

Dutch Corporate Governance Code of December 2003

Heineken N.V. endorses the Code's principles and applies virtually all best practice provisions. In particular, the structure of the Heineken Group – and specifically the relationship between Heineken Holding N.V. and Heineken N.V. – prevents Heineken N.V. from applying a small number of best practice provisions.

The Annual Meeting of Shareholders of 20 April 2005 sanctioned the way Heineken deals with the Code and in particular the non-compliance with a limited number of best practice provisions. Below are the best practice provisions not (fully) applied, or applied with explanation. The full Comply or Explain report was published in February 2003 and is available at www.heinekeninternational.com

II.1.1 An Executive Board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time. *Members of the Executive Board who have been appointed before 31 December 2003 have been appointed for an indefinite period. This best practice provision cannot be applied, as it violates the law.*

II.2.7 The maximum remuneration in the event of dismissal is one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a member of the Executive Board who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary. *In the contracts of the members of the Executive Board there is no mention of a specific scheme in the event of dismissal. This best practice provision will not be applied as it violates the law.*

III.2.1 All Supervisory Board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2. *Heineken endorses the principle and Heineken considers the members of the Supervisory Board as independent. In a strictly formal sense, however, three members of the Supervisory Board do not meet the applicable criteria.*

III.2.2 A Supervisory Board member shall be deemed to be independent if the following criteria of dependence do not apply to him. The said criteria are that the Supervisory Board member concerned or his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:

- a. has been an employee or member of the management board of the company (including associated companies as referred to in section 1 of the Disclosure of Major Holdings in Listed Companies Act (WMZ) 1996) in the five years prior to the appointment; *Mr. De Jong was prior to his appointment in 2002 member of the Board of Directors of Heineken Holding N.V. for one year. According to this criterion Mr. De Jong would not be independent. With reference to criterion f., which contains an exception for management board positions in a group company, Heineken does not consider this as an impediment to Mr. De Jong being independent.*
- b. receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a Supervisory Board member and in so far as this is not in keeping with the normal course of business; *Mr. Das receives from Heineken Holding N.V. a financial compensation as Chairman of the Board of Directors of Heineken Holding N.V. Messrs. Van Lede and de Carvalho receive from Heineken Holding N.V. a compensation for attending the meetings of the Board of Directors of Heineken Holding N.V. These compensations are in keeping with the normal course of business. No other Supervisory Board member receives*

personal financial compensation from the company, or a company associated with it, other than the compensation received from the work performed as a Supervisory Board member.

- c. has had an important business relationship with the company, or a company associated with it, in the year prior to the appointment. This includes the case where the Supervisory Board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary and lawyer) and the case where the supervisory board member is a management board member or an employee of any bank with which the company has a lasting and significant relationship;

In a strict sense Mr. Das also would not be independent, as he was a partner in a firm which was appointed as a consultant to Heineken N.V. the year before his appointment in 1994. However, Heineken does not consider this as an impediment to Mr. Das being independent.

- e. holds at least ten per cent of the shares in the company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);
Mr. de Carvalho is married to Mrs. de Carvalho-Heineken (large shareholder and delegated member of the Board of Directors of Heineken Holding N.V.). Mrs. de Carvalho indirectly holds more than 10% of the shares in Heineken N.V. Heineken does not consider this an impediment to Mr. de Carvalho being independent.

III.2.3 The report of the Supervisory Board shall state that, in the view of the Supervisory Board members, best practice provision III.2.1 has been fulfilled, and shall also

state which Supervisory Board member is not considered to be independent, if any. *As indicated in III.2.2, in a strictly formal sense, three members of the Supervisory Board do not meet the dependence criteria as set out in best practice provision III.2.2. However, Heineken does not consider this as an impediment to Messrs. De Jong, Das and de Carvalho being independent.*

III.3.4 The number of supervisory boards of Dutch listed companies of which an individual may be a member shall be limited to such an extent that the proper performance of his duties is assured; the maximum number is five, for which purpose the chairmanship of a supervisory board counts double. *Heineken takes the view that the decision on whether to apply this best practice provision should also be guided by the Company's interest in terms of its ability to attract and retain skilled Supervisory Board members. Any departures for this provision will be mentioned in the annual report.*

