of our business and operations subjects us to risks inherent in operating in or selling products imported from foreign countries, including government regulation; political and economic instability; currency restrictions; fluctuations and other restraints; import and export restrictions; complex and burdensome tax regimes; additional tax assessments in foreign jurisdictions; risks of expropriation; threats to employees; terrorist activities, including extortion; and risks of U.S. and foreign governmental regulation and action in relation to these operations.

Turbulence in the global credit markets and economy may adversely affect our financial condition or access to capital markets and liquidity and of our respective subsidiaries.

Disruptions in the capital and credit markets could adversely affect our ability and of our respective subsidiaries to draw on our bank credit facilities or enter into new bank credit facilities. Access to funds under our bank credit facilities is dependent on the ability of the banks that are parties to the facility agreements to meet their funding commitments. Those banks may not be able to meet their funding commitments to us and our respective subsidiaries, if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from us and our respective subsidiaries and other borrowers within a short period of time. In addition, our suppliers and third-party service providers could experience credit or other financial difficulties that could result in their inability to supply us with necessary goods and services in a timely fashion or at all.

The significance of the contributions of our U.S. businesses to our revenues and the geographic concentration of our respective subsidiaries' U.S. operations on the East Coast of the United States make us vulnerable to economic downturns, natural disasters and other catastrophic events that impact that region.

A total of 61% of our revenues (excluding discontinued operations) during the financial year ended December 31, 2017, was generated through our respective subsidiaries' U.S. operations. We depend in part on these U.S. operations for dividends and other payments to generate the funds necessary to meet financial obligations. Substantially all of the U.S. operations are located on the East Coast of the United States. Consequently, the operations depend significantly upon economic and other conditions in this area, in addition to those that may affect the United States or the world as a whole. Our operating results as a whole may suffer based on a general economic downturn, natural disaster, change in regulations or other adverse condition impacting the East Coast of the United States.

Increases in interest rates and/or a downgrade of our credit ratings could negatively affect our financing costs and our ability to access capital.

We are exposed to changes in interest rates with respect to our outstanding debt position and/or additional debt to the extent that we raise debt in the capital markets to meet maturing debt obligations, to fund our capital expenditures and working capital needs, and to finance future acquisitions. To manage interest rate risk, we have an interest rate management policy aimed at reducing volatility in its interest expense and maintaining a target percentage of its debt in fixed rate instruments. As at December 31, 2017, after taking into account the effect of interest rate swaps and cross-currency swaps, the entirety of our long-term debt was at fixed rates of interest.

It is anticipated that our daily working capital requirements will continue to be primarily financed with operational cash flow and through the use of various committed and uncommitted lines of credit. The interest rates on these short- and medium-term borrowing arrangements will generally be determined either as the

inter-bank offering rate at the borrowing date plus a pre-set margin, or based on market quotes from banks. Although we may employ risk management techniques to hedge against interest rate volatility, significant and sustained increases in market interest rates could materially increase our financing costs and negatively impact our reported results.

We will rely on access to bank and capital markets as sources of liquidity for cash requirements not satisfied by cash flows from operations. A downgrade in our credit ratings from the internationally-recognized credit rating agencies, particularly to a level below investment grade, could negatively affect our ability to access the bank and capital markets, especially in a time of uncertainty in either of those markets. A rating downgrade could also impact our ability to grow our businesses by substantially increasing the cost of, or limiting access to, capital.

A credit rating is not a recommendation to buy, sell or hold debt, as the credit rating does not comment as to market price or suitability for a particular investor. The credit ratings assigned to our debt address the likelihood of payment of principal and interest pursuant to the terms of the debt. A credit rating is subject to revision or withdrawal at any time by the assigning rating agency. Each credit rating should be evaluated independently of any other credit rating that may be assigned to our securities and should only be viewed as the opinion of the assigning credit rating agency.

A competitive labor market, changes in labor conditions or labor disruptions such as strikes, work stoppages and slowdowns may increase our respective subsidiaries' costs or negatively affect their financial performance.

Our success depends in part on our and our respective subsidiaries' ability to attract and retain qualified personnel in all the businesses, including executives to lead them. We compete with other businesses in our markets in attracting and retaining employees. Tight labor markets, increased overtime, collective labor agreements, increased healthcare costs, government-mandated increases in the minimum wage and a higher proportion of full-time employees could result in an increase in labor costs, which could materially impact our respective subsidiaries' operating results. A shortage of qualified employees may also require increases in wage and benefit offerings to compete effectively in the hiring and retention of qualified employees or to retain more expensive temporary employees.

A number of our and our respective subsidiaries' employees, both inside and outside of the United States, are members of unions. It is possible that relations with the unionized portion of some or all of those workforces could deteriorate or that the workforces could initiate a strike, work stoppage or slowdown in the future. Similar actions by the non-unionized workforces of our company's or the respective subsidiaries are also possible. In such an event, our respective subsidiaries' businesses, cash flows, financial condition and operating results could be negatively affected, and they may not be able to adequately meet the needs of customers by utilizing the remaining unaffected workforce. Further, as existing collective bargaining agreements are expected to expire, our respective subsidiaries who are signatory to such agreements may not be able to negotiate extensions to, or replacements for, such agreements on acceptable terms, which could result in work stoppages or other costs, which could be disruptive to business, lead to adverse publicity and have a material adverse impact on cash flows, financial condition and operating results.

While we believe that relations with our employees and those of our respective subsidiaries will continue to be good, we will always face the risk that legislative bodies may approve laws that liberalize the procedures for union organization, and there can be no assurance that our company's non-unionized employees will not become unionized. If more of our company's workforce becomes unionized, it could affect our operating expenses. Increased labor costs could increase our costs, resulting in a decrease in profits or an increase in losses. There can be no assurance that we or our subsidiaries will be able to fully absorb any increased labor costs through efforts to increase efficiencies in other areas of operations.

Because of the number of properties that we own and lease, we have a potential risk of environmental liability associated with these properties.

We are subject to laws, regulations and ordinances that govern activities and operations that may have adverse environmental effects and impose liabilities for the costs of cleaning, and certain damages arising from sites of past spills, disposals or other releases of hazardous materials. Under applicable environmental laws, we could be responsible for the remediation of environmental conditions and could be subject to associated liabilities relating to our or our respective subsidiaries' stores, warehouses and offices, as well as the land on which they are situated, regardless of whether we lease, sublease or own the stores, warehouses, offices or land in question and regardless of whether such environmental conditions were created by us or by a prior owner or tenant. The costs of investigation, remediation or removal of environmental conditions may be substantial, and these costs may increase if stricter laws are passed or applicable environmental laws are more strictly enforced. Certain environmental laws also impose liability in connection with the discharge, storage, handling, disposal of, or exposure to, hazardous or toxic substances, including materials containing asbestos, pursuant to which third parties may seek recovery from us or owners, tenants or sub-tenants of real properties for personal injuries associated with such substances or materials. There can be no assurance that environmental conditions relating to prior, existing or future store sites will not harm us through, for example, business interruption, cost of remediation or harm to reputation, which could have a material adverse effect on our financial position, operating results and liquidity.

If we are unable to locate appropriate real estate or enter into real estate leases on commercially acceptable terms, we may be unable to open new stores.

Our ability to open new stores depends on success in identifying and entering into leases on commercially reasonable terms for properties that are suitable for our needs. If we fail to identify and enter into leases on a timely basis for any reason, including our inability due to competition from other companies seeking similar sites, our growth may be impaired because we may be unable to open new stores as anticipated. Similarly, our business may be harmed if we are unable to renew the leases on our existing stores on commercially acceptable terms.

Unfavorable exchange rate fluctuations may negatively impact our financial performance.

Our respective subsidiaries' operations are conducted primarily in the United States, the Eurozone countries of the Netherlands, Luxembourg, Belgium, Germany and Greece and to a lesser extent in other parts of Europe outside the Eurozone, including the Czech Republic, Romania and the Republic of Serbia. Although our historical financial information is being presented in euros, during the financial year ended December 31, 2017, we derived 67% of our revenues from subsidiaries that have functional currencies other than the euro. The operating results and the financial position of each of our entities outside the Eurozone are accounted for in the relevant local currency, including the U.S. dollar, and are then translated into euros at the applicable foreign currency exchange rate for inclusion in our consolidated financial statements. Exchange rate fluctuations between these local currencies, including the U.S. dollar, and the euro could have a material adverse effect on our consolidated financial statements.

Because a substantial portion of our assets, liabilities and operating results are denominated in currencies other than our presentation currency, the euro, we are particularly exposed to currency risk arising from fluctuations in the value of these currencies against the euro.

Various aspects of our and our respective subsidiaries' businesses are subject to federal, regional, state and local laws and regulations, including environmental regulations, in the United States, the Netherlands, Belgium and other countries. Our compliance with these laws and regulations may require additional expenses or capital expenditures and could adversely affect our ability to conduct our business as planned.

In addition to environmental regulations, our and our respective subsidiaries' businesses are subject to federal, regional, state and local laws and regulations in the United States, the Netherlands, Belgium and other countries relating to, among other things, zoning, land use, workplace safety, public health, community right-to-know, store size, alcoholic beverage sales, tobacco sales and pharmaceutical sales. A number of jurisdictions regulate the licensing of supermarkets, including retail alcoholic beverage license grants. In addition, under certain regulations, we are prohibited from selling alcoholic beverages in certain of our stores. We are also subject to laws governing our relationships with employees, including minimum wage requirements, overtime, working conditions, collective bargaining, disabled access and work permit requirements. A number of laws exist that impose obligations or restrictions with respect to property access. Compliance with these laws could result in modifications to properties or prevent performing certain further renovations. Compliance with, or changes in, these laws could reduce revenue and profitability and could otherwise adversely affect our businesses, financial condition or operating results.

As a result of selling products, we face the risk of exposure to product liability claims and adverse publicity.

The preparation, packaging, marketing, distribution and sale of products purchased from others entail an inherent risk of product liability, product recall and resultant adverse publicity. These products may contain contaminants or other hazards that may be inadvertently redistributed by our respective subsidiaries. These contaminants or other hazards may, in certain cases, result in illness, injury or death if processing at the foodservice or consumer level does not eliminate the contaminants or other hazards. Even an inadvertent shipment of adulterated, contaminated or defective products may lead to an increased risk of exposure to product liability claims. There can be no assurance that these claims will not be asserted against us or our respective subsidiaries that we or they will not be obligated to perform such a recall in the future. If a product liability claim is successful, insurance may not be adequate to cover all liabilities incurred, and we may not be able to continue to maintain such insurance, or obtain comparable insurance at a reasonable cost, if at all. If our businesses do not have adequate insurance or contractual indemnification available, product liability claims relating to defective products could have a material adverse effect on the ability to successfully market products and on our businesses, financial condition and operating results. In addition, even if a product liability claim is not successful or is not fully pursued, the negative publicity surrounding any assertion that our products were defective, or caused illness, injury or death, could have a material adverse effect on the reputations of us and our respective subsidiaries with existing and potential customers and on our businesses and financial condition and operating results.

We are subject to risks related to corporate responsibility and sustainable retailing.

Many factors influence our reputation and the value of our respective subsidiaries' brands, including perceptions of our company held by our key stakeholders and the communities in which we do business. Increased regulatory demands, concerns about climate change, stakeholder awareness and the growing sentiment that large retailers should address sustainability issues across the entire supply chain mean that our respective subsidiaries' brands and reputations could suffer if we, our suppliers or our other business partners do not adequately address, or are perceived as not adequately addressing, relevant corporate responsibility issues affecting the food retail industry.

We may be unable to successfully develop and execute our strategy, which may include, but is not limited to, completing renovations and conversions, implementing brand repositioning plans and growing our eCommerce business.

Our success depends in large part on the ability of our respective subsidiaries to operate their customers' preferred local supermarkets. If they are unable to successfully develop and execute a strategy, or if our plans fail to meet customers' expectations, our overall financial condition and operating results could be adversely affected. The introduction, implementation, success and timing of new business initiatives and strategies, including but not limited to initiatives to increase revenue, reduce costs or enter into new areas of business, could be less successful or could be different than anticipated, which could materially adversely affect our business.

A key to our respective subsidiaries' business strategy is the renovation and/or conversion of existing stores, as well as the renovation of infrastructure. Although it is expected that cash flows generated from operations, supplemented by the unused borrowing capacity under our credit facilities and the availability of capital lease financing, will be sufficient to fund capital renovation programs and conversion initiatives, sufficient funds may not be available. The inability to successfully renovate and/or convert existing stores and other infrastructure could adversely affect our businesses, operating results and ability to compete successfully.

In addition, we anticipate that many customers are increasingly shopping over our eCommerce websites – including delhaize.be, ah.nl, bol.com and Peapod – and mobile commerce applications. We anticipate that online and mobile shopping will continue to be a key component of growth for food retailers in years to come, as witnessed by the most recent entrance of specialty eCommerce platforms in partnership with traditional supermarkets. Any failure by our respective subsidiaries to provide attractive, user-friendly online shopping platforms that meet the expectations of online shoppers and adapt to future developments and trends in eCommerce could place them and us at a competitive disadvantage, result in the loss of eCommerce and other sales, harm our reputation with customers and have a material adverse impact on the growth of our eCommerce business, operating results and ability to compete successfully

Businesses and/or financial results could be negatively affected if divestitures are not successfully completed or if contingent liabilities materialize in connection with completed divestitures.

We regularly evaluate the potential disposition of assets and businesses that may no longer help meet our objectives. When we decide to sell assets or a business, we may encounter difficulties in finding buyers or alternative exit strategies on acceptable terms or in a timely manner, which could delay the achievement of our strategic objectives. We may also dispose of a business at a price, or on terms, less desirable than we had anticipated. In addition, we may experience greater dis-synergies than expected, and the impact of the divestiture on our revenue growth may be larger than projected. After reaching an agreement with a buyer or seller for the disposition of a business, we will be subject to satisfaction of pre-closing conditions as well as to necessary regulatory and governmental approvals on acceptable terms, that, if not satisfied or obtained, may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial and commercial obligations. For an example in reference to guarantees, see note 34 to the 2017 Audited Financial Statements. There can be no assurance that the anticipated benefits of future divestitures will be realized.

We may be unsuccessful in managing the growth of our business or realizing the anticipated benefits of acquisitions we have made.

We may continue to reinforce our presence in the geographic locations where our respective subsidiaries currently operate, and in adjacent regions, by pursuing acquisition opportunities in the retail grocery industry and by opening new stores. We may also occasionally consider opportunities to expand into new regions. Realization of the anticipated benefits of an acquisition, store renovation, market renewal or store opening

could take several years or may not occur at all. We face risks commonly encountered with growth through acquisition and conversion or expansion. The areas where we and our respective subsidiaries could face risks include:

- identifying suitable acquisition opportunities or markets in which to expand;
- facing competitors who may have more resources to make acquisitions or expand operations or otherwise may make acquisitions that we would have been interested in pursuing;
- diverting management's time and focus from operating the businesses to acquisition or integration challenges;
- obtaining necessary financing on satisfactory terms;
- making payments on the indebtedness that might be incurred as a result of these acquisitions;
- losing customers of an acquired business;
- entering markets where we have no or limited experience;
- failing to assimilate the operations and personnel of acquired businesses;
- failing to install and integrate all necessary systems and controls;
- needing to integrate operations across different cultures and languages and to address the particular economic, currency, political, and regulatory risks associated with specific countries; and
- facing litigation or other claims or liabilities in connection with the acquired company, including claims from terminated employees, customers, former shareholders or other third parties.

There can be no assurance that we will be able to execute successfully on an acquisition and integration strategy or store openings. The failure to address these risks or other problems encountered in connection with past or future acquisitions and investments could have a material adverse effect on our businesses, financial condition and operating results.

Unexpected outcomes with respect to audits of tax filings in the jurisdictions where we or our respective subsidiaries operate could result in an adverse effect on our financial performance.

Because we and our respective subsidiaries operate in a number of countries, our businesses' income is subject to taxation in differing jurisdictions and at differing tax rates. Significant judgment is required in determining the consolidated income tax position. As a result of our multi-jurisdictional operations, we are exposed to a number of different tax risks including, but not limited to, changes in tax laws or interpretations of these tax laws. The tax authorities in the jurisdictions where our businesses operate may audit our tax returns and may disagree with the positions taken in those returns. While the ultimate outcome of such audits will not be certain, we will consider the merits of our filing positions in our overall evaluation of potential tax liabilities with the objective of having adequate liabilities recorded in our consolidated financial statements to meet potential exposures. An adverse outcome resulting from any settlement or future examination of our tax returns or any other tax audit could result in additional tax liabilities and could adversely affect our effective tax rate, which could have a material adverse effect on our financial position, operating results and liquidity. In addition, any examination by the tax authorities in the jurisdictions where our businesses operate could cause us to incur significant legal expenses and divert management's attention from the operation of the businesses.

Changes resulting from the EU Anti-Tax Avoidance Directive.

As part of its anti-tax avoidance package the EU Council adopted the Anti-Tax Avoidance Directive on July 12, 2016 in Council Directive (EU) 2016/1164 (**ATAD**). The ATAD must be implemented by each Member State as of 2019. On May 29, 2017 additional measures were introduced in Council Directive (EU) 2017/952 to neutralize the effects of hybrid mismatches with third countries (**ATAD II**). The measures introduced in ATAD II must be implemented ultimately by January 1, 2020 and January 1, 2022 (to the extent relating to reverse hybrid mismatches).

