

Executive Board and Supervisory Board remuneration policies

The remuneration policies reflect our long-standing remuneration principles of supporting the business strategy, paying for performance or purpose, and paying competitively and fairly. The remuneration policies and underlying principles support our long-term sustainable business growth in the widely diverse markets in which we operate.

Executive Board remuneration policy

Remuneration principles

The Executive Board remuneration policy is designed to meet four key principles, consistent with Heineken's corporate identity, mission and values:

Support the business strategy

We align our remuneration policy with business strategies focused on creating long-term sustainable growth and shareholder value, while maintaining a tight focus on short-term financial results.

Pay for performance

We set clear and measurable targets for our short-term and long-term incentive policies, and we pay higher remuneration when targets are exceeded and lower remuneration when targets are not met.

Pay competitively

We set target remuneration to be competitive with other relevant multinational corporations of similar size and complexity.

Pay fairly

We set target remuneration to be internally consistent and fair; we regularly review internal pay relativities between the Executive Board and the wider employee population and aim to achieve consistency and alignment in, amongst others, remuneration changes, salary structures and the design of variable compensation where possible.

Summary overview of remuneration elements

The Executive Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Remuneration element	Description	Strategic role
Base salary	<ul style="list-style-type: none"> – Involves fixed cash compensation – Aims for the median of the labour market peer group 	<ul style="list-style-type: none"> – Facilitates attraction and is the basis for competitive pay – Rewards performance of day-to-day activities
Short-term incentive	<ul style="list-style-type: none"> – Is based on achievements of annual measures, of which a weighted 75% relate to financial and operational measures for Heineken N.V. and 25% to individual leadership measures – Aims, at target level, for the median of the labour market peer group – Is partly paid in cash, and partly in investment shares with a holding period of five calendar years: <ul style="list-style-type: none"> – the part paid in shares is between 25% and 50% of the full before-tax Short-term incentive amount, depending on the individual's choice whether, and to which extent, to exceed the mandatory 25% share investment – the part in cash is paid net of taxes (i.e. after deduction of withholding tax due on the full before-tax Short-term incentive amount) – Investment shares are matched on a 1:1 basis after the holding period 	<ul style="list-style-type: none"> – Drives and rewards sound business decisions for the long-term health of HEINEKEN – Aligns Executive Board and shareholder interests
Long-term incentive	<ul style="list-style-type: none"> – Is based on achievements of three-year financial and S&R-related targets for Heineken N.V. – Aims, at target level, for the median of the labour market peer group – Is awarded through the vesting of shares, net of taxes (i.e., after deduction of withholding tax due on the full before-tax Long-term incentive amount) – Vested shares are blocked for another two years, to arrive at a five-year holding restriction after the date of the conditional performance grant 	<ul style="list-style-type: none"> – Drives and rewards sound business decisions for the long-term health of HEINEKEN – Aligns Executive Board and shareholder interests – Supports Executive Board retention
Pensions	<ul style="list-style-type: none"> – Cash pension allowance 	<ul style="list-style-type: none"> – Provides for employee welfare and retirement needs
Benefits	<ul style="list-style-type: none"> – Provides a range of benefits, including, but not limited to, company car, fuel and health insurance – Aims to be in line with local market practice 	<ul style="list-style-type: none"> – Provides market-competitive benefits to aid retention

Labour market peer group

The competitiveness of Executive Board pay levels, and incentive opportunities are assessed regularly against a peer group that includes key competitors and other major international companies in the consumer goods sector with whom we compete for talent. The majority of these companies are headquartered in Europe. Up to 40% of the peer group may comprise companies based in the United States to reflect the importance of the Americas to our business and talent strategy.

A global labour market peer group was adopted by the AGM in 2011 and subsequently adjusted in 2012 and 2017. The median target remuneration of this peer group is a reference point for the target remuneration of the CEO and CFO. The peer group consists of the following companies:

Anheuser-Busch InBev (BE)	Diageo (UK)	Nestlé (CH)
Carlsberg (DK)	Henkel (DE)	PepsiCo (US)
Coca-Cola (US)	Kimberley-Clark (US)	Pernod Ricard (FR)
Colgate-Palmolive (US)	Mondelēz International (US)	Unilever (UK)
Danone (FR)	L'Oréal (FR)	

The peer group may be adjusted by the Supervisory Board without requiring approval from the General Meeting of Shareholders. This may occur, due to delistings, mergers, or other corporate transactions, or in the event of changes in the business or competitive nature of the peer group companies involved. Adjustments will be aimed at ensuring that the peer group remains an appropriate and relevant benchmark throughout the duration of the policy.

Base salary

Every year, the peer group and base salary levels are reviewed, and the Remuneration Committee may propose adjustments to the Supervisory Board. HEINEKEN aims to compensate at median on-target remuneration of the peer group. However, when changes in base salary are considered, broader factors are taken into account, including but not limited to individual and business performance and internal pay relativities.