III.3.5 A person may be appointed to the Supervisory Board for a maximum of three 4-year terms. *Given the structure of the Heineken group, the maximum appointment period will not be applied to members who are related by blood or marriage to the Heineken family or who are members of the Board of Directors of Heineken Holding N.V. For all other members Heineken applies the best practice provision.*

III.4.1 The Chairman of the Supervisory Board shall see to it that:

- a. the Supervisory Board members follow their induction and education or training programme;
- b. the Supervisory Board members receive

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continued

in good time all information which is necessary for the proper performance of their duties;

- c. there is sufficient time for consultation and decision-making by the Supervisory Board;
- d. the committees of the Supervisory Board function properly;
- e. the performance of the Executive Board members and Supervisory Board members is assessed at least once a year;
- f. the Supervisory Board elects a Vice-Chairman;
- g. the Supervisory Board has proper contact with the Executive Board and the Works Council (or Central Works Council).

Heineken applies this best practice provision, with the exception of a part of criterion g: contact with the Central Works Council. This relates to the structure of the group. The Central Works Council operates on the level of Heineken Nederlands Beheer B.V., a subsidiary with a separate Supervisory Board

- III.5.11** The Remuneration Committee shall not be chaired by the Chairman of the Supervisory Board or by a former member of the Executive Board of the company, or by a Supervisory Board member who is a member of the management board of another listed company.
Given the structure of the Heineken Group and the character of the Board of Directors of Heineken Holding N.V., Heineken will not apply this best practice provision to the extent that the Remuneration Committee can be chaired by a Supervisory Board member who is

also a member of the Board of Directors of Heineken Holding N.V. Currently the Remuneration Committee is chaired by Mr. Das, who is chairman of the Board of Directors of Heineken Holding N.V.

- III.6.6** A delegated Supervisory Board member is a Supervisory Board member who has a special duty. The delegation may not extend beyond the duties of the Supervisory Board itself and may not include the management of the company. It may entail more intensive supervision and advice and more regular consultation with the Executive Board. The delegation shall be of a temporary nature only. The delegation may not detract from the role and power of the Supervisory Board. The delegated Supervisory Board member remains a member of the Supervisory Board.
As regulated in the Articles of Association of Heineken N.V., the delegated Supervisory Board member, a position currently held by Mr. Das (Chairman of the Board of Directors of Heineken Holding N.V.) is consistent with this best practice provision, except insofar that the position is not temporary and is held for the term for which the member concerned is appointed by the General Meeting of Shareholders of Heineken N.V. Heineken considers that, as regulated by the Articles of Association of Heineken N.V., the post of delegated Supervisory Board member, which has been in existence since 1952, befits the structure of the Heineken Group.

- III.7.3** The Supervisory Board shall adopt a set of regulations containing rules governing ownership of and transactions in securities by Supervisory Board members, other than securities issued by their 'own' company. The regulations shall be posted on the company's website. A Supervisory Board member shall give periodic notice, but in any event at least

once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the Chairman of the Supervisory Board. A Supervisory Board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

This best practice provision will be applied, provided, however, that the periodic notice will be given only once per year.

it desirable to continue this practice. Therefore this best practice provision will be applied to the extent that it is consistent with a notarial record. The notarial record will be available no later than three months after the meeting.

Amsterdam, 20 February 2007

Van Boxmeer

Hooft Graafland

III.8.1 The Chairman of the management board shall not also be and shall not have been an executive director. The Chairman of the management board shall check the proper composition and functioning of the entire board. The management board shall apply chapter III.5 of this code. The committees referred to in chapter III.5 shall consist only of non-executive management board members. The majority of the members of the management board shall be non-executive directors and are independent within the meaning of best practice provision III.2.2.

Heineken has a two-tier management structure. Principle III.8 and the best practice provisions do not apply to Heineken.

IV.3.8 The report of the General Meeting of Shareholders shall be made available, on request, to shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the report in the following three months. The report shall then be adopted in the manner provided for in the Articles of Association. *A notarial record is made of the proceedings of the meeting, as provided for in the Articles of Association. Heineken considers*