The implementation of these measures in the legislation of the EU jurisdictions in which we do business could have a material adverse effect on us. For example, the implementation of the general interest limitation rule (Article 4 ATAD) could result in an increase of our tax liabilities as certain interest costs could no longer be deductible. The measures in ATAD and ATAD II are minimum standards and, therefore, it is at the discretion of each Member State to implement measures in domestic law that go beyond the measures proposed in the ATAD and ATAD II. As such, it is not clear at this stage what the exact impact of the ATAD will be on our tax position.

Risks associated with the suppliers from whom products are sourced could adversely affect financial performance.

Significant disruptions in the operations of vendors and suppliers could materially impact our respective subsidiaries' businesses by disrupting store-level product selection or increasing costs, resulting in reduced sales. The products they sell are sourced from a wide variety of domestic and international suppliers. If disruptions should occur, the ability to find qualified suppliers who meet their standards, and to access products in a timely and efficient manner, could be significantly challenged. Political and economic instability in the countries in which suppliers are located, suppliers' financial instability or failure to meet required standards, labor problems experienced by suppliers, the availability of raw materials to suppliers, competition for products from other retailers, the impact of adverse weather conditions, product quality issues, currency exchange rates, transport availability and cost, inflation, deflation, and other factors relating to the suppliers and the countries in which they are located are beyond our control. In addition, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. These factors and other factors affecting the suppliers and access to products could result in decreased product selection and increased out-of-stock conditions, as well as higher product costs, which could adversely affect our respective subsidiaries operations and financial performance.

Risks associated with our franchised and affiliated stores could adversely affect our financial performance.

As of December 31, 2017, 25% of the stores in our store network were franchised or affiliated (that is, stores with one of our Company's banners and operated by independent third parties to whom we sell our products at wholesale prices). The operators of our affiliated and franchised stores operate and oversee the daily operations of their stores and are independent third parties. Although we attempt to properly select, train and support the operators of our affiliated and franchised stores, the ultimate success and quality of any affiliated or franchised store will rest with the third party operators. If the operators of the affiliated and franchised stores do not successfully operate in a manner consistent with our standards, our image and reputation could be harmed. In addition, we have accounts receivable associated with the franchised and affiliated stores. If the third party operators of these stores do not operate successfully, we could be forced to write-off a portion of or all of the accounts receivable associated with such franchised and affiliated stores, which could adversely affect our business and operating results.

Natural disasters and geopolitical events could adversely affect our financial performance.

The occurrence of one or more natural disasters, such as hurricanes, earthquakes, tsunamis, pandemics or severe weather, whether as a result of climate change or otherwise, or geopolitical events, such as civil unrest in a country in which we or our respective subsidiaries operate or in which our suppliers are located, and attacks disrupting transportation systems, could adversely affect operations and financial performance. Such events could result in physical damage to one or more of properties, a temporary closure of one or more stores or distribution centers, a temporary lack of an adequate work force in a market, a temporary decrease in customers in an affected area, a temporary or long-term disruption in the supply of products from some local and overseas suppliers, a temporary disruption in the transport of goods from overseas, a delay in the delivery of goods to distribution centers or stores within a country in which our respective subsidiaries are operating, or a temporary reduction in the availability of products in their stores. These factors could otherwise disrupt and adversely affect operations and financial performance.

There are inherent limitations in our control systems, and misstatements due to error or fraud may occur and not be detected, that may harm our business and financial performance and result in difficulty meeting our reporting obligations.

Effective internal control over financial reporting is necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. If we cannot provide reasonable assurance with respect to our financial reports and effectively prevent fraud, our reputation, business and operating results could be harmed. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risks that the control may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in our integration and implementation of changes to our internal controls, the businesses and operating results could be harmed and we could fail to meet our reporting obligations.

Operations are dependent on information technology (IT) systems, the failure or breach of security of any of which could harm the operations and the reputations of our respective subsidiaries and adversely affect our overall financial performance.

Many functions of our respective subsidiaries operations are dependent on IT systems developed and maintained by internal experts or third parties. It is possible that we may encounter unforeseen technical complexities or issues that we may be unable to resolve, or that the resolution of complexities or issues may require management to devote more attention than anticipated to such matters. The failure of any of these IT systems could also cause disruptions in operations, adversely affecting sales and profitability. There are recovery plans in place to reduce the negative impact of IT systems failures on our operations, but there is no assurance that these recovery plans will be completely effective in doing so. Any of these risks may cause us to incur unanticipated costs and may prevent us from obtaining the expected benefits and cost savings of the IT systems or from obtaining benefits and cost savings as soon as expected.

As part of normal operations, both we and our respective subsidiaries receive and store confidential information about customers (including credit/debit card information), employees and other third parties in our own systems and through our third-party service providers. These third-party service providers are used for a variety of reasons, including, without limitation, encryption and authentication technology, content delivery to customers, back-office support, and other functions. In addition, online operations depend upon

the secure transmission of confidential information over public networks, including information permitting cashless payments.

Any failure to protect confidential data could materially damage our brand and reputation, and those of our respective subsidiaries, and result in significant expenses and disruptions to operations and loss of customer confidence and subject us to litigation, any of which could have a material adverse impact on our business and results of operations.

To protect against security breaches and rapidly evolving cyber threats, we maintain administrative, physical and technical security measures to protect, and to prevent unauthorized access to, such information. There are security processes, protocols and standards in place that are applicable both internally and to our third-party service providers to protect information from systems to which they have access under their engagements with us.

Inherent to our businesses, we face attempts – such as phishing, malware and distributed denial-of-service attacks – to access the information stored in our information systems or to disrupt our IT systems. We have not been subject to intrusions of our network security, nor have we experienced any other cyber-attack incidents, that, individually or in the aggregate, have been material to our or our respective subsidiaries' businesses, financial condition and operations. Any failure to protect against security breaches and cyber threats, could have a material adverse impact on our business and results of operations.

We have cyber risk insurance that includes business interruption and recovery cost coverages to protect against both third-party damages and expenses resulting from a privacy breach and first-party damages and costs incurred as a result of a cyber-attack incident.

A change in supplier terms could adversely affect our financial performance.

Our respective subsidiaries receive allowances, credits and income from suppliers primarily for volume incentives, new product introductions, in-store promotions and co-operative advertising. Certain of these funds are based on the volume of net sales or purchases, growth rate of net sales or purchases and marketing programs. If they do not grow our net sales over prior periods or if they are not in compliance with the terms of these programs, there could be a material adverse effect on the amount of incentives offered or paid to them by the suppliers. Additionally, suppliers routinely change the requirements for, and the amount of, funds available. No assurance can be given that the respective subsidiaries will continue to receive such incentives or will be able to collect outstanding amounts relating to these incentives in a timely manner, or at all. A reduction in, the discontinuance of, or a significant delay in receiving such incentives, as well as the inability to collect incentives, could have a material adverse effect on our businesses, results of operation, and financial condition.

We are subject to antitrust and similar legislation in the jurisdictions in which we operate.

We are subject to a variety of antitrust and similar legislation in the jurisdictions where we and our respective subsidiaries operate. In a number of markets, we have market positions which may make future significant acquisitions more difficult and may limit our ability to expand by acquisition or merger, if we wish to do so.

In addition, we and our respective subsidiaries are subject to legislation relating to unfair competitive practices and similar behavior in many of the jurisdictions where our respective subsidiaries operate. We or they may be subject to allegations of, or further regulatory investigations or proceedings into, such practices. Such allegations, investigations or proceedings (irrespective of merit) may require the devotion of significant management resources to defending ourselves. In the event that such allegations are proven, there may be significant fines, damages awards and other expenses, and our reputations may be harmed, which could materially adversely affect our businesses, results of operation, financial condition and liquidity.

We will continue to incur integration, assimilation and restructuring costs following the merger.

We will continue to incur integration and restructuring costs following the merger, as we continue to integrate, assimilate and restructure the former Ahold and Delhaize businesses during the transition period following the merger. We cannot give any assurance that the realization of efficiencies related to the integration of the former Ahold and Delhaize businesses will offset the incremental integration and restructuring costs in the near term, if at all. An inability to realize these efficiencies could have an adverse effect on our businesses, subsequent integration, assimilation and restructuring and related transactions, cash flows, financial condition or operating results.

Uncertainties associated with the integration of Ahold and Delhaize may cause a loss of management personnel or other key employees, which could adversely affect our future business and operations.

We depend on the experience and industry knowledge of our officers and other key employees to execute our business plans. Our success depends, in part, upon our ability to attract and retain key management personnel and other key employees. Current and prospective employees may experience uncertainty about their roles within our and our respective subsidiaries' businesses post-merger, which may have an adverse effect on the ability to attract or retain key management and other key personnel. Accordingly, no assurance can be given that our and our respective subsidiaries' businesses will be able to attract or retain key management personnel or other key employees.

We may be unable to successfully integrate, assimilate and restructure the businesses of Ahold and Delhaize and the respective subsidiaries, and realize the anticipated benefits of the merger.

The merger involved the combination of two companies that operated as independent public companies. This requires devoting significant management attention and resources to integrating, assimilating and restructuring the businesses of the merged entities during the post-merger transition period. Potential difficulties we may encounter as part of this process include, but are not limited to, the following:

- inability to successfully coordinate the businesses, or particular business segments, of Ahold and Delhaize in a manner that permits our Company to enjoy the advantages of a complementary base of strong local brands and a strong financial profile for investing in future growth, to be able to provide a superior customer offering, to achieve the full cost synergies and other benefits anticipated to result from the merger, and to further expand our global market reach and customer base;
- inability to achieve or maintain leading industry standards in quality and food retail offerings of the respective subsidiaries;
- complexities associated with managing the respective businesses, including challenges of integrating or coordinating complex systems, technology, networks and other assets in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- continuing to provide consistent, high quality customer service during the period of integration and restructuring; and
- potential unknown liabilities and unforeseen expenses or delays associated with the merger, including but not limited to costs of integration and restructuring the former Ahold and Delhaize businesses that may exceed the costs that we anticipated prior to the execution of the merger agreement.

Any of the foregoing could adversely affect the ability to maintain relationships with customers, suppliers, employees and other constituencies, or the ability to achieve the anticipated benefits of the merger, or could reduce our earnings or otherwise adversely affect our businesses and financial results.

Unexpected outcomes in our legal proceedings could materially impact our financial performance.

From time to time, we or our respective subsidiaries are party to legal proceedings, including matters involving personnel and employment issues, personal injury, intellectual property, competition/antitrust matters, landlord-tenant matters, tax matters and other proceedings arising in the ordinary course of business. We estimate the exposure to the claims and litigation arising in the normal course of our business and make what we believe to be adequate provisions for this exposure. Unexpected outcomes in these matters could have an adverse effect on our financial condition and operating results. See Section 6 (*Legal Proceedings*) of Part IX (*Description of the Issuer*).

We may experience adverse results arising from claims against our self-insurance programs.

We manage our insurable risks through a combination of self-insurance and commercial insurance coverage. Our and our respective subsidiaries' operations in the United States are self-insured for workers' compensation, general liability, property, vehicle accident and certain health care-related claims. Self-insurance liabilities are estimated based on actuarial valuations. While we believe that our actuarial estimates are reasonable, they are subject to a high degree of variability and uncertainty caused by such factors as future interest and inflation rates; future economic conditions; litigation and claims; settlement trends and results; legislative and regulatory changes; changes in benefit levels; and the frequency and severity of incurred-but-not-reported claims. It is possible that the final resolution of some claims may require significant expenditures in excess of existing reserves.

We 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 these insurers. If conditions of economic distress were to cause the liquidity or solvency of our counterparties to deteriorate, we may not be able to be indemnified from the insurer in accordance with the terms and conditions of our policies.

Increasing costs associated with our defined benefit pension plans may adversely affect our operating results, financial position or liquidity.

Most of our businesses and those of our respective subsidiaries have pension plans, the structures and benefits of which vary with conditions and practices in the countries concerned. Pension benefits are provided through defined contribution plans or defined benefit plans.

A defined contribution plan is a post-employment benefit plan under which the employing company or the employee has an obligation to pay limited contributions to a separate entity. Under such a plan, there are no legal or constructive obligations to pay further contributions, regardless of the performance of the funds held to satisfy future benefit payments. The actual retirement benefits are determined by the value of the contributions paid and the subsequent performance of investments made with these funds.

A defined benefit plan is a post-employment benefit plan that normally defines an amount of benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service, compensation or guaranteed returns on contributions made. Assumptions related to discount rates, inflation, interest crediting rate and future salary increases or mortality rates have a significant impact on our funding requirements related to these plans. These estimates and assumptions may change based on actual return on plan assets, changes in interest rates, demographic situation and governmental regulations. Therefore, our funding requirements could change and additional contributions could be required in the future.

In addition, a significant number of our respective subsidiaries employ union employees in the United States who are covered by multi-employer plans (**MEPs**). An increase in the unfunded liabilities of these MEPs may result in increased future payments by us and the other participating employers. In addition, if we

withdraw from an MEP, our allocable share of the plan's obligations (with certain exceptions) is based upon unfunded vested benefits in the plan at the time of such withdrawal. The Company's obligation to pay for its allocable share of a plan's unfunded vested benefits is called a withdrawal liability. Similarly, if other participating employers cease to participate in the plan without paying their allocable portion of the plan's unfunded obligations, this could result in increases in the amount of the plan's unfunded benefits and, thus, our future contributions. Additionally, if a number of employers cease to have employees participating in the MEP, we could be responsible for an increased share of the MEP's deficit. Since any of the respective subsidiaries with union employees who are covered by a MEP are only one of several employers participating in most of our MEPs and there is insufficient information available to accurately determine our share of plan obligations and assets following defined benefit principles, these MEPs are not included in our balance sheet. However, please refer to Note 23 of the 2017 Audited Financial Statements for more information.

We may be required to pay significantly higher amounts to fund U.S. employee healthcare plans in the future. Significant increases in healthcare and pension funding requirements could have a material adverse effect on our financial position, operating results and liquidity.

Joint venture and similar arrangements' governance.

As the Issuer has entered into joint ventures and similar arrangements, there remains an inherent risk in managing them. It is more difficult to guarantee the achievement of joint goals that affect the Issuer's partners and the Issuer relies on its partners to help achieve such goals. The Issuer may also be impacted by reputational issues that affect its partners. It is Issuer's policy to choose partners with good reputations and to set out joint goals and clear contractual arrangements from the outset. The Issuer monitors performance and governance of its joint ventures and similar arrangements.

FACTORS THAT ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There is no active trading market for the Notes.

The Notes are new securities that may not be widely traded and for which there is currently no active trading market. The Issuer has filed an application to have the Notes admitted to listing and trading on Euronext Amsterdam. If the Notes are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. Therefore, investors may not be able to sell their Notes easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes. In the event that put options are exercised in accordance with Condition 5(c) (*Redemption at the option of Noteholders*) of the relevant Terms and Conditions, liquidity will be reduced for the remaining Notes. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved will be maintained.

The Notes are exposed to market interest rate risk.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. The longer the maturity of Notes, the more exposed Notes are to fluctuations in market interest rates.

Changes or uncertainty in respect of EURIBOR may affect the value or payment of interest under the Notes

Various interest rate benchmarks (including the London Inter-Bank Offered Rate (**LIBOR**)) and the Euro Interbank Offered Rate (**EURIBOR**) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the Benchmark Regulation whilst others are still to be implemented.

Under the Benchmark Regulation, which applies from January 1, 2018 in general, new requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

The sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. Additionally, in March, 2017, the EMMI published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmark Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a “change in market activity as a result of the current regulatory requirements and a negative interest rate environment” and “under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path”. It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Moreover, any significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors.

The value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. This may impact the trading price of the Notes. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The Notes may be redeemed prior to maturity.

In the event: (A) of the occurrence of an Event of Default (as defined in Condition 8 (*Events of Default*) of the relevant Terms and Conditions); or (B) that the Issuer would be obliged (as set out in Condition 7

(*Taxation*) of the relevant Terms and Conditions) to increase the amounts payable in respect of any Notes as a result of any change in, or amendment to, the laws, treaties or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, treaties or regulations, which change or amendment becomes effective on or after the Issue Date, the Notes may be redeemed prior to maturity in accordance with the Terms and Conditions.

In respect of the Fixed Rate Notes, the Issuer may also redeem all or part of the Notes prior to maturity, in whole or in part, in accordance with Condition 5(d) (*Redemption at the Option of the Issuer (Refinancing)*) of the Fixed Rate Notes Terms and Conditions, in whole but not in part in accordance with Condition 5(e) (*Redemption at the option of the Issuer at Make-whole Premium*) of the Fixed Rate Notes Terms and Conditions, or, in whole only, in accordance with Condition 5(f) (*Redemption following exercise of Clean-up Call*) of the Fixed Rate Notes Terms and Conditions.

In respect of the Floating Rate Notes, the Issuer may also redeem in whole, but not in part, the Notes prior to maturity, in accordance with Condition 5(d) (*Redemption following exercise of Clean-up Call*) of the Floating Rate Notes Terms and Conditions.

The Notes may be redeemed prior to maturity in the event of a change of control.

Each Noteholder will have the right to require the Issuer to repurchase all or any part of such holder's Notes at 101% of the principal amount together with accrued interest upon the occurrence of a Put Event, as such terms are defined herein, and in accordance with the Terms and Conditions of the Notes (the Change of Control Put). Following the occurrence of a Put Event, the holder of each Note will have the option to require the Issuer to redeem, or at the Issuer's option, purchase that Note on the Put Settlement Date pursuant to Condition 5(c) (*Redemption at the option of Noteholders*) of the relevant Terms and Conditions.