Short-term incentive

The Short-term incentive (STI) is designed to drive and reward the achievement of HEINEKEN's annual performance targets. Through its payout in both cash and investment shares it also drives and rewards sound business decisions for HEINEKEN's long-term health while aligning Executive Board and shareholder interests at the same time. The target STI opportunities are 150% of base salary for the CEO and 110% of base salary for the CFO.

The STI opportunities are for a weighted 75% based on financial and operational measures for Heineken N.V., and for a weighted 25% on individual leadership measures. At the beginning of each year, the Supervisory Board establishes the performance measures, their relative weights and corresponding targets based on HEINEKEN's business priorities for that year. The Supervisory Board ensures that a balanced mix of financial, operational and individual performance measures is selected, which incentivises executives to achieve our annual business strategy and the growth of shareholder value.

The financial and operational measures and their relative weights for any given year are reported in the Remuneration Report upfront (ex-ante); the numerical performance targets are disclosed after the close of the financial year (ex-post) as they are considered commercially sensitive. In the first weeks of the following year, the Supervisory Board reviews company and individual performance against the pre-set targets and approves the STI payout levels based on the performance achieved. The performance on the financial measures will be reported on actual measure achievement results.

- To support HEINEKEN's ability to execute its strategy effectively in a dynamic global environment, HEINEKEN applies the following performance measures in the STI: Financial measures may include but are not limited to profit, earnings per share, revenue, cash flow, working capital, debt or other financial measures. Operational measures are related to operational excellence.
- Individual leadership measures may include leadership, strategic, S&R or other nonfinancial or financial measures.

For each performance measure, a threshold, target and maximum performance level are set with the following STI payout, as a percentage of target payout:

Threshold performance

50% of target payout

Target performance

100% of target payout

Maximum performance

200% of target payout.

For each measure, payout in between these performance levels is on a straight-line basis; below threshold performance, the payout is zero, whereas beyond maximum performance it is capped at 200% of payout at target.

In line with policy, 25% of the STI payout is paid out in shares, referred to as investment shares. At their discretion, the Executive Board members have the opportunity to indicate before the end of the performance year whether they wish to receive up to another 25% of their STI payout in additional investment shares. All investment shares thus received are then blocked and cannot be sold under any circumstance, including resignation, for five calendar years to link the value of the investment shares to long-term company performance. Withholding tax on the investment shares and on the cash part of the STI payout is settled with the cash part at the time of payout. After the blocking period is completed after five calendar years, HEINEKEN will match the investment shares 1:1 in the first weeks of the following year, i.e., one matching share is granted for each investment share. As of then, there are no holding requirements on these investment shares anymore, and there are no holding requirements on the resulting matching shares that remain after withholding tax on these shares. According to the plan rules, matching entitlements will be forfeited in case of dismissal by HEINEKEN for an urgent reason within the meaning of the law ('dringende reden'), or in case of dismissal for cause ('gegronde reden') whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member. With this 'deferral-and-matching' proposition a significant share ownership by the Executive Board is ensured, creating an increased alignment with the interests of shareholders.

The Supervisory Board has the power to revise the amount of the STI payout to an appropriate amount if the STI payout that would have been payable in accordance with the agreed payment schedule would be unacceptable according to standards of reasonableness and fairness. The Supervisory Board is entitled to claw back all or part of the STI payout (in cash, investment shares or matching shares) insofar as it has been made on the basis of incorrect information about achieving the performance conditions.

Long-term incentive

The Long-term incentive (LTI) is designed to drive and reward sound business decisions for HEINEKEN's long-term health, and to align the [interests of the] Executive Board [members] with shareholder interests by linking rewards to HEINEKEN's share price performance. The target LTI opportunities are 170% of base salary for the CEO and 135% of base salary for the CFO.

Each year, a target number of performance shares is conditionally granted based on the aforementioned target LTI opportunity percentage, the base salary of that year, and the closing share price of 31 December of the preceding year. The vesting of these performance shares is contingent on HEINEKEN's performance over a period of three years on the following fundamental financial performance measures:

Organic Net Revenue Growth

To drive top line growth

Earnings Per Share (EPS) beia Growth¹

To drive overall long-term company performance

Free Operating Cash Flow

To drive focus on cash.

Return on Invested Capital

To drive capital efficiency.

Sustainability and Responsibility (S&R)

To drive our sustainability and responsibility agenda.

The S&R measures comprise three metrics aligned to our 'Brew a Better World' strategy, which may include but are not limited to: carbon emissions reduction, improvement in water efficiency and talent, inclusion & belonging. Each goal is weighed equally.