Recently announced tax initiatives of newly elected Dutch government.

On October 10, 2017, the four parties that have formed the new Dutch government released their coalition agreement (*regeerakkoord*) 2017-2021. The coalition agreement does not include concrete legislative proposals, but instead sets out a large number of policy intentions of the new Dutch government. On February 23, 2018, the Dutch State Secretary for Finance published a letter with an annex containing further details on the government's policy intentions against tax avoidance and tax evasion.

One of the policy intentions is the introduction of a withholding tax on interest payments made to beneficiaries in low-tax jurisdictions or countries that are included in the EU list of non-cooperative jurisdictions as of 2021. The interest withholding tax would apply to certain payments made by a Dutch entity directly or indirectly to group companies in a low tax or non-cooperative jurisdiction. However, it cannot be ruled out that it will have a wider application and, as such, it could potentially be applicable to interest payments on the Notes. Many aspects of this policy intention remain unclear. As at the date of this Prospectus, no clear definition has been provided of what is considered to be a low-tax jurisdiction and it is not clear whether the withholding tax obligation will extend to publicly listed bonds.

However, if the policy intentions are implemented in such a way as to give rise to a situation where the Issuer has the right to redeem the Notes pursuant to its option under Condition 5(b) (*Redemption for taxation reasons*) of the relevant Terms and Conditions, the Issuer may exercise this right and as a result the Notes may be redeemed early.

Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of a Put Event, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer. Noteholders deciding to exercise the Change of Control shall have to do this through the bank or other financial intermediary through which the Noteholder holds the Notes (the Financial Intermediary) and are advised to check when such Financial Intermediary would require the receipt of instructions and Put Option Notices from Noteholders in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Noteholders. The Notes may be affected by the turbulence in the global credit markets.

Potential investors should be aware of the turbulence in the global credit markets, which has led to a general lack of liquidity in the secondary market for instruments similar to the Notes. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Notes and instruments similar to the Notes will not return in the future.

Modification to the Terms and Conditions of the Notes can be imposed on all Noteholders upon approval by defined majorities of Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Denominations involve integral multiples: definitive Notes.

The Notes have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds an amount that is less than €100,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

The Notes may be exposed to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Potential purchasers and sellers of the Notes may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Changes in governing law could modify certain Terms and Conditions.

The Terms and Conditions are based on the laws of the Netherlands in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Netherlands, the official application, interpretation or the administrative practice after the date of this Prospectus.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

The Floating Rate Notes will pay a floating rate of interest.

Floating rate debt securities tend to be volatile investments. A Noteholder of the Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and, consequently, uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of the Floating Rate Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future performance of such floating rate during the term of the Floating Rate Notes.

Depending on the development of three-month EURIBOR, to which payments of interest under the Floating Rate Notes are linked, a Noteholder of the Floating Rate Notes may not receive any interest at all.

Relationship with the Issuer may prejudice Noteholders.

All notices and payments to be delivered to the Noteholders will be distributed by the Issuer to such Noteholders in accordance with the Terms and Conditions. In the event that a Noteholder does not receive such notices or payments, its rights may be prejudiced. However, such Noteholders may not have a direct claim against the Issuer.

The Issuer, the Paying Agents and the Managers may engage in transactions adversely affecting the interests of the Noteholders.

The Paying Agents and the Managers might have conflicts of interests that could have an adverse effect on the interests of the Noteholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Paying Agents or/and each of the Managers and that they might have conflicts of interests that could have an adverse effect to the interests of the Noteholders. Potential investors should also be aware that the Paying Agents, and each of the Managers may hold from time to time debt securities, shares or/and other financial instruments of the Issuer.

Within the framework of a normal business relationship with its banks, the Issuer entered into loans and other facilities (the **Funding Transactions**) with each of the Managers (via bilateral transactions or/and syndicated loans together with other banks). These Funding Transactions may include different or/and additional terms (and other covenants) compared to the terms of the proposed Notes.

All or some of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. All or some of the Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies with the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In particular (but without providing an exhaustive overview herein), a potential purchaser of Notes should note that the relevant Terms and Conditions of the Notes do not include an event of default clause specifically protecting the Noteholders against a potential sale of all or substantially all of the assets of the Issuer or one of its material subsidiaries, or/and any change to the general nature of the business of the Issuer from that carried out on the relevant Issue Date and having (or being capable of having) a material adverse effect on the Issuer to perform or comply with its obligations under the Notes.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. All or some of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect liquidity and future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. The investors should consult their legal advisers to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Financial condition of the Issuer could necessitate an increase in its indebtedness.

In the future, the Issuer could decide to increase its indebtedness, which could make it difficult to meet its obligations in the context of the Notes or could cause the value of the Notes to decrease. The general conditions of the Notes do not limit the amount of unsecured debts that the Issuer can incur. If the Issuer incurs additional debts, this could have important consequences for the Noteholders, as it could become more difficult for the Issuer to meet its obligations with respect to the Notes, which could lead to a loss in the commercial value of the Notes.

The Notes are unsecured obligations of the Issuer.

The right of the Noteholders to receive payment on the Notes is not secured. However, the Issuer's payment obligations under the Notes are guaranteed by certain of its subsidiaries in accordance with the Cross Guarantee Agreement. The Notes will be general, unsecured, unprivileged Notes.

The Issuer may not have the ability to repay the Notes.

The Issuer may not be able to repay the Notes at their maturity. The Issuer may also be required to repay all or part of the Notes in the event of a default. If the Noteholders were to ask the Issuer to repay their Notes following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Notes will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries (see above)) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Notes may result in an event of default under the terms of other outstanding indebtedness.

Credit ratings assigned to the Notes and the Issuer may not reflect all risks.

Standard & Poor's and Moody's have assigned ratings to the Issuer and to the Notes. The ratings may not reflect the potential impact of all risks related to the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time.

PART II: IMPORTANT INFORMATION

All references in this document to **euro**, **EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

In connection with the issue of the Notes, Deutsche Bank AG, London Branch (or any person acting on behalf of the Stabilizing Manager) (the **Stabilizing Manager**) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any such stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager in accordance with all applicable laws and rules.

When potential investors make a decision to invest in the Notes, they should base this decision on their own research of the Issuer and the conditions of the Notes, including, but not limited to, the associated benefits and risks. The investors must themselves assess, with their own advisors if necessary, whether the Notes are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Notes, investors should abstain from investing in the Notes.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Notes.

The Notes are intended to be held in a manner which would allow eligibility for the central banking system for the euro (**Eurosystem**). This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

PART III: KEY FEATURES OF THE NOTES

The following overview refers to certain provisions of the relevant Terms and Conditions and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalized terms that are defined in the relevant Terms and Conditions have the same meaning when used in this overview. References to numbered Conditions are to the Terms and Conditions as set out under Part IV (*Terms and Conditions of the Notes of the Fixed Rate Notes*) or to Part V (*Terms and Conditions of the Notes of the Floating Rate Notes*).

Issuer:	Koninklijke Ahold Delhaize N.V.
The Notes:	EUR 500,000,000 1.125% Notes due March 2026 and EUR 300,000,000 Floating Rate Notes due March 2021, to be issued by the Issuer on March 19, 2018.
Fiscal Agent:	Deutsche Bank AG, London Branch.
Joint Bookrunners:	BNP Paribas, Deutsche Bank AG, London Branch, Goldman Sachs International and J.P. Morgan Securities plc.
Co-Managers:	ABN AMRO Bank N.V., ING Bank N.V. Belgian Branch and Société Générale
Interest:	<p>The Fixed Rate Notes bear interest from, and including, March 19, 2018 at the rate of 1.125% per annum payable annually in arrears on March 19 in each year, commencing on March 19, 2019.</p> <p>The Floating Rate Notes bear interest from, and including, March 19, 2018 at a floating rate of interest determined by reference to three-month EURIBOR and a fixed credit spread of 0.18% per annum, payable quarterly in arrears on March 19, June 19, September 19 and December 19 in each year, commencing on June 19, 2018. The rate of interest on the Floating Rate Notes shall at any time be at least zero per cent.</p>
Redemption:	<p>Except as provided in (i) Condition 5(b) (<i>Redemption for tax reasons</i>), (ii) Condition 5(c) (<i>Redemption at the option of Noteholders</i>), (iii) Condition 5(d) (<i>Redemption at the option of the Issuer (Refinancing)</i>), (iv) Condition 5(e) (<i>Redemption at the option of the Issuer at Make-whole Premium</i>), (v) Condition 5(f) (<i>Redemption following exercise of Clean-up call</i>), and (vi) Condition 5(g) (<i>Partial redemption</i>), in case of the Fixed Rate Notes Terms and Conditions, the Fixed Rate Notes may not be redeemed before their final maturity on March 19, 2026.</p> <p>Except as provided in (i) Condition 5(b) (<i>Redemption for tax reasons</i>), (ii) Condition 5(c) (<i>Redemption at the option of Noteholders</i>), and (iii) Condition 5(d) (<i>Redemption following exercise of Clean-up call</i>), in case of the Floating</p>

Rate Notes Terms and Conditions, the Floating Rate Notes may not be redeemed before their final maturity on March 19, 2021.

Negative Pledge:

The terms of the Notes contain a negative pledge provision that is described in Condition 3 of the relevant Terms and Conditions.

Status of the Notes:

The Notes will constitute direct, unconditional and (subject to the provisions of Condition 3 of the relevant Terms and Conditions) unsecured obligations of the Issuer and will rank *pari passu* among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but only to the extent permitted by applicable laws relating to creditors' rights.

Cross Guarantee Agreement:

The Issuer is party to a Cross Guarantee Agreement, dated as of May 21, 2007, as amended from time to time, with Delhaize Le Lion / De Leeuw Comm VA, Retail Business Services LLC, Delhaize US Holding, Inc. and substantially all the subsidiaries of Delhaize US Holding, Inc., under which each company party to the Cross Guarantee Agreement guarantees fully and unconditionally, jointly and severally, the existing financial indebtedness of parties to the Cross Guarantee Agreement set forth in the thereto and all future unsubordinated financial indebtedness of any party to the Cross Guarantee Agreement from the date such party became a party to the Cross Guarantee Agreement.

If any sum owed to a creditor by a guarantor pursuant to its guarantee under the Cross Guarantee Agreement is not recoverable from such guarantor for any reason whatsoever, then such guarantor is obligated, forthwith upon demand by such creditor, to pay such sum by way of a full indemnity.

Modification and Substitution:

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The relevant Terms and Conditions and the Agency Agreements contain provisions for, *inter alia*, modification of any of the provisions of Notes or the substitution of the Issuer by any directly or indirectly wholly owned subsidiary of the Issuer as principal debtor in respect of the Notes, as further described in Condition 16 of the relevant Terms and Conditions.

Withholding Tax and Additional Amounts:	If applicable law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever levied by the Netherlands, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to customary exceptions, as described in Condition 7 of the relevant Terms and Conditions.
Listing and admission to trading:	Application has been made for the listing and trading of the Notes on Euronext Amsterdam.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, Dutch law.
Form:	The Notes will be issued in bearer form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.
Credit Ratings:	<p>The Notes are expected to be assigned on issue a rating of Standard & Poor's and Moody's. A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Notes.</p> <p>Standard & Poor's and Moody's are established in the EU and are registered under the Regulation 1060/2009/EC on credit rating agencies, as amended.</p>
Selling Restrictions:	The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions only in compliance with applicable laws and regulations. See " <i>Subscription and Sale</i> " below.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. These are set out under " <i>Risk Factors</i> " above and include various risks relating to the Issuer's business. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes. These are set out under " <i>Risk Factors</i> " and include the fact that the Notes may not be a suitable investment for all investors and certain market risks.

Use of Proceeds:

The net proceeds from the issue of the Notes will be applied by Ahold Delhaize for the refinancing of some financial indebtedness as well as for general corporate purposes. See Part XIII (*Use of Proceeds*).

International Securities Identification Number (ISIN Code):

Fixed Rate Notes: XS1787477543

Floating Rate Notes: XS1787517199

Common Code:

Fixed Rate Notes: 178747754

Floating Rate Notes: 178751719

PART IV: DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the documents listed below, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the AFM. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document that is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

- (a) The articles of association of the Issuer;
- (b) the publicly available audited annual financial statements of the Issuer for the financial year ended December 31, 2017 (the **2017 Audited Financial Statements**) (prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS-EU) and with Part 9 of Book 2 of the Dutch Civil Code) that appear on pages 121 to 240 (inclusive) of the Issuer's Annual Report 2017 (the **2017 Annual Report**) and the independent auditor's report that appears on pages 241 to 249 (inclusive) of the 2017 Annual Report;
- (c) the publicly available audited annual financial statements of the Issuer for the financial year ended January 1, 2017 (prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS-EU) and with Part 9 of Book 2 of the Dutch Civil Code) that appear on pages 109 to 228 (inclusive) of the Issuer's Annual Report 2016 (the **2016 Annual Report**) and the independent auditor's report that appears on pages 229 to 238 of the 2016 Annual Report; and
- (d) pages 11 to 20 (inclusive) (*Who we are*), pages 21 to 26 (inclusive) (*The world around us*), pages 27 to 57 (inclusive) (*Business review*), pages 76 to 78 (inclusive) (*Business review*) and pages 82 to 93 (inclusive) (*Governance*) of the 2017 Annual Report.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered offices of the Issuer and the website of the Issuer (www.aholddelhaize.com). For more information about the Issuer, please contact:

Koninklijke Ahold Delhaize N.V.
Investor relations
Provincialeweg 11
1506 MA Zaandam
The Netherlands
Tel: +31-88-659-5213

PART V: TERMS AND CONDITIONS OF THE FIXED RATE NOTES

The EUR 500,000,000 1.125% notes due March 2026 (the **Notes**), which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Koninklijke Ahold Delhaize N.V. (the **Issuer**) are the subject of a fiscal agency agreement dated March 19, 2018 (as amended or supplemented from time to time, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Terms and Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (the **Noteholders**) and the holders of the related interest coupons (the **Couponholders** and the **Coupons**, respectively) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

In these Terms and Conditions the terms set out below shall have the following meanings:

Borrowed Moneys means any indebtedness for borrowed money with an original maturity of 12 months or more, the aggregate outstanding principal amount of which is greater than EUR 500,000,000 or the equivalent thereof in any other currency or currencies.

Calculation Date means the third business day preceding the Make-whole Redemption Date.

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons (**Relevant Person(s)**) acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer, provided that in the case of (B) above, a Change of Control shall not be deemed to have occurred if such number of shares is acquired or comes to be owned by Stichting Continuïteit Ahold Delhaize and provided further that, for the avoidance of doubt, a Change of Control shall not be deemed to have occurred if a public offer has been made for the shares in the Issuer and such offer is not effected.

Change of Control Period means the period ending 90 days after the occurrence of the Change of Control.

Cross Guarantee Agreement means the cross guarantee agreement dated May 21, 2007 among the Issuer, Delhaize Le Lion / De Leeuw Comm. VA, Retail Business Services, LLC, Delhaize US Holding, Inc. and substantially all of the subsidiaries of Delhaize US Holding, Inc. (as amended or updated from time to time).

Extraordinary Resolution means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with the Agency Agreement by a majority of not less two thirds of the votes cast.

Guarantor means each company party to the Cross Guarantee Agreement.

Major Subsidiary means a Subsidiary of the Issuer, the assets of which represent greater than 25 per cent. of the assets of the Issuer and the Issuer's Subsidiaries on a consolidated basis, according to the most recent annual consolidated financial statements of the Issuer.

Make-whole Redemption Amount means the sum of:

- (i) the greater of (x) the principal amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
 - (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,
- as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer and the Fiscal Agent.

Make-whole Redemption Margin means 0.15 per cent.

Make-whole Redemption Rate means the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third business day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("CET")).

Managers means each of BNP Paribas, Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Securities plc and ABN AMRO Bank N.V., ING Bank N.V. Belgian Branch and Société Générale.

Material Subsidiary means a Subsidiary

- (i) whose (a) revenues, or (b) total assets (in each case determined on a non-consolidated basis and determined on a basis consistent with the preparation of the consolidated financial statements of the Issuer) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, are equal to) no less than ten (10) per cent. of the consolidated revenues or total assets (as the case may be) of the Issuer, all as calculated respectively by reference to the then latest audited financial statements of such Subsidiary and the then latest audited consolidated financial statements of the Issuer provided that:
 - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation above shall, until consolidated financial statements of the Issuer for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned financial statements as if such Subsidiary had been shown in such accounts by references to its then latest audited financial statements, adjusted as deemed appropriate by the auditors of the relevant Subsidiary from time to time (the **Auditors**); and
 - (B) in the case of a Subsidiary in respect of which no audited financial statements are prepared, its revenues and total assets shall be determined on the basis of pro-forma financial statements of the relevant Subsidiary prepared for this purpose by the Auditors on the basis of accounting principles consistent with those adopted by the Issuer; or
- (ii) to which is transferred the whole or substantially the whole of the business, undertaking or assets of a Subsidiary which prior to transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary pursuant to this sub-paragraph (ii) on the date on which the consolidated financial statements of the Issuer for the

financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of sub-paragraph (i) above or before, on or at any time after such date by virtue of the provisions of this sub-paragraph (ii).

A report by the Auditors that, in their opinion, a Subsidiary is or is not or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

Maturity Date means March 19, 2026.

Quotation Agent means Deutsche Bank AG, London Branch or any other financial institution appointed by the Issuer.

Rating Agency means Standard & Poor's Credit Market Services Europe Limited or means Moody's Investor Services, Ltd. and their respective successors or affiliates or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **Rating Downgrade (Change of Control)** shall be deemed to have occurred in respect of a Change of Control (i) if within the Change of Control Period any rating previously assigned to the Issuer at its request by any two Rating Agencies (if three Rating Agencies have assigned a rating to the Issuer at its request) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer at its request) is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Issuer by any two Rating Agencies at its request shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating), or (ii) if at the time of the Change of Control there is no rating assigned to the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Issuer (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavors to do so and such failure is unconnected with the occurrence of the Change of Control) provided, in each case, that a Rating Downgrade (Change of Control) otherwise arising by virtue of a particular change in rating, or failure to obtain an investment grade rating (as described above) shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in or withdrawing the rating, or failing to award an investment grade rating (as described above), to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer that the withdrawal, reduction or such failure was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

Rating Downgrade (Disposition) means a downgrade of any rating of the Issuer by a Rating Agency, following a downgrade of any rating of the Issuer by the other Rating Agency (it being understood that a Rating Downgrade (Disposition) will only occur at the time where the second Rating Agency announces the downgrade).

Reference Dealers means each of the four banks (that may include the Manager) selected by the Quotation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Reference Security means DBR 0.500% due 02/15/2026 (ISIN: DE0001102390). If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 15 (*Notices*).

Relevant Debt means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures or other securities that are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market.

Similar Security means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

Subsidiary means, at any particular time, a company that is then directly or indirectly controlled, or more than 50 per cent. of the issued share capital (or equivalent) of which is then beneficially owned by the Issuer and/or one or more of its Subsidiaries. For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company.

1. **Form, Denomination and Title**

The Notes are serially numbered and in bearer form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, with Coupons attached at the time of issue. No Notes in definitive form will be issued with a denomination above EUR 199,000. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2. **Status**

- (a) *Status of the Notes.* The Notes constitute unsecured and unsubordinated obligations of the Issuer that will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Cross Guarantee Agreement.* The indebtedness of the Issuer under the Notes falls within the scope of, and benefits from, the Cross Guarantee Agreement. Under the Cross Guarantee Agreement, each Guarantor guarantees fully and unconditionally, jointly and severally the indebtedness of the Issuer under the Notes.

3. **Negative Pledge**

- (a) *Negative Pledge.* So long as any Note remains outstanding, the Issuer:
 - (i) will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (together **Security**) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt or any guarantee of or indemnity in respect of any Relevant Debt (save under the Cross Guarantee Agreement);
 - (ii) will procure that no Material Subsidiary (determined at the time of incurrence) creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt issued by the Issuer or any guarantee of or indemnity in respect of any such Relevant Debt (save under the Cross Guarantee Agreement or as set forth under Condition 3(a)(iii) below); and

- (iii) will procure that no Material Subsidiary (determined at the time of incurrence) gives any guarantee of, or indemnity in respect of any of the Relevant Debt of the Issuer; unless, at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and ratably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution.
- (b) The prohibition contained in this Condition 3 does not apply to Security either:
- (i) existing in connection with Relevant Debt that is assumed by the Issuer at the time of the assumption,
 - (ii) existing over undertakings, assets or revenues that are acquired by the Issuer at the time of acquisition, or
 - (iii) existing prior to an entity (whether or not a Subsidiary) becoming a Material Subsidiary.
- (c) For the avoidance of doubt, nothing in this Condition 3 is intended to prevent a Material Subsidiary from giving any guarantee or indemnity in respect of any obligations of any person other than in respect of Relevant Debt of the Issuer (as provided in Condition 3(a)(iii) above), nor in particular is anything in this Condition 3 intended to prevent any Material Subsidiary from giving together with the Issuer any guarantee or indemnity in respect of any Relevant Debt of any third person.

4. **Interest**

The Notes bear interest on the aggregate principal amount outstanding from March 19, 2018 (the **Issue Date**) at the rate of 1.125 per cent. per annum, (the **Rate of Interest**) payable in arrears on March 19 in each year (each, an **Interest Payment Date**), commencing on March 19, 2019, subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

Calculation Amount means EUR 1,000;

Day Count Fraction means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

Regular Period means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands and any other jurisdiction where the Issuer is engaged in the context of business/trade or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after March 15, 2018; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (A) a certificate signed by two managing directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption at the option of Noteholders*: If there occurs a Change of Control and within the Change of Control Period a Rating Downgrade (Change of Control) in respect of that Change of Control occurs (together called a **Put Event**), the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer's option, to be exercised at the time, purchase (or procure the purchase of) that Note on the Put Settlement Date (as defined below) at a price equal to 101 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Put Settlement Date.

The **Put Settlement Date** is the seventh day after the last day of the Change of Control Period.

Within five business days after the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 15 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 5(c).

In order to exercise the option contained in this Condition 5(c), the holder of a Note must deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto within the period of 45 days after a Put Event Notice is given as well as a duly completed put option notice (a **Put Option Notice**) in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a **Put Option Receipt**) to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 5(c), may be withdrawn; *provided, however, that* if, prior to the Put Settlement Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 5(c), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

- (d) *Redemption at the option of the Issuer (Refinancing):* The Notes may be redeemed at the option of the Issuer in whole or in part on from and including the date falling three months prior to the Maturity Date to but excluding the Maturity Date (the **Refinancing Call Settlement Date**) at a price equal to 100 per cent. of their principal amount on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes specified in such notice on the Refinancing Call Settlement Date at such price plus accrued interest to such date).
- (e) *Redemption at the option of the Issuer at Make-whole Premium:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any date until the Maturity Date (each such date, a **Make-whole Redemption Date**) at the Make-whole Redemption Amount on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes) on the relevant Make-whole Redemption Date at the Make-whole Redemption Amount.
- (f) *Redemption following exercise of Clean-up call:* The Notes will be redeemable at the option of the Issuer in whole, but not in part, on any Interest Payment Date at any time when the aggregate principal amount of the Notes is equal to or less than 20 per cent. of the aggregate principal amount of the Notes issued (x) on the Issue Date and (y) if any, issued pursuant to Condition 14 (*Further Issues*).

Upon such redemption, the Issuer will redeem the Notes at 101 per cent. of their principal amount together with accrued interest to but excluding the Interest Payment Date, upon giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes).

- (g) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 5(d) (*Redemption at the option of the Issuer (Refinancing)*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 5(d) (*Redemption at the option of the Issuer (Refinancing)*) shall specify the serial numbers of the Notes so to be redeemed.

- (h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (f) (*Redemption following exercise of Clean-up call*) above.
- (i) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (j) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate *Coupons* at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) *Interpretation:* In these Terms and Conditions:

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007;

TARGET Settlement Day means any day on which TARGET2 is open for the settlement of payments in euro;

and

TARGET System means the TARGET2 system.

- (d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments by the Issuer.
- (e) *Deduction for unmatured Coupons:* If a Note is presented without all unmatured Coupons relating thereto, then:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons the gross amount of which actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) the gross amount of which actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (f) *Unmatured Coupons void*: On the due date for redemption of any Note pursuant to Condition 5(a) (*Scheduled redemption*), Condition 5(b) (*Redemption for tax reasons*), Condition 5(c) (*Redemption at the option of Noteholders*), Condition 5(d) (*Redemption at the option of the Issuer (Refinancing)*), Condition 5(e) (*Redemption at the option of the Issuer at Make-Whole Premium*), Condition 5(f) (*Redemption following exercise of Clean-up call*) or Condition 8 (*Events of Default*), all unmatured Coupons (if any) relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, **business day** means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political

subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with The Netherlands other than the mere holding of the Note or Coupon; or
- (b) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Terms and Conditions, **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Terms and Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) that may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Terms and Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

8. **Events of Default**

If any of the following events occurs and is continuing :

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 15 days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the *Issuer* or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer or Subsidiary*: the Issuer or any Material Subsidiary defaults in the payment of the principal of, or interest on, any other obligation in respect of Borrowed Moneys of, assumed or guaranteed by the Issuer or any Material Subsidiary, as the case may be, when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, or principal, has not been effectively extended, or if any obligation in respect of Borrowed Moneys, of, assumed or guaranteed by the Issuer or the Material Subsidiary shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder; or

- (d) *Attachment*: an executory attachment (*executoriaal beslag*), or an interlocutory attachment (*conservatoir beslag*) is made on any substantial part of the assets of the Issuer and, in *either* case, is not cancelled or withdrawn within 30 days after the making thereof; or
- (e) *Insolvency, etc.*: the Issuer or a Material Subsidiary becomes bankrupt or applies for suspension of payment, or the Issuer or a Material Subsidiary offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed; or
- (f) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries over the whole or substantially all of the undertaking, assets or revenues of the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person in respect thereof) and is not discharged or stayed within 30 days; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries, other than a solvent liquidation or reorganization of any Material Subsidiary and except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation (i) on terms approved by a resolution of the general meeting of Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or
- (h) *Analogous event*: any event occurs which under the laws of any relevant jurisdiction that has an analogous effect to any of the events referred to in paragraphs (d) (*Attachment*) to (g) (*Winding up, etc.*) above; or
- (i) *Cessation of business*: the Issuer shall cease to carry on substantially the whole of its business or shall dispose of substantially the whole of its assets; or
- (j) *Substitute Debtor*: any Substituted Debtor ceases to be at least 95 per cent. owned and controlled (directly or indirectly) by the Issuer; or
- (k) *Cross Guarantee Agreement*: the failure by any Guarantor to perform any covenant set out in the Cross Guarantee Agreement, applicable to such Guarantor or the repudiation by any Guarantor of its obligations under the Cross Guarantee Agreement, other than in compliance with the terms thereof, or the Cross Guarantee Agreement fails to be in full force and effect for any reason (subject to, for the avoidance of doubt, the grace period referred to in paragraph (b) (*Breach of other obligations*) above),

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

9. Undertaking

Under these Terms and Conditions and the Cross Guarantee Agreement, for so long as any Note remains outstanding, all guarantees made by a Guarantor under the Cross Guarantee Agreement in respect to the Notes will be released and discharged, upon a sale, exchange, transfer or other disposition in a transaction or series of transactions over a twelve-month period (any such sale, exchange, transfer or other disposition in a transaction or series of transactions over a twelve-month

period, a **Disposition**) to any person that is not the Issuer or a Subsidiary of the Issuer of all of the capital stock, or all or substantially of all the assets, of such Guarantor, if as a result of which such Guarantor ceases to be a Subsidiary of the Issuer.

With respect to a Disposition of such capital stock of, or a Disposition of such assets of, a Guarantor that is a Major Subsidiary, the Issuer hereby undertakes and agrees that no Guarantor that is a Major Subsidiary shall be released under the Cross Guarantee Agreement in respect to the Notes if after giving effect to such Disposition, a Rating Downgrade (Disposition) resulting (in whole or in part) from such Disposition shall occur.

10. **Prescription**

Claims for principal and interest shall become void unless the relevant Notes and Coupons are presented for payment within five years of the appropriate Relevant Date.

11. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent and the Paying Agent having its Specified Office in London subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. **Paying Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations toward or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain (a) a fiscal agent and (b) a paying agent in London.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

13. **Meetings of Noteholders; Modification**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Terms and Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the

currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders, holding not less than 75 per cent. in nominal amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes and these Terms and Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

14. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

15. **Notices**

Notices to the Noteholders shall be valid if published in a leading newspaper having general circulation in The Netherlands (which is expected to be the *Het Financieele Dagblad*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

16. **Substitution of the Issuer**

- (a) Koninklijke Ahold Delhaize N.V. and any company (incorporated in any country in the world) of which Koninklijke Ahold Delhaize N.V. holds directly or indirectly more than 95 per cent. of the shares or other equity interest carrying voting rights, may, at any time, substitute the Issuer (which for the purpose of this Condition 16, save where the context requires otherwise, includes any previous substitute of the Issuer) as the principal debtor in respect of the Notes (any company so substituting the Issuer, the **Substituted Debtor**), and the Noteholders and the Couponholders hereby irrevocably agree in advance to any such substitution, provided that:

- (i) such documents shall be executed, and notices be given, by the Substituted Debtor and the Issuer as the Fiscal Agent may deem reasonably necessary to give full effect to the substitution and pursuant to which the Substituted Debtor shall undertake in favor of each Noteholder and Couponholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the principal debtor in respect of the Notes and Coupons in place of the Issuer;

- (ii) in accordance with and subject to Condition 7 (*Taxation*), no taxes or duties shall be required to be withheld or deducted at source in the territory where the Substituted Debtor is incorporated, domiciled or resident (unless the withholding or deduction would be borne by the Substituted Debtor, in which case Condition 7 (*Taxation*) shall apply or unless the Issuer was required by law to make such withholding or deduction before the substitution);
- (iii) all necessary governmental and regulatory approvals and consents for such substitution and for the giving by Koninklijke Ahold Delhaize N.V. of the Substitution Guarantee (as defined below) in respect of the obligations of the Substituted Debtor shall have been obtained and be in full force and effect;

and (where Koninklijke Ahold Delhaize N.V. is the Issuer being substituted as principal debtor by the Substituted Debtor) upon the Notes and Coupons becoming valid and binding obligations of the Substituted Debtor, Koninklijke Ahold Delhaize N.V. undertakes that it will irrevocably and unconditionally guarantee in favor of each Noteholder and Couponholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee and hereinafter referred to as the **Substitution Guarantee**).

- (b) The Substituted Debtor shall forthwith give notice of the substitution to the Noteholders and the Couponholders in accordance with Condition 15 (*Notices*).

17. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by the laws of The Netherlands.
- (b) *Submission to jurisdiction:* The Issuer submits for the exclusive benefit of the Noteholders and the Couponholders to the jurisdiction of the courts of Amsterdam, the Netherlands, judging in first instance, and their appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes or the Coupons may be brought in any other court of competent jurisdiction.

PART VI: TERMS AND CONDITIONS OF THE FLOATING RATE NOTES

The EUR 300,000,000 floating rate notes due March 2021 (the **Notes**), which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Koninklijke Ahold Delhaize N.V. (the **Issuer**) are the subject of a fiscal agency agreement dated March 19, 2018 (as amended or supplemented from time to time, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and Deutsche Bank AG, London Branch as calculation agent (the **Calculation Agent**, which expression includes any successor or additional calculation agent appointed from time to time in connection with the Notes). Certain provisions of these Terms and Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (the **Noteholders**) and the holders of the related interest coupons (the **Couponholders** and the **Coupons**, respectively) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

In these Terms and Conditions the terms set out below shall have the following meanings:

Borrowed Moneys means any indebtedness for borrowed money with an original maturity of 12 months or more, the aggregate outstanding principal amount of which is greater than EUR 500,000,000 or the equivalent thereof in any other currency or currencies.

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons (**Relevant Person(s)**) acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer, provided that in the case of (B) above, a Change of Control shall not be deemed to have occurred if such number of shares is acquired or comes to be owned by Stichting Continuïteit Ahold Delhaize and provided further that, for the avoidance of doubt, a Change of Control shall not be deemed to have occurred if a public offer has been made for the shares in the Issuer and such offer is not effected.

Change of Control Period means the period ending 90 days after the occurrence of the Change of Control.

Cross Guarantee Agreement means the cross guarantee agreement dated May 21, 2007 among the Issuer, Delhaize Le Lion / De Leeuw Comm. VA, Retail Business Services, LLC, Delhaize US Holding, Inc. and substantially all of the subsidiaries of Delhaize US Holding, Inc. (as amended or updated from time to time).

Extraordinary Resolution means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with the Agency Agreement by a majority of not less two thirds of the votes cast.

Guarantor means each company party to the Cross Guarantee Agreement.

Major Subsidiary means a Subsidiary of the Issuer, the assets of which represent greater than 25 per cent. of the assets of the Issuer and the Issuer's Subsidiaries on a consolidated basis, according to the most recent annual consolidated financial statements of the Issuer.

Material Subsidiary means a Subsidiary

- (i) whose (a) revenues, or (b) total assets (in each case determined on a non-consolidated basis and determined on a basis consistent with the preparation of the consolidated financial statements of the Issuer) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, are equal to) no less than ten (10) per cent. of the consolidated revenues or total assets (as the case may be) of the Issuer, all as calculated respectively by reference to the then latest audited financial statements of such Subsidiary and the then latest audited consolidated financial statements of the Issuer provided that:
 - (A) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation above shall, until consolidated financial statements of the Issuer for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned financial statements as if such Subsidiary had been shown in such accounts by references to its then latest audited financial statements, adjusted as deemed appropriate by the auditors of the relevant Subsidiary from time to time (the Auditors); and
 - (B) in the case of a Subsidiary in respect of which no audited financial statements are prepared, its revenues and total assets shall be determined on the basis of pro-forma financial statements of the relevant Subsidiary prepared for this purpose by the Auditors on the basis of accounting principles consistent with those adopted by the Issuer; or
- (ii) to which is transferred the whole or substantially the whole of the business, undertaking or assets of a Subsidiary which prior to transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary pursuant to this sub-paragraph (ii) on the date on which the consolidated financial statements of the Issuer for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of sub-paragraph (i) above or before, on or at any time after such date by virtue of the provisions of this sub-paragraph (ii).

A report by the Auditors that, in their opinion, a Subsidiary is or is not or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

Maturity Date means March 19, 2021.