Weighting of the performance measures and performance verification

The five performance measures mentioned above have the following weights: Organic Net Revenue Growth – 25%, Earnings Per Share – 25%, Free Operating Cash Flow – 15%, ROIC – 15% and S&R metrics – 20%.

At the beginning of each performance period, the Supervisory Board establishes the corresponding numerical targets for these performance measures based on HEINEKEN's business priorities. The financial targets are not disclosed upfront as they are considered to be commercially sensitive. In the first weeks after the end of the performance period, the Supervisory Board reviews the company's performance against the pre-set targets, and approves the LTI vesting based on the performance achieved. The performance on each of the measures is reported on actual measure achievement results in the Remuneration Report after the performance period has been completed.

For each performance measure, a threshold, target and maximum performance level is set with the following performance share vesting schedule:

Threshold performance

50% of performance shares vests

Target performance

100% of performance shares vests

¹ Measured in constant currency.

Maximum performance

250% of performance shares vests.

For each measure, vesting in between these performance levels is on a straight-line basis; below threshold performance the vesting is zero, whereas beyond maximum performance it is capped at 250% of vesting at target.

The Supervisory Board has the power to revise the amount of performance shares that will vest to an appropriate number if the number of performance shares that would have vested under the agreed vesting schedule would be unacceptable according to standards of reasonableness and fairness. The Supervisory Board is entitled to claw back all or part of the shares transferred to the Executive Board members upon vesting (or the value thereof) insofar as vesting occurred on the basis of incorrect information about achieving the performance conditions. The vested performance shares that remain after withholding tax are subject to an additional holding restriction of two years, to arrive at a five-year holding restriction after the date of the conditional performance grant.

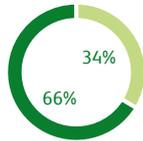
Pay mix

The mix between fixed pay and variable pay for various levels of performance is illustrated on an indicative basis below. In these charts, fixed pay refers to base salary only, excluding pensions and other emoluments, and variable pay consists of the aforementioned Short-term and Long-term incentive opportunities, including the 'deferral-and-matching' proposition. Share price movements during performance and holding periods are hereby not included since these are unknown in the context of target remuneration. The up to date pay mixes for any given year will be disclosed in the remuneration report.

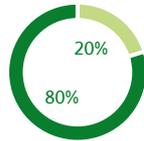
CEO target pay mix 2026



Below threshold performance



At threshold performance



At target performance

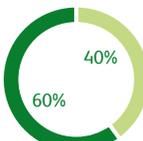


At/beyond maximum performance

CFO target pay mix 2026



Below threshold performance



At threshold performance



At target performance



At/beyond maximum performance

■ Fixed pay ■ Variable pay

Pensions

The members of the Executive Board are entitled to a cash pension allowance. This arrangement is designed to be competitive in the relevant market and the amount of the pension allowance, which is expressed as a percentage of the annual base salary, may be updated from year to year.

Benefits

The members of the Executive Board are eligible to receive benefits in line with HEINEKEN's most senior employees. The benefits include, but are not limited to, company car, fuel and health insurance. Other benefits could be offered in circumstances where this allows executives to successfully fulfil the responsibilities of their role. For example in case of a relocation the appropriate relocation support is provided. The levels of the benefits will be competitive in the relevant local market and could be changed year on year.

Share Ownership Guidelines

To further align the interests of the Executive Board with those of stakeholders and to motivate the achievement of sustained performance, the members of the Executive Board are bound to a minimum shareholding requirement. The requirement is 400% of annual base salary for the CEO and 300% of annual base salary for the CFO. Until the minimum shareholding requirement is reached, the members of the Executive Board are required to retain all after-tax shares that have vested from incentive plans, but they are not required to make additional share purchases.

Loans

HEINEKEN does not provide loans to the members of the Executive Board.

Term of appointment

New members of the Executive Board are appointed by the AGM for the duration of 4 years, subject to reappointment by the AGM. The duration of the service agreement of a member of the Executive Board is aligned with the member's term of office.

Notice period

The service agreement of a member of the Executive Board may either be terminated by the member of the Executive Board or by HEINEKEN. The notice period will not be more than 12 months for both HEINEKEN and the member of the Executive Board.

Compensation rights on termination of service agreement

If HEINEKEN gives notice of termination of the services agreement of a member of the Executive Board for a reason which is not an urgent reason ('dringende reden') within the meaning of the law, or decides not to extend the service agreement upon its expiry at the end of the Executive Board member's term of office, or if the AGM does not re-appoint the individual as member of the Executive Board for a subsequent term, HEINEKEN shall pay an amount equal to one year of base salary.

The treatment of incentive awards will depend on the circumstances of departure. A proposal will be made by the Remuneration Committee to be pursued by the Supervisory Board. In case of dismissal by the Company for an urgent reason within the meaning of the law ('dringende reden'), or in case of dismissal for cause ('gegronde reden') whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member, the unvested incentive awards will be forfeited.