Rating Agency means Standard & Poor's Credit Market Services Europe Limited or means Moody's Investor Services, Ltd. and their respective successors or affiliates or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **Rating Downgrade (Change of Control)** shall be deemed to have occurred in respect of a Change of Control (i) if within the Change of Control Period any rating previously assigned to the Issuer at its request by any two Rating Agencies (if three Rating Agencies have assigned a rating to the Issuer at its request) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer at its request)

is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Issuer by any two Rating Agencies at its request shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating), or (ii) if at the time of the Change of Control there is no rating assigned to the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Issuer (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavors to do so and such failure is unconnected with the occurrence of the Change of Control) provided, in each case, that a Rating Downgrade (Change of Control) otherwise arising by virtue of a particular change in rating, or failure to obtain an investment grade rating (as described above) shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in or withdrawing the rating, or failing to award an investment grade rating (as described above), to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer that the withdrawal, reduction or such failure was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

Rating Downgrade (Disposition) means a downgrade of any rating of the Issuer by a Rating Agency, following a downgrade of any rating of the Issuer by the other Rating Agency (it being understood that a Rating Downgrade (Disposition) will only occur at the time where the second Rating Agency announces the downgrade).

Relevant Debt means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures or other securities that are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market.

Subsidiary means, at any particular time, a company that is then directly or indirectly controlled, or more than 50 per cent. of the issued share capital (or equivalent) of which is then beneficially owned by the Issuer and/or one or more of its Subsidiaries. For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company.

1. **Form, Denomination and Title**

The Notes are serially numbered and in bearer form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, with Coupons attached at the time of issue. No Notes in definitive form will be issued with a denomination above EUR 199,000. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2. **Status**

- (a) *Status of the Notes.* The Notes constitute unsecured and unsubordinated obligations of the Issuer that will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Cross Guarantee Agreement.* The indebtedness of the Issuer under the Notes falls within the scope of, and benefits from, the Cross Guarantee Agreement. Under the Cross Guarantee Agreement, each

Guarantor guarantees fully and unconditionally, jointly and severally the indebtedness of the Issuer under the Notes.

3. **Negative Pledge**

- (a) *Negative Pledge.* So long as any Note remains outstanding, the Issuer:
- (i) will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (together **Security**) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt or any guarantee of or indemnity in respect of any Relevant Debt (save under the Cross Guarantee Agreement);
 - (ii) will procure that no Material Subsidiary (determined at the time of incurrence) creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt issued by the Issuer or any guarantee of or indemnity in respect of any such Relevant Debt (save under the Cross Guarantee Agreement or as set forth under Condition 3(a)(iii) below); and
 - (iii) will procure that no Material Subsidiary (determined at the time of incurrence) gives any guarantee of, or indemnity in respect of any of the Relevant Debt of the Issuer; unless, at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and ratably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution.
- (b) The prohibition contained in this Condition 3 does not apply to Security either:
- (i) existing in connection with Relevant Debt that is assumed by the Issuer at the time of the assumption,
 - (ii) existing over undertakings, assets or revenues that are acquired by the Issuer at the time of acquisition, or
 - (iii) existing prior to an entity (whether or not a Subsidiary) becoming a Material Subsidiary.
- (c) For the avoidance of doubt, nothing in this Condition 3 is intended to prevent a Material Subsidiary from giving any guarantee or indemnity in respect of any obligations of any person other than in respect of Relevant Debt of the Issuer (as provided in Condition 3(a)(iii) above), nor in particular is anything in this Condition 3 intended to prevent any Material Subsidiary from giving together with the Issuer any guarantee or indemnity in respect of any Relevant Debt of any third person.

4. **Interest**

- (a) *Accrual of interest:* The Notes bear interest from March 19, 2018 (the **Issue Date**), payable in arrears on each March 19, June 19, September 19 and December 19 in each year (each, an **Interest Payment Date**), commencing on June 19, 2018, subject as provided in Condition 6 (*Payments*); *provided, however, that*, if any Interest Payment Date would otherwise fall on a date which is not a TARGET Settlement Day (as defined below), it will be postponed to the next TARGET Settlement Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding TARGET Settlement Day. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an **Interest Period**.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (b) *Rate of interest:* The rate of interest applicable to the Notes (the **Rate of Interest**) for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) the Calculation Agent will determine the rate for deposits in Euro for a period equal to the relevant Interest Period which appears on the display page designated EURIBOR01 on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) (the **Relevant Screen Page**) as of 11:00 a.m., (Amsterdam time)(or as near to 11:00 a.m. Amsterdam time as practicable) (the **Relevant Time**), on the second TARGET Settlement Day before the first day of the relevant Interest Period (the **Interest Determination Date**). The Rate of Interest for any long or short Interest Period will (if required) be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;
 - (ii) if such rate does not appear on that page, the Issuer and/or an agent appointed by the Issuer will:
 - (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11.00 a.m. (Amsterdam time) on the Interest Determination Date to prime banks in the Euro-zone interbank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and
 - (iii) if fewer than two such quotations are provided as requested, the Issuer and/or an agent appointed by the Issuer will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-zone, selected by the Issuer and/or an agent appointed by the Issuer, at approximately 11.00 a.m. (Amsterdam time) on the first day of the relevant Interest Period for loans in Euro to leading European banks for a period

equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of 0.18 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Issuer and/or an agent appointed by the Issuer is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of 0.18 per cent. per annum and the rate or (as the case may be) arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period. The Rate of Interest on the Notes shall at any time be at least zero per cent.

- (c) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the Interest Determination Date in relation to each Interest Period, calculate the amount of interest (the **Interest Amount**) payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the actual number of days in such Interest Period divided by 360, rounding the resulting figure to the nearest euro cent (half a euro cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.
- (d) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, to be notified to the Issuer and the Paying Agents. The Issuer and/or an agent appointed by the Issuer will notify such Rate of Interest and Interest Amount to each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum denomination, the Calculation Agent (or the Issuer or the Issuer's agent, if applicable) shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum denomination.
- (e) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (f) *Interpretation:* In these Conditions:

Calculation Amount means EUR 1,000;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on November 19, 2007;

TARGET Settlement Day means any day on which TARGET2 is open for the settlement of payments in euro;

TARGET System means the TARGET2 system; and

Euro-zone means the region comprised of member states of the European Union which adopt the Euro in accordance with the Treaty establishing the European Community, as amended.

5. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands and any other jurisdiction where the Issuer is engaged in the context of business/trade or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after March 15, 2018; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (A) a certificate signed by two managing directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption at the option of Noteholders*: If there occurs a Change of Control and within the Change of Control Period a Rating Downgrade (Change of Control) in respect of that Change of Control occurs (together called a **Put Event**), the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer's option, to be exercised at the time, purchase (or procure the purchase of) that Note on the Put Settlement Date (as defined below) at a price equal to 101 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Put Settlement Date.

The **Put Settlement Date** is the seventh day after the last day of the Change of Control Period.

Within five business days after the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 15 (*Notices*)

specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 5(c).

In order to exercise the option contained in this Condition 5(c), the holder of a Note must deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto within the period of 45 days after a Put Event Notice is given as well as a duly completed put option notice (a **Put Option Notice**) in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a **Put Option Receipt**) to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 5(c), may be withdrawn; *provided, however, that* if, prior to the Put Settlement Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 5(c), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

- (d) *Redemption following exercise of Clean-up call:* The Notes will be redeemable at the option of the Issuer in whole, but not in part, on any Interest Payment Date at any time when the aggregate principal amount of the Notes is equal to or less than 20 per cent. of the aggregate principal amount of the Notes issued (x) on the Issue Date and (y) if any, issued pursuant to Condition 14 (*Further Issues*).

Upon such redemption, the Issuer will redeem the Notes at 101 per cent. of their principal amount together with accrued interest to but excluding the Interest Payment Date, upon giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes).

- (e) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption following exercise of Clean-up call*) above.
- (f) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (g) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.
- (b) *Interest:* Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate *Coupons* at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments by the Issuer.
- (d) *Deduction for unmatured Coupons:* If a Note is presented without all unmatured Coupons relating thereto, then:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons the gross amount of which actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) the gross amount of which actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (e) *Unmatured Coupons void:* On the due date for redemption of any Note pursuant to Condition 5(a) (*Scheduled redemption*), Condition 5(b) (*Redemption for tax reasons*), Condition 5(c) (*Redemption at the option of Noteholders*), Condition 5(d) (*Redemption following exercise of Clean-up call*) or Condition 8 (*Events of Default*), all unmatured Coupons (if any) relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (f) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, **business day** means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.

- (g) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (h) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with The Netherlands other than the mere holding of the Note or Coupon; or
- (b) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Terms and Conditions, **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Terms and Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) that may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Terms and Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

8. **Events of Default**

If any of the following events occurs and is continuing :

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 15 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied

for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the *Issuer* or to the Specified Office of the Fiscal Agent; or

- (c) *Cross-default of Issuer or Subsidiary*: the Issuer or any Material Subsidiary defaults in the payment of the principal of, or interest on, any other obligation in respect of Borrowed Moneys of, assumed or guaranteed by the Issuer or any Material Subsidiary, as the case may be, when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, or principal, has not been effectively extended, or if any obligation in respect of Borrowed Moneys, of, assumed or guaranteed by the Issuer or the Material Subsidiary shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder; or
- (d) *Attachment*: an executory attachment (*executoriaal beslag*), or an interlocutory attachment (*conservatoir beslag*) is made on any substantial part of the assets of the Issuer and, in *either* case, is not cancelled or withdrawn within 30 days after the making thereof; or
- (e) *Insolvency, etc.*: the Issuer or a Material Subsidiary becomes bankrupt or applies for suspension of payment, or the Issuer or a Material Subsidiary offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed; or
- (f) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries over the whole or substantially all of the undertaking, assets or revenues of the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person in respect thereof) and is not discharged or stayed within 30 days; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries, other than a solvent liquidation or reorganization of any Material Subsidiary and except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation (i) on terms approved by a resolution of the general meeting of Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or
- (h) *Analogous event*: any event occurs which under the laws of any relevant jurisdiction that has an analogous effect to any of the events referred to in paragraphs (d) (*Attachment*) to (g) (*Winding up, etc.*) above; or
- (i) *Cessation of business*: the Issuer shall cease to carry on substantially the whole of its business or shall dispose of substantially the whole of its assets; or
- (j) *Substitute Debtor*: any Substituted Debtor ceases to be at least 95 per cent. owned and controlled (directly or indirectly) by the Issuer; or
- (k) *Cross Guarantee Agreement*: the failure by any Guarantor to perform any covenant set out in the Cross Guarantee Agreement, applicable to such Guarantor or the repudiation by any Guarantor of its obligations under the Cross Guarantee Agreement, other than in compliance with the terms thereof, or the Cross Guarantee Agreement fails to be in full force and effect for any reason (subject to, for the avoidance of doubt, the grace period referred to in paragraph (b) (*Breach of other obligations*) above),

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

9. **Undertaking**

Under these Terms and Conditions and the Cross Guarantee Agreement, for so long as any Note remains outstanding, all guarantees made by a Guarantor under the Cross Guarantee Agreement in respect to the Notes will be released and discharged, upon a sale, exchange, transfer or other disposition in a transaction or series of transactions over a twelve-month period (any such sale, exchange, transfer or other disposition in a transaction or series of transactions over a twelve-month period, a **Disposition**) to any person that is not the Issuer or a Subsidiary of the Issuer of all of the capital stock, or all or substantially of all the assets, of such Guarantor, if as a result of which such Guarantor ceases to be a Subsidiary of the Issuer.

With respect to a Disposition of such capital stock of, or a Disposition of such assets of, a Guarantor that is a Major Subsidiary, the Issuer hereby undertakes and agrees that no Guarantor that is a Major Subsidiary shall be released under the Cross Guarantee Agreement in respect to the Notes if after giving effect to such Disposition, a Rating Downgrade (Disposition) resulting (in whole or in part) from such Disposition shall occur.

10. **Prescription**

Claims for principal and interest shall become void unless the relevant Notes and Coupons are presented for payment within five years of the appropriate Relevant Date.

11. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent and the Paying Agent having its Specified Office in London subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. **Paying Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations toward or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain (a) a fiscal agent and (b) a paying agent in London.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

13. **Meetings of Noteholders; Modification**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision

of these Terms and Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders, holding not less than 75 per cent. in nominal amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes and these Terms and Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

14. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

15. **Notices**

Notices to the Noteholders shall be valid if published in a leading newspaper having general circulation in The Netherlands (which is expected to be the *Het Financieele Dagblad*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

16. **Substitution of the Issuer**

- (a) Koninklijke Ahold Delhaize N.V. and any company (incorporated in any country in the world) of which Koninklijke Ahold Delhaize N.V. holds directly or indirectly more than 95 per cent. of the shares or other equity interest carrying voting rights, may, at any time, substitute the Issuer (which for the purpose of this Condition 16, save where the context requires otherwise, includes any

previous substitute of the Issuer) as the principal debtor in respect of the Notes (any company so substituting the Issuer, the **Substituted Debtor**), and the Noteholders and the Couponholders hereby irrevocably agree in advance to any such substitution, provided that:

- (i) such documents shall be executed, and notices be given, by the Substituted Debtor and the Issuer as the Fiscal Agent may deem reasonably necessary to give full effect to the substitution and pursuant to which the Substituted Debtor shall undertake in favor of each Noteholder and Couponholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the principal debtor in respect of the Notes and Coupons in place of the Issuer;
- (ii) in accordance with and subject to Condition 7 (*Taxation*), no taxes or duties shall be required to be withheld or deducted at source in the territory where the Substituted Debtor is incorporated, domiciled or resident (unless the withholding or deduction would be borne by the Substituted Debtor, in which case Condition 7 (*Taxation*) shall apply or unless the Issuer was required by law to make such withholding or deduction before the substitution);
- (iii) all necessary governmental and regulatory approvals and consents for such substitution and for the giving by Koninklijke Ahold Delhaize N.V. of the Substitution Guarantee (as defined below) in respect of the obligations of the Substituted Debtor shall have been obtained and be in full force and effect;

and (where Koninklijke Ahold Delhaize N.V. is the Issuer being substituted as principal debtor by the Substituted Debtor) upon the Notes and Coupons becoming valid and binding obligations of the Substituted Debtor, Koninklijke Ahold Delhaize N.V. undertakes that it will irrevocably and unconditionally guarantee in favor of each Noteholder and Couponholder the payment of all sums payable by the Substituted Debtor as such principal debtor (such guarantee and hereinafter referred to as the **Substitution Guarantee**).

- (b) The Substituted Debtor shall forthwith give notice of the substitution to the Noteholders and the Couponholders in accordance with Condition 15 (*Notices*).

17. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by the laws of The Netherlands.
- (b) *Submission to jurisdiction:* The Issuer submits for the exclusive benefit of the Noteholders and the Couponholders to the jurisdiction of the courts of Amsterdam, the Netherlands, judging in first instance, and their appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes or the Coupons may be brought in any other court of competent jurisdiction.

PART VII: SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note (NGN) form. On June 13, 2006 the European Central Bank (the **ECB**) announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the **Eurosystem**), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of June 30, 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after December 31, 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility - that is, in a manner which would allow the Notes to be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (**Definitive Notes**) in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 each at the request of the bearer of the Permanent Global Note if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the relevant Terms and Conditions occurs.

So long as the Notes are represented by a Temporary Global Note Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradable only in the minimum authorized denomination of EUR100,000 and higher integral multiples of EUR1,000, notwithstanding that no Definitive Notes will be issued with a denomination above EUR199,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the relevant Terms and Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then as from the start of the first day on which banks in Amsterdam and London are open for business following such an event (the **Relevant Time**), each Relevant Account Holder (as defined in the Permanent Global Note) shall be able to enforce against the Issuer all rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the holder of Definitive Notes issued on the issue date of the Permanent Global Note in an aggregate principal amount equal to the principal amount of the relevant Entry (as defined in the Permanent Global Note) including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than payments corresponding to any already made under the Permanent Global Note, all in accordance with the provisions of the Permanent Global Note.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions that modify the relevant Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note **business day** means any day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and (ii) the TARGET System is open.

Exercise of put option: In order to exercise the option contained in Condition 5(c) (*Redemption at the option of Noteholders*) of the relevant Terms and Conditions the bearer of the Permanent Global Note must, within the period specified in the relevant Terms and Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to any Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 5(d) (Redemption at the option of the Issuer (*Refinancing*)) of the Terms and Conditions of the Fixed Rate Notes in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with Condition 5(d) (Redemption at the option of the Issuer (*Refinancing*)) of the Terms and Conditions of the Fixed Rate Notes and the Notes to be redeemed will not be selected as provided in the relevant Terms and Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount at their discretion).

Notices: Notwithstanding Condition 15 (*Notices*) of the relevant Terms and Conditions, while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 (*Notices*) of the relevant Terms and Conditions on the date of delivery to Euroclear and Clearstream, Luxembourg.

PART VIII: DESCRIPTION OF THE CROSS GUARANTEE

The following section of the Prospectus summarizes selected provisions of the Cross Guarantee Agreement, dated as of May 21, 2007 as amended from time to time, between (among others) the Issuer (as successor to Delhaize), Delhaize Le Lion / De Leeuw Comm. VA, Delhaize US Holding, Inc. and substantially all of the U.S. subsidiaries of Delhaize US Holding, Inc. A copy of the Cross Guarantee Agreement (as amended or supplemented from time to time) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer.

The Issuer has sought and obtained a derogation in accordance with article 5:18 subsection 3(c) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) from the requirement to include certain information in relation to the Guarantors (as defined below and excluding the Issuer) in accordance with Annex VI and Annex IX of the Prospectus Regulation. Such information has been omitted from the Prospectus, as, according to the Issuer all individual information of Annex IX of the Prospectus Regulation on Guarantors is of minor importance (*van minder belang*) for investors due to the fact that the Cross Guarantee Agreement ensures that investors have a claim in respect of the Notes against all of the Guarantors and the Issuer jointly and severally. Furthermore, the Issuer is of the opinion that all individual information of Annex IX of the Prospectus Regulation regarding the Guarantors is not of a nature that it influences the assessment of the financial position and prospects of the Issuer, because the Cross Guarantee Agreement ensures that investors have a claim in respect of the Notes against the Guarantors and the Issuer jointly and severally.

Overview

Pursuant to the Cross Guarantee Agreement, each company party thereto guarantees fully and unconditionally, jointly and severally the existing financial indebtedness and all future unsubordinated financial indebtedness (such as the Notes) of the Guarantors. On the date of this Prospectus, the **Guarantors** are the Issuer and its subsidiaries listed in the chart below under the heading “Guarantors”.

If any sum owed to a creditor by a Guarantor pursuant to its guarantee under the Cross Guarantee Agreement is not recoverable from such Guarantor for any reason whatsoever, then such Guarantor is obligated, forthwith upon demand by such creditor, to pay such sum by way of a full indemnity.

Financial Indebtedness

Under the Cross Guarantee Agreement, the term **financial indebtedness** of any person means, without duplication (and as each may be amended, modified, extended or renewed from time to time): (i) all obligations of such person under agreements for borrowed money; (ii) all obligations of such person evidenced by debentures, notes, bonds or similar instruments; (iii) all hedging obligations of such person; and (iv) all guarantees by such person of obligations of other persons of the type referred under (i), (ii) or (iii).

The term **person** means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

The term **hedging obligations** means, with respect to any person, the obligations of such person under: (i) currency exchange, interest rate or commodity swap agreements, cap agreements, floor agreements or collar agreements; and (ii) other similar agreements or arrangements designed to protect such person against fluctuations in currency exchange, interest rates or commodity prices.

Intercompany financial indebtedness is not guaranteed under the Cross Guarantee Agreement.

Ranking; Limit of Liability

The obligations of each Guarantor constitute direct, general, unconditional and unsubordinated obligations of such company that shall at all times rank at least *pari passu* with all of its other existing financial indebtedness guaranteed under the Cross Guarantee Agreement and its future unsubordinated financial indebtedness, save for such obligations as may be preferred by mandatory provisions of law. The obligations of each Guarantor are limited to the maximum amount that can be guaranteed without constituting a fraudulent conveyance or fraudulent transfer under applicable insolvency laws.

Applicability of Cross Guarantee Agreement

To the extent a Guarantor also guarantees financial indebtedness in an agreement other than the Cross Guarantee Agreement (an **Additional Guarantee**), such Additional Guarantee would fall under the scope of the Cross Guarantee Agreement, but the Cross Guarantee Agreement would not govern the terms of such Additional Guarantee. In other words, nothing contained in the Cross Guarantee Agreement in any way supersedes, modifies, replaces, rescinds or waives or in any way affects the provisions or any of the rights and obligations of such Guarantor and any creditor with respect to such Additional Guarantee.

Release of Guarantors and Guarantor Obligations

The obligations of a Guarantor under the Cross Guarantee Agreement (a **released Guarantor** in this paragraph), any lien created by such released Guarantor with respect to such obligations, and the obligations under the Cross Guarantee Agreement of all other Guarantors with respect to the financial indebtedness of the released Guarantor will be automatically and unconditionally released without any action on the part of any creditor:

- in connection with any sale, exchange, transfer or other disposition by such released Guarantor of all or substantially all of the assets of that released Guarantor, provided that the proceeds of that sale or other disposition are applied in accordance with the applicable provisions of any applicable financial indebtedness, or
- in connection with any sale, exchange, transfer or other disposition (including by way of merger, consolidation or otherwise), directly or indirectly, of capital stock of such released Guarantor, by the Issuer or any subsidiary thereof, to any person that is not the Issuer or a subsidiary of the Issuer, or an issuance by such released Guarantor of its capital stock, in each case as a result of which such released guarantor ceases to be a subsidiary of the Issuer,

provided, that: (i) such transaction is made in accordance with the applicable provisions of any applicable financial indebtedness; and (ii) such released Guarantor is also released from all of its obligations, if any, in respect of all other financial indebtedness of each other Guarantor under the Cross Guarantee Agreement. See Condition 9 (*Undertaking*) in Part V (*Terms and Conditions of the Fixed Rate Notes*) and Part VI (*Terms and Conditions of the Floating Rate Notes*).

In addition to any other releases for which a Guarantor qualifies under the Cross Guarantee Agreement, notwithstanding any other provision of the Cross Guarantee Agreement to the contrary, without limiting the validity of any agreement into which a Guarantor and a creditor may enter, a Guarantor that obtains a written release from a creditor releasing such Guarantor from its obligations under the Cross Guarantee Agreement with respect to the financial indebtedness owing to such creditor specified in such release shall be so released.

Termination of Agreement with Respect to Future Financial Indebtedness

The Cross Guarantee Agreement may be terminated with respect to a Guarantor at any time by such Guarantor providing written notice to the other parties to the Cross Guarantee Agreement or by mutual agreement. Notwithstanding the foregoing, a termination by any subsidiary of the Issuer to the Cross Guarantee requires the written consent of the Issuer and, except with regard to releases as discussed above, any termination of the Cross Guarantee Agreement with respect to a Guarantor affects neither:

- such Guarantor's obligations under the Cross Guarantee Agreement in relation to any financial indebtedness that came into existence prior to that termination, nor
- the obligations of the other Guarantors with respect to such Guarantor's financial indebtedness that came into existence prior to that termination. Financial indebtedness that comes into existence after that termination shall not be covered by the Cross Guarantee Agreement with respect to the terminating guarantor.

Third Parties

Subject to the release provisions of the Cross Guarantee Agreement discussed under the paragraphs "Release of Guarantors and Guarantor Obligations" and "Termination of Agreement with Respect to Future Financial Indebtedness" above, creditors of financial indebtedness guaranteed under the Cross Guarantee Agreement are entitled to rely on and enforce the Cross Guarantee Agreement and on the guarantees constituted pursuant to the Cross Guarantee Agreement. The Cross Guarantee Agreement constitutes a third party beneficiary contract for their benefit.

No Condition to Enforcement of Cross Guarantee Agreement

Before taking steps to enforce the Cross Guarantee Agreement, a creditor shall not be obliged: (a) to take any action or obtain judgment in any court against the Issuer, any Guarantor or any other person; (b) to make or file any claim in any insolvency of the Issuer, any Guarantor or any other person; (c) to make, enforce or seek to enforce any claim against the Issuer, any Guarantor or any Person under any security or other document, agreement or arrangement; or (d) to enforce against and/or realize (or seek to do so) any security that it may have in respect of all or any part of the guarantees under the Cross Guarantee Agreement.

Waiver of Defenses to Enforceability of Cross Guarantee Agreement

Each guarantee under the Cross Guarantee Agreement is an independent, unconditional and absolute guarantee of payment and not of collection, and each Guarantor waives: (a) promptness, diligence, notice of acceptance, presentment, demand (except for a demand for indemnity as discussed above), filing of claims with a court in the event of merger or insolvency of the Issuer or a Guarantor, protest, notice of protest and dishonor, notice of intent to accelerate, notice of acceleration and any other notice with respect to any of the guarantees under the Cross Guarantee Agreement not provided for in the Cross Guarantee Agreement; and (b) any requirement that a creditor protect, secure, perfect or insure any security on any property subject thereto or exercise or exhaust any right or take any action against the Issuer or any Guarantor or any other person.

Notices and Other Communications to a Guarantor

All notices and other communications to a Guarantor must be in writing in English and must be delivered by hand or overnight courier service to such Guarantor at c/o the Issuer, Provincialeweg 11, 1506 Zaandam, The Netherlands, Attention: Senior Vice President – Treasurer.

Governing Law

The Cross Guarantee Agreement is governed by the laws of the State of New York.

Consent to Jurisdiction and Service of Process

Each Guarantor submits to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Cross Guarantee Agreement, or for recognition or enforcement of any judgment. Each of the Guarantors agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Guarantor irrevocably consents to service of process in the manner provided for notices in the Cross Guarantee Agreement discussed above.

Guarantors

The Guarantors of financial indebtedness of the Issuer are listed in the table below:

Name of Guarantor	Jurisdiction of Incorporation	Contact details
Delhaize Le Lion / De Leeuw Comm. VA	Incorporated in the Netherlands and converted into Belgian legal entity	Osseghemstraat 53 1080 Sint-Jans-Molenbeek Belgium
Delhaize US Holding, Inc.	Delaware, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Delhaize America, LLC	North Carolina, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Delhaize America Distribution, LLC	Delaware, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Delhaize America Supply Chain Services, Inc.	Delaware, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Delhaize America Transportation, LLC	Maine, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
DZA Brands, LLC	Florida, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Boney Wilson & Sons, Inc.	North Carolina, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.

Name of Guarantor	Jurisdiction of Incorporation	Contact details
Bottom Dollar Food Northeast, LLC	Delaware, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Food Lion, LLC.	North Carolina, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Hannaford Bros. Co., LLC	Maine, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
Martin's Foods of South Burlington, LLC	Vermont, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.
Retail Business Services LLC	Delaware, U.S.A.	2110 Executive Drive, Salisbury, North Carolina, 28147 U.S.A.
Retained Subsidiary One, LLC	Texas, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Risk Management Services, Inc.	North Carolina, U.S.A.	2110 Executive Drive, Salisbury, North Carolina 28147 U.S.A.
Victory Distributors, LLC	Massachusetts, U.S.A.	145 Pleasant Hill Road Scarborough, Maine 04074 U.S.A.

Condensed financial information relating to the Guarantors

The following condensed consolidated financial information presents the results of: (i) the Issuer (for the purposes of the below, the **Parent**); (ii) Delhaize Le Lion / De Leeuw Comm. VA; (iii) Delhaize America, LLC; (iv) Delhaize US Holding, Inc., Food Lion, LLC, Hannaford Bros. Co., LLC, Risk Management Services, Inc., Martin's Foods of South Burlington, LLC, Boney Wilson & Sons, Inc., Victory Distributors, LLC, Bottom Dollar Food Northeast, LLC, Retail Business Services LLC, Retained Subsidiary One, LLC, Delhaize America Distribution, LLC, DZA Brands, LLC, Delhaize America Transportation, LLC and Delhaize America Supply Chain Services, Inc (for the purposes of the below, the **Guarantor Subsidiaries**); (v) the non-guarantor subsidiaries of the Issuer; and (vi) the eliminations to arrive at the Issuer's financial information on a consolidated basis as of December 31, 2017 and January 1, 2017 and for the years ended December 31, 2017 and January 1, 2017. The financial administration of books and records of the Issuer is used to provide the condensed financial information relating to the Guarantors. However, and although the financial administration of books and records is the source of the audited consolidated financial statements of the Issuer, the condensed financial information relating to the Guarantors presented hereunder is not audited.

Consolidated income statement and comprehensive income for 2017

	Delhaize Le Lion / De Leeuw Comm. VA (issuer and guarantor subsidiary)	Delhaize America LLC (issuer and guarantor subsidiary)	Guarantor subsidiaries (non issuers)	Non - Guarantor subsidiaries	Elimination	Consolidated
€ million	Parent					
Net sales	-	4,838	-	15,395	(145)	62,890
Cost of sales	-	(3,959)	-	(11,266)	145	(46,121)
Gross profit	-	879	-	4,129	-	16,769
Selling expenses	-	(554)	-	(3,084)	(8,607)	(12,245)
General and administrative expenses	23	(266)	(9)	(505)	(1,542)	(2,299)
Total operating expenses	23	(820)	(9)	(3,589)	(10,149)	(14,544)
Operating income	23	59	(9)	540	1,612	2,225
Interest income	1	2	14	180	182	32
Interest expense	(82)	(56)	(62)	(64)	(377)	(294)
Net interest expense on defined benefit pension plans	-	-	(1)	(2)	(19)	(22)
Other financial expenses	(5)	102	2	-	(112)	(13)
Net financial expenses	(86)	48	(47)	114	(326)	(297)
Income before income taxes	(63)	107	(56)	654	1,286	1,928
Income taxes	18	46	(19)	301	(492)	(146)
Share in income of joint ventures	-	-	-	-	35	35
Share in income of subsidiaries	1,862	769	768	(361)	1,615	(4,653)
Income from continuing operations	1,817	922	693	594	2,444	1,817
Income (loss) from discontinued operations	-	-	-	-	-	-
Net income	1,817	922	693	594	2,444	1,817
Net income attributable to common shareholders	1,817	922	693	594	2,444	1,817
Non-controlling interests	-	-	-	-	-	-
Other comprehensive income	(1,330)	(698)	(859)	(1,236)	(1,753)	(4,546)
Total comprehensive income	487	224	(166)	(642)	691	(107)

Consolidated income statement and comprehensive income for 2016

	Delhaize Le Lion / De Leeuw Comm. VA (issuer and guarantor subsidiary)	Delhaize America LLC (issuer and guarantor subsidiary)	Guarantor subsidiaries (non issuers)	Non- Guarantor subsidiaries	Elimination	Consolidated
€ million	Parent					
Net sales	—	2,143	0	7,065	(78)	49,695
Cost of sales	—	(1,749)	0	(5,207)	78	(36,31)
Gross profit	—	394	0	1,858	11,126	13,378
Selling expenses	—	(251)	0	(1,404)	(8,221)	(9,876)
General and administrative expenses	(36)	(105)	(3)	(237)	(1,537)	(1,918)
Total operating expenses	(36)	(356)	(3)	(1,641)	(9,758)	(11,794)
Operating income	(36)	38	(3)	217	1,368	1,584
Interest income	1	1	3	85	121	15
Interest expense	(102)	(32)	(23)	(35)	(277)	(273)
Net interest expense on defined benefit pension plans	—	—	—	—	(18)	(18)
Other financial expenses	(249)	(36)	—	1	19	(265)
Net financial expenses	(350)	(67)	(20)	51	(155)	(541)
Income before income taxes	(386)	(29)	(23)	268	1,213	1,043
Income taxes	96	11	9	(104)	(259)	(247)
Share in income of joint ventures	—	—	—	—	34	34
Share in income of subsidiaries	1,120	257	127	62	354	(1,920)
Income from continuing operations	830	239	113	226	1,342	830
Income (loss) from discontinued operations	—	—	—	—	—	—
Net income	830	239	113	226	1,342	(1,920)
Attributable to:						
Common shareholders	830	239	113	226	1,342	(1,920)
Non-controlling interests	—	—	—	—	—	—
Other comprehensive income	424	243	240	409	440	(1,332)
Total comprehensive income	1,254	482	353	635	1,782	(3,252)

Consolidated balance sheet at December 31, 2017

		Delhaize Le Lion / De Leeuw Comm. VA	Delhaize America LLC (issuer and guarantor subsidiary)	Guarantor subsidiaries (non issuers)	Non - Guarantor subsidiaries	Elimination	Consolidated
€ million	Parent	(subsidiary)	(subsidiary)	(non issuers)	(subsidiaries)		
Assets							
Property, plant and equipment	1	833	-	2,613	7,242	-	10,689
Investment property	-	4	-	101	545	-	650
Intangible assets	21	1,917	-	4,808	4,888	-	11,634
Investments in subsidiaries	20,653	6,112	6,100	1,196	12,370	(46,431)	-
Investments in joint ventures and associates	-	-	-	-	230	-	230
Other non-current financial assets	360	1,249	345	4,005	3,721	(9,488)	192
Deferred tax assets	2	-	-	-	434	-	436
Other non-current assets	2	3	-	1	64	-	70
Total non-current assets	21,039	10,118	6,445	12,724	29,494	(55,919)	23,901
Assets held for sale	-	-	-	-	14	-	14
Inventories	-	208	-	968	1,901	-	3,077
Receivables	21	989	11	232	3,059	(2,706)	1,606
Other current financial assets	1	1,460	3	90	3,726	(5,042)	238
Income taxes receivable	-	1	-	47	106	-	154
Prepaid expenses and other current assets	7	31	-	49	213	-	300
Cash and cash equivalents	318	297	435	253	3,278	-	4,581
Total current assets	347	2,986	449	1,639	12,297	(7,748)	9,970
Total assets	21,386	13,104	6,894	14,363	41,791	(63,667)	33,871
Equity and liabilities							
Equity attributable to common shareholders	15,170	7,105	5,265	9,288	24,773	(46,431)	15,170
Non-controlling interests	-	-	-	-	-	-	-
Group equity	15,170	7,105	5,265	9,288	24,773	(46,431)	15,170
Loans	2,188	1,357	1,761	2,327	5,144	(9,488)	3,289
Other non-current financial liabilities	455	62	14	326	1,241	-	2,098
Pensions and other post-employment benefits	1	28	19	45	474	-	567
Deferred tax liabilities	-	260	(71)	663	253	-	1,105
Provisions	6	28	-	70	704	-	808
Other non-current liabilities	-	9	-	98	422	-	529
Total non-current liabilities	2,650	1,744	1,723	3,529	8,238	(9,488)	8,396
Liabilities related to assets held for sale	-	-	-	-	-	-	-
Accounts payable	19	3,347	35	865	3,717	(2,706)	5,277
Other current financial liabilities	3,499	719	28	67	2,939	(5,042)	2,210
Income taxes payable	25	-	(169)	148	132	-	136
Provisions	-	24	-	69	262	-	355
Other current liabilities	23	165	12	397	1,730	-	2,327
Total current liabilities	3,566	4,255	(94)	1,546	8,780	(7,748)	10,305
Total equity and liabilities	21,386	13,104	6,894	14,363	41,791	(63,667)	33,871