Derogation clause

The Supervisory Board upon recommendation of the Remuneration Committee may temporarily deviate from any sections of the Policy based on its discretion in the circumstances described below:

- Upon a change of the Executive Board member in accordance with the new hire policy; and
- In any other circumstance where the deviation may be required to serve the long-term interests and sustainability of HEINEKEN as a whole or to assure its viability.

New hire policy

Our recruitment policy is to offer a compensation package that allows HEINEKEN to attract, retain and motivate the individual with the right skills for the required role. When determining remuneration for a new Executive Board member, the Supervisory Board will, at the recommendation of the Remuneration Committee, consider the role's requirements, business needs, the individual's skills and experience and the relevant external talent market.

Where an individual is recruited externally for an Executive Board member position, the remuneration package in their prior role will be taken into account. The Supervisory Board will seek to align the new member's remuneration package with the Executive Board Remuneration Policy. HEINEKEN may offer compensation to buy out awards or other lost compensation which the candidate held prior to joining HEINEKEN, but which lapsed upon leaving their previous employer. The rationale of any such award will be disclosed in the Remuneration Report.

Where an individual is appointed to the Executive Board through internal promotion or following a corporate transaction (e.g. an acquisition), the Supervisory Board retains the ability to honour any legally binding legacy arrangements agreed prior to the appointment.

Remuneration Governance

The Remuneration Committee makes the proposal to the Supervisory Board for the Remuneration Policy to be pursued, and makes a proposal for the remuneration of the individual members of the Executive Board for adoption by the Supervisory Board. The Executive Board members shall not participate in the decision-making regarding their own remuneration to avoid conflict of interest.

In accordance with Dutch Law, the remuneration policy will be submitted for approval to the AGM at least every four years, or in case of material amendments to the policy. When preparing a remuneration policy proposal, the Supervisory Board and the Remuneration Committee consider a wide range of insights, including feedback from shareholder consultations and advisory votes on Heineken's remuneration report, as well as public support.

Supervisory Board remuneration policy

Remuneration principles

The Supervisory Board remuneration policy is designed to attract and retain high-class and diverse profiles with relevant skills and experience that are required to perform the Supervisory Board's duties and ensures appropriate corporate governance by meeting the following key principles:

Support the business strategy

We align our remuneration policy with business strategies focused on creating long-term sustainable growth and shareholder value.

Pay for purpose

We align our remuneration policy to promote the independence and objectivity of our Supervisory Board members, which is a key element to best serve the long-term interest of the company.

Pay competitively

We set remuneration levels to be competitive with other relevant multinational corporations of similar size and complexity.

While establishing and implementing the policy, the perspective and input of internal and external stakeholders and the external environment in which HEINEKEN operates, are taken into consideration. HEINEKEN is also committed to an ongoing dialogue with shareholders and seeks the views of significant shareholders before any material changes to remuneration arrangements are put forward for approval.

Summary overview of remuneration elements

The Supervisory Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Remuneration element	Description	Strategic role
Base Board Fees	<ul style="list-style-type: none">Supervisory Board members receive a fixed cash compensation for their services.In line with the Dutch Corporate Governance code, no variable pay and/or equity awards are offered.In order to provide a fee level that is competitive with other companies comparable to HEINEKEN, reviews are conducted on a regular basis.	<ul style="list-style-type: none">The Remuneration Committee is responsible for reviewing the compensation levels on a regular basis and bringing forward proposals (if any) to the Supervisory Board. Proposals are submitted to the Annual General Meeting for approval.This review is done through a benchmark assessment against a pan-European peer group consisting of companies that are of comparable size to HEINEKEN.
Committee Fees	<ul style="list-style-type: none">Supervisory Board members are compensated for additional responsibilities such as Committee membership.In order to provide a fee level that is competitive with other companies comparable to HEINEKEN, reviews are conducted on a regular basis.	<ul style="list-style-type: none">Members are eligible to receive additional fees in respect of serving as a Chairman or Member of a Committee.Fee levels between Committees can differ if this is deemed appropriate dependent on the time commitment and responsibilities associated with the Committee membership.Fees are additive; if a Board member serves in multiple Committees, the compensation will consist of the Board membership fee and the sum of the corresponding Committee fees.
Allowances and Benefits	<ul style="list-style-type: none">Supervisory Board members are reimbursed and compensated for additional efforts that enable them to exercise their role.	<ul style="list-style-type: none">Members receive reimbursement of travel expenses and are compensated for intercontinental travel required to exercise their role.Small benefits such as retirement gifts may also be provided.

Current Supervisory Board fees were approved by the 2024 AGM. Detailed information on individual actual remuneration is provided in the annual report.