Consolidated balance sheet as at January 1, 2017

€ million	Parent	Delhaize Le Lion / De Leeuw Comm. VA (issuer and guarantor subsidiary)	Delhaize America LLC (issuer and guarantor subsidiary)	Guarantor subsidiaries (non issuers)	Non- Guarantor subsidiaries	Elimination	Consolidated
Assets							
Property, plant and equipment	2	794	—	2,986	7,988	—	11,770
Investment property	—	5	—	118	604	—	727
Intangible assets	18	1,898	—	5,489	5,142	—	12,547
Investments in subsidiaries	20,728	8,781	6,578	903	11,347	(48,337)	—
Investments in joint ventures and associates	—	—	—	—	274	—	274
Other non-current financial assets	210	69	394	4,573	7,705	(12,735)	216
Deferred tax assets	6	—	—	—	694	—	700
Other non-current assets	2	2	—	—	60	—	64
Total non-current assets	20,966	11,549	6,972	14,069	33,814	(61,072)	26,298
Assets held for sale	—	—	—	1	49	—	50
Inventories	—	208	—	1,030	2,050	—	3,288
Receivables	38	2,589	271	132	1,613	(3,055)	1,588
Other current financial assets	400	113	3	10	3,150	(2,999)	677
Income taxes receivable	—	1	—	—	35	—	36
Prepaid expenses and other current assets	8	38	—	42	218	—	306
Cash and cash equivalents	201	192	188	216	3,235	—	4,032
Total current assets	647	3,141	462	1,431	10,350	(6,054)	9,977
Total assets	21,613	14,690	7,434	15,500	44,164	(67,126)	36,275
Equity and liabilities							
Shareholders' equity	16,276	8,395	5,348	9,159	25,435	(48,337)	16,276
Non-controlling interests	—	—	—	—	—	—	—
Group equity	16,276	8,395	5,348	9,159	25,435	(48,337)	16,276
Loans	2,819	3,147	1,609	2,718	5,703	(12,685)	3,311
Other non-current financial liabilities	497	69	18	424	1,568	(49)	2,527
Pensions and other post-employment benefits	1	25	21	46	566	—	659
Deferred tax liabilities	—	261	(131)	1,075	391	—	1,596
Provisions	6	37	—	100	789	(1)	931
Other non-current liabilities	—	10	—	124	444	—	578
Total non-current liabilities	3,323	3,549	1,517	4,487	9,461	(12,735)	9,602
Liabilities related to assets held for sale	—	—	—	—	9	—	9
Accounts payable	28	1,402	15	1,114	5,859	(3,029)	5,389
Other current financial liabilities	1,960	1,155	609	96	1,383	(3,025)	2,178
Income taxes payable	8	—	(68)	154	(7)	—	87
Provisions	—	18	—	69	296	—	383
Other current liabilities	18	171	13	421	1,728	—	2,351
Total current liabilities	2,014	2,746	569	1,854	9,268	(6,054)	10,397
Total equity and liabilities	21,613	14,690	7,434	15,500	44,164	(67,126)	36,275

Consolidated statement of cash flows for 2017

	Delhaize Le Lion / De Leeuw Comm. VA (issuer and guarantor subsidiary)	Delhaize America LLC (issuer and guarantor subsidiary)	Guarantor subsidiaries (non issuers)	Non - Guarantor subsidiaries	Elimination	Consolidated
€ million	Parent					
Net cash from operating activities	35	3,510	201	714	(765)	0
Purchase of non-current assets	(6)	(196)	-	(507)	(989)	(1,698)
Divestments of assets / disposal groups held for sale	-	-	-	6	136	142
Acquisition of businesses, net of cash acquired	-	(4)	-	(1)	(45)	(50)
Divestment of businesses, net of cash divested	-	-	-	-	(3)	(3)
Changes in short-term deposits and similar instruments	100	-	-	-	-	100
Dividends received from joint ventures	-	-	-	-	70	70
Interest received	1	2	13	182	202	32
Capital contributions paid and dividends received from subsidiaries	550	1,449	407	-	1,607	(4,013)
Changes in loans receivable	(123)	(1,449)	28	(82)	1,178	445
Investing cash flows from continuing operations	522	(198)	448	(402)	2,156	(3,936)
Investing cash flows from discontinued operations	-	-	-	-	-	-
Net cash from investing activities	522	(198)	448	(402)	2,156	(3,936)
Proceeds from long-term debt	747	-	-	-	-	747
Interest paid	(57)	(99)	(83)	(71)	(378)	368
Repayments of loans	-	(154)	-	(1)	(319)	(474)
Change in intercompany loans payable	(13)	(1,425)	(141)	27	150	1,402
Changes in short-term loans	469	(310)	(111)	(13)	2,024	(1,847)
Repayments of finance lease liabilities	-	(2)	-	(74)	(114)	(190)
Dividends paid on common shares	(720)	-	-	-	-	(720)
Share buyback	(992)	-	-	-	-	(992)
Issuance of shares	-	-	-	-	-	-
Other cash flows from derivatives	(16)	83	-	-	195	262
Intercompany capital contributions and dividends	-	(1,530)	(39)	(172)	(2,272)	4,013
Other	148	10	-	(3)	(138)	17
Financing cash flows from continuing operations	(434)	(3,427)	(374)	(307)	(852)	3,936
Financing cash flows from discontinued operations	-	-	-	-	-	-
Net cash from financing activities	(434)	(3,427)	(374)	(307)	(852)	3,936
Net cash from operating, investing and financing activities	123	(115)	275	5	539	-
Cash and cash equivalents at the beginning of the period (excluding restricted cash)	201	424	188	259	2,918	-
Exchange rate diff on cash (adjusted)	(6)	(16)	(28)	(38)	(187)	-
Cash and cash equivalents at the end of the period (excluding restricted cash)	318	293	435	226	3,270	-

Consolidated statement of cash flows for 2016

€ million	Parent	Delhaize Le Lion / De Leeuw Comm. VA (issuer and guarantor subsidiary)	Delhaize America LLC (issuer and guarantor subsidiary)	Guarantor subsidiaries (non issuers)	Non- Guarantor subsidiaries	Elimination	Consolidated
Net cash from operating activities	(93)	129	(4)	458	2,403	—	2,893
Purchase of non-current assets	(3)	(87)	3	(222)	(993)	—	(1,302)
Divestments of assets / disposal groups held for sale	—	3	—	51	50	—	104
Acquisition of businesses, net of cash acquired	—	197	213	25	1,770	—	2,205
Divestment of businesses, net of cash divested	—	—	—	—	(4)	—	(4)
Changes in short-term deposits and similar instruments	113	—	—	—	319	—	432
Dividends received from joint ventures	—	—	—	—	19	—	19
Interest received	1	1	—	195	127	(309)	15
Capital contributions paid and dividends received from subsidiaries	404	(33)	222	129	(7)	(715)	—
Other	(81)	(14)	(173)	(116)	(1,302)	1,687	1
Investing cash flows from continuing operations	434	67	265	62	(21)	663	1,470
Investing cash flows from discontinued operations	—	—	—	—	—	—	—
Net cash from investing activities	434	67	265	62	(21)	663	1,470
Interest paid	(108)	(61)	(26)	(34)	(373)	309	(293)
Repayments of loans	(314)	—	—	(1)	(32)	—	(347)
Changes in short-term loans	1,120	16	—	123	124	(1,174)	209
Change in intercompany loans payable	366	—	(17)	(33)	197	(513)	—
Repayment of finance lease liabilities	—	(1)	—	(34)	(106)	—	(141)
Dividends paid on common shares	(429)	—	—	—	—	—	(429)
Capital repayment	(1,001)	—	—	—	—	—	(1,001)
Other cash flows from derivatives	(231)	24	—	—	(53)	—	(260)
Capital contributions received and dividends paid by subsidiaries	—	—	(84)	(228)	(403)	715	—
Other	112	(6)	46	(135)	(4)	—	13
Financing cash flows from continuing operations	(485)	(28)	(81)	(342)	(650)	(663)	(2,249)
Financing cash flows from discontinued operations	—	—	—	—	—	—	—
Net cash from financing activities	(485)	(28)	(81)	(342)	(650)	(663)	(2,249)
Net cash from operating, investing and financing activities	(144)	168	180	178	1,732	—	2,114
Cash and cash equivalents at the beginning of the period (excluding restricted cash)	336	—	—	—	1,483	—	1,819
Effect of exchange rate differences on cash and cash equivalents	9	20	8	8	12	—	57
Cash and cash equivalents at the end of the period (excluding restricted cash)	201	188	188	186	3,227	—	3,990

PART IX: DESCRIPTION OF THE ISSUER

1. GENERAL

The commercial name of our company is Ahold Delhaize. The legal name of our company is Koninklijke Ahold Delhaize N.V., and outside of the Netherlands, Ahold Delhaize also presents itself under the name “Royal Ahold Delhaize”, the company being allowed to use its full legal corporate name or its abridged legal corporate names.

Ahold Delhaize is a public limited liability company (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands and having its statutory seat and its principal place of business at Provincialeweg 11, 1506 MA Zaandam, the Netherlands. The telephone number of Ahold Delhaize is +31 (0)88 659 5100. The Issuer is registered in the Trade Register of the Chamber of Commerce under number 35000363. Our Internet address is www.aholddelhaize.com.

Ahold Delhaize is one of the world’s largest food retail groups and a leader in both supermarkets and e-commerce. Its family of great local brands serves more than 50 million customers each week in Europe, the United States and Indonesia¹. Together, these brands employ nearly 370,000 associates in over 6,500 grocery and specialty stores² and include the top online retailer in the Benelux and the leading online grocers in the Benelux and the U.S. Ahold Delhaize brands are at the forefront of sustainable retailing and are committed to sourcing responsibly, supporting local communities and helping customers make healthier choices. Headquartered in Zaandam, the Netherlands, Ahold Delhaize is listed on the Euronext Amsterdam and Brussels stock exchanges (ticker: AD). Its American Depositary Receipts are traded on the over-the-counter market in the U.S. and quoted on the OTCQX International marketplace (ticker: ADRNY).

Pages 11 to 20 (inclusive) of the 2017 Annual Report are incorporated in, and form part of this Prospectus.

2. HISTORY

Ahold Delhaize’s origins date back to 1887 when the founder of Ahold, Albert Heijn, opened his first grocery store in the Netherlands. Albert Heijn’s company expanded in the Netherlands over the years and was first listed on the Amsterdam Exchange in 1948. The Albert Heijn holding company changed its name to Ahold N.V. in 1973. In 1987, Queen Beatrix of the Netherlands bestowed upon the company its honorary predicate of “Koninklijke,” which means “Royal” in Dutch, in recognition of 100 years of honorable operations.

Koninklijke Ahold N.V. (**Ahold**) opened its first store outside of the Netherlands in 1976. In 1981, Ahold acquired the Giant Carlisle Supermarket chain in the United States, followed by Stop & Shop in 1996 and Giant Landover in 1998. In 2000, Ahold acquired a food service company, U.S. Foodservice, and invested in online grocer Peapod, which Ahold fully acquired in 2001. Ahold entered Central Europe in the early 1990s by setting up a holding company in what was then Czechoslovakia and acquiring a supermarket chain. Ahold expanded further in the Czech Republic in 2005 with the acquisition of 59 stores from Julius Meinl.

In 2007, Ahold sold its U.S. Foodservice business as part of a decision to focus on its core retail businesses.

¹ Joint venture operations.

² Excluding joint venture operations.

In 2012, Ahold acquired bol.com, an online retailer of general merchandise that operates in both the Netherlands and Belgium.

In 2014, Ahold's Czech subsidiary successfully completed the acquisition of the SPAR business in the Czech Republic. Ahold also made several other store acquisitions in the Netherlands, Belgium and the United States. During the first quarter of 2014, Ahold successfully completed the divestiture of its Slovakian operations.

In 2015, Ahold acquired 25 A&P stores from Great Atlantic & Pacific Tea Company in the greater New York metropolitan area in the United States.

Etablissements Delhaize Frères et Cie “Le Lion” (Groupe Delhaize) SA/NV (**Delhaize**) was founded in 1867 and started as a wholesale grocery supplier in Charleroi, Belgium. In 1957, the brand opened the first Delhaize supermarket in Belgium and, since that date, expanded its operations across the country and into other parts of Europe, North America and Southeast Asia, while also divesting certain activities. Delhaize entered the United States by acquiring 35% of Food Town Stores Inc. in 1974 (later renamed to Food Lion Inc. and primarily operational in the southeast U.S.). In 2000, Delhaize acquired the supermarket chain Hannaford Bros. Co., located in the northeast part of the U.S. In 2001, Delhaize acquired the remaining shares of Delhaize America (the consolidated entity through which the U.S operations were conducted) through a share exchange transaction. In Europe, Delhaize acquired Alfa Beta in Greece in 1992, Mega Image in Romania in 2000 and the Delta Maxi retailer in Serbia (currently called **Delhaize Serbia**) in 2011. Delhaize has also owned a 51% stake in the Indonesian banner Super Indo since 1997.

On June 24, 2015, Ahold and Delhaize announced their intention to merge their businesses through a merger of equals. On July 24, 2016, the merger was completed and Delhaize shareholders received 4.75 Ahold Delhaize common shares for each Delhaize Group ordinary share.

In connection with the merger, 86 stores have been divested in the United States as part of the approval of the U.S. Federal Trade Commission. In Belgium, the Issuer has divested 13 stores and a limited number of planned stores as part of the approval by the Belgian Competition Authority.

3. ORGANISATIONAL STRUCTURE

Ahold Delhaize is an international retailing group based in the Netherlands and primarily active in the United States and Europe. Koninklijke Ahold Delhaize N.V. is the group parent company and operates through a number of significant subsidiaries as set out, as of December 31, 2017, in Note 36 to the 2017 Audited Financial Statements.

4. STRATEGY OF AHOLD DELHAIZE

4.1 Our strategy

For a description of Ahold Delhaize's strategy, pages 28 to 48 (inclusive) of the 2017 Annual Report are incorporated in, and form part of this Prospectus.

4.2 Our stakeholders

For a description of Ahold Delhaize's stakeholders, pages 25 to 26 (inclusive) of the 2017 Annual Report are incorporated in, and form part of this Prospectus.

4.3 Our response to stakeholder needs

For a description of Ahold Delhaize's response to stakeholder needs, pages 49 to 57 (inclusive) of the 2017 Annual Report are incorporated in, and form part of this Prospectus.

5. MARKET OVERVIEW

For a description of Ahold Delhaize's market overview, pages 21 to 24 (inclusive) of the 2017 Annual Report are incorporated in, and form part of this Prospectus.

6. LEGAL PROCEEDINGS

6.1 Legal proceedings

From time to time in the normal course of business, Ahold Delhaize and its subsidiaries are subject to legal proceedings. Such legal proceedings are subject to inherent uncertainties. Ahold Delhaize's management, supported by internal and external legal counsel, where appropriate, determines whether it is more likely than not that a liability has occurred and whether or not a loss is reasonably estimable. If a determination has been made that a loss is reasonably estimable, such estimate is accrued.

6.2 The Netherlands: Albert Heijn Franchising litigation

In 2014, the Vereniging Albert Heijn Franchisenemers (an association of Albert Heijn franchisees or VAHFR) has asserted claims against Albert Heijn Franchising BV (an Ahold Delhaize subsidiary or AHF), for the years 2008 through 2012, the alleged value of which exceeds €200 million in aggregate. AHF and the VAHFR have had ongoing discussions for a number of years about the resolution of certain cost items under individual franchise agreements. On December 24, 2014, AHF and other legal entities within the Ahold Delhaize group of companies received a writ in which VAHFR and 242 individual claimants would initiate proceedings as of April 15, 2015, before the District Court of Haarlem with respect to these discussions. On November 16, 2016, the court issued a judgment rejecting all claims of the VAHFR and the claimants. On February 13, 2017, VAHFR and 240 individual claimants filed a formal appeal against the judgment. In September 2017, the claimants filed their grounds for appeal in which they assert unquantified claims for the years 2008 until 2016. AHF believes that the District Court was correct in rejecting all claims and that the position of the VAHFR and individual claimants as expressed in the appeal is without merit. AHF and its affiliates will vigorously defend their interest in the legal proceedings.

6.3 Uruguayan litigation

Ahold Delhaize, together with Disco and Disco Ahold International Holdings N.V. (DAIH), is a party to one lawsuit in Uruguay related to Ahold Delhaize's 2002 acquisition of Velox Retail Holdings (VRH)' shares in the capital of DAIH. The two other related lawsuits involving claims on similar grounds as the one remaining lawsuit in Uruguay were decided in favor of Ahold Delhaize without any further right to appeal of the plaintiffs in 2013. The damages alleged by the plaintiffs, alleged creditors of certain Uruguayan and other banks, based on the alleged fraudulent conveyance by VRH prior to VRH's bankruptcy of VRH assets among which VRH's shares in DAIH, amount to approximately \$62 million (€52 million) plus interest and costs. As part of the sale of Disco to Cencosud in 2004, Ahold Delhaize indemnified Cencosud and Disco against the outcome of these legal proceedings. The one remaining lawsuit is ongoing. Ahold Delhaize continues to believe that the plaintiffs' claims are without merit and will continue to vigorously oppose such claims.

6.4 Greek litigation

In a shareholders' matter related to Alfa Beta Vassilopoulos S.A. (**AB**), Ahold Delhaize's wholly-owned subsidiary in Greece, Ahold Delhaize was notified in 2011 that some former shareholders of AB, who together held 7% of AB shares, filed a claim with the Court of First Instance of Athens challenging the price paid by Ahold Delhaize during the squeeze-out process that was approved by the Hellenic Capital Markets Commission. They have also filed a separate claim for compound interest. Ahold Delhaize believes that the squeeze-out transaction has been executed and completed in compliance with all legal and regulatory requirements and against a fair price, and vigorously defends itself against these claims. A decision on the merits of the matter by the Court of First Instance is expected to occur in 2018.

6.5 Other legal proceedings

In addition to the legal proceedings described above, Ahold Delhaize and its former or current subsidiaries are parties to a number of other legal proceedings arising out of their business operations. Ahold Delhaize believes that the ultimate resolution of these other proceedings will not, in the aggregate, have a material adverse effect on Ahold Delhaize's financial position, results of operations or cash flows. Such other legal proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that Ahold Delhaize could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

7. MATERIAL CONTRACTS

7.1 Cross Guarantee Agreement

We refer to the description under Part VIII (*Description of the Cross Guarantee*) of the Prospectus.

7.2 Cumulative Preference Shares

The Company's Articles of Association provide for the possible issuance of cumulative preferred shares. The Company believes that its ability to issue this class of shares could prevent, or at least delay, an attempt by a potential bidder to make a hostile takeover bid. According to Dutch law, a response device is limited in time and therefore cannot permanently block a take-over of the Company concerned. Instead, it aims to facilitate an orderly process in which the interests of the continuity of the Company, its shareholders and other stakeholders are safeguarded in the best way possible. Moreover, outside the scope of a public offer, but also under other circumstances, the ability to issue this class of shares may safeguard the interests of the Company and all stakeholders in the Company and resist influences that might conflict with those interests by affecting the Company's continuity, independence or identity. No cumulative preferred shares were outstanding as of December 31, 2017 or during 2017 and 2016.

In March 1989, the Company entered into an agreement with 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**). 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. 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. The Option Agreement entitles SCAD, under certain circumstances, to acquire cumulative

preferred shares from the Company up to a total par value that is equal to the total par value of all issued and outstanding shares of Ahold Delhaize's share capital, excluding cumulative preferred shares, at the time of exercising the option. If the authorized share capital of the Company is amended during the term of the option, the Option Agreement provides for a corresponding change of the total par value of cumulative preferred shares under option. The holders of the cumulative preferred shares are entitled to one vote per share and a cumulative dividend expressed as a percentage of the amount called-up and paid-in to purchase the cumulative preferred shares. The percentage to be applied is the sum of (1) the average basic refinancing transaction interest rate as set by the European Central Bank – measured by the number of days during which that rate was in force in the fiscal year over which the dividend is paid – plus 2.1%, and (2) the average interest surcharge rate – measured by the number of days during which that rate was in force in the fiscal year over which the dividend is paid – that would be charged by the largest credit institution in the Netherlands (based on the balance sheet total as of the close of the fiscal year immediately preceding the fiscal year over which the dividend is paid). The minimum percentage to be applied is 5.75%. Subject to limited exceptions, any potential transfer of cumulative preferred shares requires the approval of the Management Board. Cumulative preferred shares can only be issued in a registered form. The Company may stipulate that only 25% of the par value will be paid upon subscription to cumulative preferred shares until payment in full is later required by the Company. SCAD would then only be entitled to a market-based interest return on its investment.

SCAD is a foundation organized under the laws of the Netherlands. Its purpose under its articles 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. SCAD seeks to realize its objectives by acquiring and holding cumulative preferred shares and by exercising the rights attached to these shares, including the voting rights. The SCAD board has four members, who are appointed by the board of SCAD itself. If the board of SCAD considers acquiring cumulative preferred shares or exercising voting rights on cumulative preferred shares, it will make an independent assessment and, pursuant to Dutch law, it must ensure that its actions are proportional and reasonable. If SCAD acquires cumulative preferred shares, it will only hold them for a limited period of time. These principles are in line with Dutch law, which only allows response measures that are proportionate, reasonable and limited in time. In the case of liquidation, the SCAD board will decide on the use of any remaining residual assets.

PART X: MANAGEMENT AND CORPORATE GOVERNANCE

1. GOVERNANCE STRUCTURE

We are a public company under Dutch law, structured to execute our strategy and to balance local, regional and global decision-making. Our Company comprises a Global Support Office and five segments – Ahold USA, Delhaize America, the Netherlands, Belgium and Central and Southeastern Europe (CSE) – which are made up of a number of brands.

We have a two-tier board structure with a supervisory board (the **Supervisory Board**) and management board (the **Management Board**) that are accountable to our shareholders. Our Management Board has ultimate responsibility for the overall management of Ahold Delhaize. The Management Board is supervised and advised by a Supervisory Board.

We also have an Executive Committee comprised of our Management Board and certain other key officers of the Company, which is led by the Chief Executive Officer. The Executive Committee has been established to involve a broader leadership team, including key functional leaders, in the decision-making process in order to best support our strategy and businesses while having the flexibility to adapt to developments in our industry.

For a description of the Supervisory Board, the Management Board and the executive committee of the Company, pages 82 to 93 (inclusive) of the 2017 Annual Report are incorporated in, and form part of this Prospectus.

2. CONFLICTS OF INTERESTS

For the Management Board and Supervisory Board statement regarding conflicts of interest, page 90 of the 2017 Annual Report is incorporated in, and forms part of this Prospectus.

PART XI: MAJOR SHAREHOLDERS

Pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), any person who directly or indirectly acquires or disposes of an actual or potential interest in our capital or voting rights must immediately notify the AFM by means of a standard form if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in us reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the above mentioned thresholds as a result of a change in our total issued share capital or voting rights. In addition, local rules may apply to investors.

Under our Articles of Association, each holder of our common shares is entitled to one vote per share. Pursuant to a contractual arrangement between us and the holders of (depository receipts of) our cumulative preferred financing shares, the total number of votes that can be exercised by holders of our cumulative preferred financing shares is 67,971,873 (approximately 0.3 votes per cumulative preferred financing share). No votes may be cast at our General Meeting of Shareholders in respect of shares that are held by us or our subsidiaries.

The following table lists shareholders on record in the AFM register on February 28, 2018, that hold an interest of three per cent (%) or more in the share capital of Ahold Delhaize:

Shareholder ¹	Date of Disclosure	Capital Interest	Voting Rights
Blackrock, Inc.	June 21, 2017	4.49%	6.14%
DeltaFort Beleggingen I B.V. ²	July 25, 2016	10.82%	3.43%
NN Group N.V. ²	August 9, 2017	4.89%	2.54%
Stichting Administratiekantoor Preferente Financieringsaandelen Ahold ("SAPFAA") ²	August 9, 2017	14.42%	5.03%

The foregoing table is subject to change. The most current shareholder information may be obtained at: <https://www.afm.nl/en/professionals/registers/meldingenregisters/substantiele-deelnemingen>

Our major shareholders listed above do not have different voting rights.

We are not directly or indirectly owned or controlled by another corporation or by any government or by any other natural or legal person(s) severally or jointly. We do not know of any arrangements that may, at a subsequent date, result in a change of control of our Company, except as described in section 7.2 (*Cumulative Preference Shares*) in Part IX (*Description of the Issuer*).

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 All of the outstanding cumulative preferred financing shares are held by SAPFAA, for which SAPFAA issued corresponding depository receipts to investors that were filed under DeltaFort Beleggingen I B.V. and NN Group N.V.

PART XII: DESCRIPTION OF THE SHARES AND ARTICLES OF ASSOCIATION

1. FINANCIAL YEAR

Ahold Delhaize's financial year shall end on the Sunday nearest to the thirty-first of December of the calendar year, and the next financial year, shall begin on the next following Monday. Following the end of each financial year, the Management Board draws the financial statements to be submitted for approval to the ordinary General Meeting.

2. CORPORATE PURPOSE

Under Article 2 of the Issuer's Articles of Association, our corporate purpose is to promote or join others in promoting companies and enterprises; to participate in companies and enterprises; to finance companies and enterprises, 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 that 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.

3. DURATION

The Issuer was incorporated in 1887 for an unlimited duration (article 3 of the Issuer's Articles of Association, as amended).

4. 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 Dutch Chamber of Commerce 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, with the approval of 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 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.

5. SHARE CAPITAL

5.1 Issued Share Capital

As of February 28, 2018, there were 265,899,276 Ahold Delhaize cumulative preferred financing shares and 1,246,808,764 Ahold Delhaize common shares issued and fully paid. As of February 28, 2018, after market close, there were 39,827,346 fully paid Ahold Delhaize common shares held by Ahold Delhaize in treasury, with a total nominal value of €398,273.46 and a total book value of

€720,460,215.78. As of February 28, 2018, there were 223,415,103 Ahold Delhaize cumulative preferred financing shares outstanding and 42,484,173 Ahold Delhaize cumulative preferred financing shares were held by Ahold Delhaize in treasury. As of February 28, 2018, there were no Ahold Delhaize cumulative preferred shares issued and outstanding. All Ahold Delhaize shares were created under Dutch law. The nominal value of the Ahold Delhaize shares is denominated in euros. The ISIN code for the Ahold Delhaize common shares is NL0011794037, and the ISIN code for the Ahold Delhaize American Depositary Receipts is US5004675014.

5.2 Authorized Share Capital

As of the close of business on February 28, 2018, the authorized share capital of Ahold Delhaize amounted to €45,000,000 and was divided into the following classes:

- 1,923,515,827 Ahold Delhaize common shares with a nominal value of €0.01 per share;
- 326,484,173 Ahold Delhaize cumulative preferred financing shares with a nominal value of €0.01 per share subdivided into 122 classes, which are convertible into Ahold Delhaize common shares; and
- 2,250,000,000 Ahold Delhaize cumulative preferred shares with a nominal value of €0.01 per share.

5.3 Form of the shares

All Ahold Delhaize cumulative preferred financing shares are issued in registered form. Ahold Delhaize cumulative preferred shares may only be issued in registered form. Ahold Delhaize common shares are either bearer shares or registered shares. All share registers are kept by Ahold Delhaize.

PART XIII: USE OF PROCEEDS

The net proceeds from the offer of the Notes will be applied by the Issuer for the refinancing of some financial indebtedness as well as for general corporate purposes.

General corporate purposes may include, but are not limited to, financing and operating activities, capital expenditures, acquisitions and maintenance of our assets.

As of the date of this Prospectus, the Issuer cannot predict with certainty all of the particular uses for the balance of proceeds from the offer, or the amounts that it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend upon numerous factors. The Issuer's management will have significant flexibility in applying the balance of net proceeds from the offer and may change the allocation of these proceeds as a result of these and other contingencies.

PART XIV: TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Netherlands tax resident entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;
- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (v) entities that are a resident of Aruba, Curaçao or Sint Maarten that have an enterprise that is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and
- (vi) individuals to whom Notes or the income therefrom are attributable to employment activities that are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realized upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Notes and gains realized upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 51.95%) under the Netherlands Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realized. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the Notes and gains realized upon the settlement, redemption or disposal of the Notes, unless:

- (i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement

to the net worth of an enterprise, that is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

- (ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realizes income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands that include activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at progressive rates at up to a maximum rate of 51.95%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands").

Gift and Inheritance Tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

PART XV: SUBSCRIPTION AND SALE

BNP Paribas, Deutsche Bank AG, London Branch, Goldman Sachs International and J.P. Morgan Securities plc (the **Joint Bookrunners**) and ABN AMRO Bank N.V., ING Bank N.V. Belgian Branch and Société Générale (together with the Joint Bookrunners, the **Managers**) have, pursuant to a subscription agreement dated on March 15, 2018 (the **Subscription Agreement**), agreed with the Issuer, subject to certain terms and conditions, to subscribe, or procure subscribers, and pay for the Fixed Rate Notes at the issue price of 99.107% and for the Floating Rate Notes at the issue price of 100.449% and the other conditions as set out in the Subscription Agreement. The aggregate amount payable for the Notes calculated at the issue price less any due fee will be paid by the Managers to the Issuer in the manner as set out in the Subscription Agreement. Fees and costs in connection with the issue of the Notes to be paid and/or reimbursed by the Issuer to the Managers have been agreed in a separate agreement between the Issuer and the Managers. The Subscription Agreement will entitle the Managers to terminate its obligations in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor the Managers has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations) in any country or jurisdiction where action for that purpose is required. The Managers have agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **Financial Services and Markets Act**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**). Terms used in this paragraph have the meaning given to them in Regulation S.

The Managers have agreed that they will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offer and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which they sell Notes during such 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the offer, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations, including U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D) (**TEFRA D**). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Prohibition of sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

PART XVI: GENERAL INFORMATION

- (1) The issue of the Notes was authorized by resolutions passed by the Management Board and the Supervisory Board of the Issuer on February 27, 2018.
- (2) Application has been made for the Notes to be listed and traded as from the Issue Date on Euronext Amsterdam. ING Bank N.V. has been appointed as listing agent for that purpose. The costs to the Issuer in connection with the listing and admission to trading of the Notes are approximately EUR 12,500.
- (3) The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (4) There has been no significant change in the financial or trading position of the Issuer and its subsidiaries considered as a whole since December 31, 2017 and no material adverse change in the prospects of the Issuer and its subsidiaries considered as a whole since December 31, 2017.
- (5) Except as disclosed in Section 6 to Part IX (*Description of the Issuer*), neither the Issuer, nor any of its Material Subsidiaries, has been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus that may have or has had in the recent past a material adverse change on the financial position or profitability of the Issuer.
- (6) The Notes have been accepted for clearance through the clearing systems of Clearstream, Luxembourg and Euroclear. The Common Code of the Fixed Rate Notes is 178747754 and the Common Code of the Floating Rate Notes is 178751719. The International Securities Identification Number (**ISIN**) of the Fixed Rate Notes is XS1787477543 and the ISIN of the Floating Rate Notes is XS1787517199. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.
- (7) Save as disclosed in the risk factor '*The Issuer, the Paying Agents and the Managers may engage in transactions adversely affecting the interests of the Noteholders*' in Part I (*Risk Factors*), so far as the Issuer is aware, no person involved in the offer of the Notes has any interest, including conflicting ones, that is material to the offer of the Notes, save for any fees payable to the Managers. Each Manager is a creditor of the Issuer in the framework of its banking operations. In addition, in the ordinary course of business, the Managers or their affiliates have provided and may in the future provide commercial, financial advisory or investment banking services for us and our subsidiaries for which they have received or will receive customary compensation.
- (8) Save as disclosed in Section 7 to Part IX (*Description of the Issuer*), neither the Issuer nor any member of its group has entered into any contracts that could result in the Issuer being under an obligation or entitlement that would be material to its ability to meet its obligations toward holders of the Notes.
- (9) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

- (10) During the life of the Notes, copies of the following documents will be available, during usual business hours on any day (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer:
- the Articles of Association (*statuten*) of the Issuer, in English and in Dutch;
 - a copy of the Cross Guarantee Agreement (as amended or supplemented from time to time);
 - the published annual report and audited accounts of the Issuer for the year ended on December 31, 2017;
 - the published annual report and audited accounts of the Issuer for the year ended on January 1, 2017;
 - a copy of this Prospectus together with any Supplement to this Prospectus; and
 - all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in this Prospectus.
- (11) The Issuer's statutory auditor, PricewaterhouseCoopers Accountants N.V. (**PwC**), has audited, and rendered unqualified auditor's reports on, the audited consolidated financial statements of the Issuer for the year ended December 31, 2017 and January 1, 2017.
- The address of the current independent auditor of PwC is Thomas R. Malthusstraat, 1066 JR Amsterdam, the Netherlands. The independent auditor, who signs the auditor's report on behalf of PwC, is a member of the Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).
- (12) The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (13) The Issuer is rated BBB by Standard & Poor's and Baa1 by Moody's. The Notes are expected to be rated BBB by Standard & Poor's and Baa1 by Moody's. A rating is not a recommendation to buy, sell or hold debt, inasmuch as the rating does not comment as to market price or suitability for a particular investor. A rating may be subject to revision or withdrawal at any time by the assigning rating agency.
- (14) The effective yield of the Fixed Rate Notes to the maturity date is 1.243% per annum. The yield is calculated at the Issue Date.
- (15) This Prospectus as well as the documents listed in Part IV (*Documents Incorporated by Reference*) are available on the Issuer's website at www.aholddelhaize.com. Information on the Issuer's website does not form part of this Prospectus and may not be relied upon in connection with any decision to invest in the Notes.

Registered/Head Office of the Issuer

Koninklijke Ahold Delhaize N.V.
Provincialeweg 11
1506 MA Zaandam
The Netherlands

Fiscal Agent

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Listing Agent

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Joint Bookrunners

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Co-Managers

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

ING Bank N.V. Belgian Branch
Avenue Marnix 24
1000 Brussels
Belgium.

Société Générale
29 Boulevard Haussmann
75009 Paris
France

Legal Advisers

to the Issuer

Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

to the Managers

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands

Auditors of the Issuer

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands