

# Corporate Governance

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# Corporate Governance

## *Fostering ethical conduct*

*The Board encourages management to promote and maintain an ethical culture. This fosters responsible business conduct by all employees.*

*The company's Code of Business Conduct sets out the ethical standards to which all employees are expected to adhere. It requires employees to comply with all laws, to disclose any relevant conflicts of interests, to act at all times in the best interests of the group and to conduct all their dealings in an honest and ethical manner. The Code also covers the confidentiality of information, limits on the acceptance of gifts or entertainment, and the appropriate use of the company's property.*

*In line with this commitment to integrity, Anheuser-Busch InBev has implemented a whistle-blowing scheme that provides employees with simple and secure ways to confidentially, and if so desired, also anonymously, report activities in violation of the Code of Conduct within the framework of a clear whistle-blowing policy and applicable legislation.*

## *Demonstrating Anheuser-Busch InBev's commitment to shareholder communication*

*Anheuser-Busch InBev is committed to creating value for its shareholders. The company encourages its shareholders to take an active interest in the company. In support of this objective, it provides quality information, in a timely fashion, through a variety of communication tools. These include Annual Reports, the Global Citizenship Report, financial results announcements, briefings, and a section on the Anheuser-Busch InBev website which is dedicated to investors.*

*Anheuser-Busch InBev recognizes that high-quality disclosure builds trust and confidence with shareholders and the public in general. The company adopted a Disclosure Manual to demonstrate its commitment to best practices in transparency. This manual is designed to ensure that there is full, consistent and timely disclosure of company activities.*

## *Upholding shareholder rights*

*Prior to the annual shareholders' meeting, shareholders are invited to submit any questions they have for the Chairman or the CEO for discussion during the meeting.*

*The agenda for the shareholders' meeting and all related documents are also posted on the Anheuser-Busch InBev website at least 24 days in advance of any shareholders' meeting. Shareholders have the right to vote on various resolutions related to company matters. If they are unable to attend a meeting, they can submit their votes by mail or appoint a proxy. Minutes of the meetings and results of the votes are posted on the Anheuser-Busch InBev website immediately after the meeting.*

## *Preventing the abuse of inside information*

*The company's Code of Dealing is applicable to all employees and Directors of the group. The Code aims to prevent the abuse of inside information, especially leading up to an announcement of financial results; or leading up to price-sensitive events or decisions.*

*The Code prohibits dealing in any shares during a closed period, i.e., a period of 15 days preceding any results announcement of the company. In addition, before dealing in any shares of the company, Directors and Executives must obtain clearance from a Clearance Committee and report back to the Committee once the transaction has taken place.*

*Compliance with the Code is reinforced and monitored through the company's Compliance Program.*

*In accordance with the Belgian regulation on the prevention of market abuse, the company establishes lists of insiders. In addition, members of the Executive Board of Management and of the Board of Directors notify all their trades to the Banking, Finance & Insurance Commission, which publishes these notifications on its website.*

## 1. The Belgian Corporate Governance Code

As a company incorporated under Belgian law and listed on Euronext Brussels, Anheuser-Busch InBev adheres to the principles and provisions of the Belgian Corporate Governance Code, published in December 2004.

The majority of the Code is reflected in Anheuser-Busch InBev's Corporate Governance rules. The complete set of these Corporate Governance rules is posted on the website of Anheuser-Busch InBev under the Corporate Governance Statement. The rules are regularly updated.

In order to reflect the company's specific shareholding structure and the global nature of its operations, the Board of Directors has adopted the following rules:

**Principle 5.3./1 (Appendix D) of the Belgian Code: 'The Board should set up a nomination committee composed of a majority of independent non-executive Directors':** The Board of Directors appoints the chairman and members of the Compensation & Nominating Committee from among the Directors, including at least one member from among the independent Directors. As the Committee is composed exclusively of non-executive Directors who are independent of management and free from any business relationship which could materially interfere with the exercise of their independent judgment, the Board considers that the composition of this Committee achieves the Code's aim of avoiding potential conflicts of interest.

**Principle 7.4. of the Belgian Code: 'Non-executive Directors should not be entitled to performance-related remuneration such as bonuses, stock-related, long-term incentive schemes, fringe benefits or pension benefits':** The remuneration of the Board members is composed of a fixed fee and a limited, pre-determined number of options, which ensures the independence of the Board members as well as aligning the Directors' interests with those of the shareholders. The Board of Directors considers it very unlikely that the granting of options could affect their judgement as Board members. As a consequence, the Board considers the company's principles of remuneration compatible with the recommendations of the Belgian Code on Corporate Governance.

Finally, it should be noted that options may only be granted upon the recommendation of the Compensation & Nominating Committee. Any such recommendation must be subsequently approved by the Board and the shareholders in a general meeting.

**Principle 8.9 of the Belgian Code: 'The level of shareholding for the submission of proposals by a shareholder to the general shareholders' meeting should not exceed 5% of the share capital':** As provided for by the Belgian Companies Code, shareholders representing one-fifth of the company's capital may ask the Board to convene a shareholders' meeting and table resolutions. The Board believes that the company's Corporate Governance framework ensures equitable treatment of all shareholders, including minority and foreign shareholders. Anheuser-Busch InBev encourages participation at shareholders' meetings and promotes proxy voting and voting by mail. Time is always allocated for questions during the shareholders' meetings and shareholders are invited to send the company written questions in advance of the meeting. In addition, Anheuser-Busch InBev is committed to maintaining a strong line of communication with its shareholders at all times. It is especially respectful of the rights of its minority shareholders. The Board does not believe that lowering the shareholder requirement to table resolutions at a shareholders' meeting, would substantially contribute to achieving this aim.

## 2. The Board of Directors

### Structure

The Board of Directors currently consists of thirteen members, all of whom are non-executives. The roles and responsibilities of the Board, its composition, structure and organization are described in detail in Anheuser-Busch InBev's Corporate Governance Statement. This Statement includes the criteria for independence, which applies to independent Directors.

At the annual meeting held on 29 April 2008, the shareholders acknowledged the end of the mandate as director of Mr. Allan Chapin. Mr. Stéfán Descheemaeker was appointed as a new Board member for a period of three years, succeeding Mr. Chapin.

At the same meeting, the shareholders also renewed the mandate as director of Mr. Arnoud de Pret and of the independent directors, Mr. Peter Harf and Mr. Kees Storm, for a period of three years.

At the extraordinary shareholders' meeting on 29 September 2008, Mr. August Busch IV, was appointed as a new director of the company. Prior to the acquisition of Anheuser-Busch Companies Inc., Mr. Busch was President and CEO of Anheuser-Busch. He was born in 1964 and is a US citizen. He holds a master's degree in business administration from St. Louis University, a brewmaster's degree from the International Brewing Institute in Berlin and graduated magna cum laude with a bachelor's degree in finance from St. Louis University. He holds an honorary doctorate of business administration from Webster University.

Directors			Term started	Term expires
August A. Busch IV	°1964, American	Non-Executive Director	2008	2011
Carlos Alberto da Veiga Sicupira	°1948, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2010
Jean-Luc Dehaene	°1940, Belgian	Non-Executive Independent Director	2001	2010
Arnoud de Pret Roose de Calesberg	°1944, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	1990	2011
Stéfán Descheemaeker	°1960, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	2008	2011
Grégoire de Spoelberch	°1966, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	2007	2010
Peter Harf	°1946, German	Non-Executive Independent Director, Chairman of the Board	2002	2011
Jorge Paulo Lemann	°1939, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2010
Roberto Moses Thompson Motta	°1957, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2010
Kees J. Storm	°1942, Dutch	Non-Executive Independent Director	2002	2011
Marcel Herrmann Telles	°1950, Brazilian	Non-Executive Director, nominated by the holders of class B Stichting InBev certificates	2004	2010
Alexandre Van Damme	°1962, Belgian	Non-Executive Director, nominated by the holders of class A Stichting InBev certificates	1992	2010
Mark Winkelman	°1946, Dutch	Non-Executive Independent Director	2004	2010

	Audit Committee	Compensation and Nominating Committee	Finance Committee
Carlos Alberto da Veiga Sicupira		Member	
Jean-Luc Dehaene	Member		
Arnoud de Pret Roose de Calesberg	Member		Chairman
Stéfán Descheemaeker			Member
Grégoire de Spoelberch		Member	
Peter Harf	Member	Member	
Jorge Paulo Lemann			Member
Roberto Moses Thompson Motta			Member
Kees J. Storm	Chairman		
Marcel Herrmann Telles		Chairman	
Alexandre Van Damme		Member	
Mark Winkelman			Member

## Functioning

In 2008, the Board held 9 regular meetings and 13 extraordinary telephonic meetings. Several of the regular meetings, by design, were held in the Zones in which the company has operations. On these occasions, the Board was provided with a comprehensive briefing of the Zone or relevant market. These briefings included an overview of performance, key challenges facing the market, and the steps being taken to address the challenges. Several of these visits also provided the Board with the opportunity to meet with employees and customers.

Major Board agenda items in 2008 included the acquisition of Anheuser-Busch Companies Inc.; the 9,8 billion USD Rights Issue of the company; the long-range plan; achievement of targets; sales figures and brand health; reporting and budget; consolidated results; strategic direction; culture and people, including succession planning; new and ongoing investment; as well as discussions and analysis of acquisitions, divestitures and governance.

The average attendance rate at Board meetings in 2008 was 86%. The Board is assisted by three Committees: the Audit Committee, the Finance Committee and the Compensation and Nominating Committee. The Convergence Committee which was created at the announcement of the combination with AmBev in March 2004, will no longer continue to operate as a formal Board Committee in 2009 with the Interbrew-AmBev integration now completed.

In accordance with the requirements of the Belgian Companies Code, the Audit Committee is composed exclusively of non-executive Board members. The Chairman of the Committee, Mr. Storm, qualifies as an independent director within the meaning of article 526ter of the Belgian Companies Code. Born in 1942, he has extensive experience in accounting and audit: he is the retired Chairman of the Executive Board of Directors of AEGON, one of the world's largest insurance groups. He is also Chairman of the Supervisory Board of KLM, Vice-Chairman of the Supervisory Board of PON Holdings, a member of the Supervisory Board of Aegon and a member of the Boards and Audit Committees of Baxter Intl and Unilever, where he is also the Chairman of the Audit Committee. In 2008, the Audit Committee met 8 times. During its meetings, the Committee reviewed the financial statements of the company, the annual, half yearly as well as quarterly statements. The Committee also considered significant issues arising from internal audits conducted by the group's Internal Audit department and the implementation of the company's Compliance Program. The group's subsidiaries' obligations under Sarbanes Oxley and material litigation and results announcements were some of the other important topics on the agenda of the Committee. The average attendance rate at the Committee meetings was 94%.

The Finance Committee met 5 times in 2008. Committee discussions included the budget, the debt profile and capital structure of the group, the risk management strategy, the share buy back program, the tax planning and the disclosure policy of the company. The average attendance rate at the Committee meetings was 100%.

The Compensation and Nominating Committee met 6 times in 2008 and, in accordance with its charter, the Committee discussed target setting, management bonuses and Executive shares and options schemes, contracts with the members of the Executive Board of Management, the rules for internal promotion to senior executive functions and succession planning for key executive functions. The average attendance rate at the Committee meetings was 97%.

## Certain transactions and other contractual relationships

One decision of the Board relating to the issue of new subscription rights granted to take into account the impact of the Rights Issue in November 2008 on the existing subscription rights of the beneficiaries, gave rise to a conflicting interest as defined in the Belgian Companies code. See page 122 (Financial Report) for the report on this conflict of interests as required by article 523 of the Belgian Companies code.

The company is prohibited from making loans to Directors, whether for the purpose of exercising options or for any other purpose.

### 3. Chief Executive Officer and Executive Board of Management

The Chief Executive Officer (CEO) is entrusted by the Board with responsibility for the day-to-day management of the company. The CEO has direct operational responsibility for the entire company. The CEO leads an Executive Board of Management which comprises six global functional heads and six Zone presidents including the two Co-Chief Executive Officers of AmBev, who report to the Board of Directors of AmBev.

Effective as of January 2008, Miguel Patricio succeeded Dirk Moens as Zone President Asia Pacific.

Stéfan Descheemaeker, Chief Strategy Officer, left the Executive Board of Management and was appointed as non-executive director on 29 April 2008.

Upon close of the acquisition of Anheuser-Busch Companies Inc. on 18 November 2008, Luiz Fernando Edmond has become Zone President North America. As Zone President North America, he oversees all of Anheuser-Busch InBev's operations in the United States and Canada. Since joining AmBev in 1990 as a trainee, Luiz Fernando has held various positions in the distribution, commercial and supply departments. Prior to his current role, he was Zone President Latin America North and AmBev's Chief Executive Officer. He has an engineering degree from Universidade Federal do Rio de Janeiro.

Luiz Fernando Edmond's position at AmBev has been filled by João Castro Neves, who previously served as Zone President Latin America South. Bernardo Pinto Paiva, who served as Zone President North America, moved from Canada to Argentina to become Zone President Latin America South, replacing João Castro Neves.

### 4. Remuneration Report 2008<sup>1</sup>

#### Board Remuneration

During the year 2008, Board members earned a fixed annual fee of 67 000 euro, based on attendance at ten Board meetings. The fee was supplemented with an amount of 1 500 euro for each additional physical Board meeting or for each Committee meeting. The Chairman's fee was double that of other Directors. The Chairman of the Audit Committee was granted a fee which is 30 % higher than the fee of the other Directors.

The company does not provide pensions, medical benefits or other benefit programs to Directors.

	Number of Board meetings attended	Annual fee for Board meetings	Fees for Committee meetings	Total fee	Number of share options granted in 2008 <sup>(2)</sup>
August Busch IV (as of 18 November 2008)	3	5 583	0	5 583	0
Allan Chapin (until 29 April 2008)	3	22 333	3 000	25 333	9 000
Carlos Alberto da Veiga Sicupira	18	67 000	9 000	76 000	9 000
Jean-Luc Dehaene	20	67 000	12 000	79 000	9 000
Arnoud de Pret Roose de Calesberg	21	67 000	27 000	94 000	9 000
Stéfan Descheemaeker (as of 29 April 2008)	18	44 667	4 500	49 167	0
Grégoire de Spoelberch	22	67 000	9 000	76 000	9 000
Peter Harf	21	134 000	22 500	156 500	18 000
Jorge Paulo Lemann	21	67 000	7 500	74 500	9 000
Roberto Moses Thompson Motta	20	67 000	7 500	74 500	9 000
Kees J. Storm	18	87 100	24 000	111 100	11 700
Marcel Herrmann Telles	21	67 000	30 000	97 000	9 000
Alexandre Van Damme	22	67 000	9 000	76 000	9 000
Mark Winkelman	20	67 000	7 500	74 500	9 000
<b>All Directors as a group</b>		<b>896 683</b>	<b>172 500</b>	<b>1 069 183</b>	<b>119 700</b>

1 All remuneration figures in this report are gross figures.

2 Share options were granted under the long-term incentive plan. Options have an exercise price of 58.31 euro per share, have a term of 5 years and vest over a 3 year period.

The following table sets forth information regarding the number of share options granted to the Board as a group during the past three years.<sup>3</sup>

No. of options offered	Issuance date	Offer date	Exercise price in euro
124 035	25 April 06	2006	38.70
119 700	24 April 07	2007	55.41
119 700	29 April 08	2008	58.31

In addition, in connection with the acquisition of Anheuser-Busch Companies Inc., the company and Mr. August Busch IV entered into a consulting agreement which became effective as of the closing of the acquisition and will continue until 31 December 2013 substantially on the terms described below. In his role as consultant, Mr. Busch will, at the request of the CEO of the company, provide advice on Anheuser-Busch new products and new business opportunities; review Anheuser-Busch marketing programs; meet with retailers, wholesalers and key advertisers of Anheuser-Busch; attend North American media events; provide advice with respect to Anheuser-Busch's relationship with charitable organisations and the communities in which it operates; and provide advice on the taste, profile, and characteristics of the Anheuser-Busch malt-beverage products.

Under the terms of the consulting agreement, Mr. Busch received a lump sum gross cash payment equal to USD 10 350 000, less any applicable withholding upon termination of his employment relationship with Anheuser-Busch companies Inc. During the consulting period, he will be paid a fee of approximately USD 120 000 per month. In addition, Mr. Busch will be provided with an appropriate office in St. Louis, Missouri, administrative support and certain employee benefits that are materially similar to those provided to full-time salaried employees of Anheuser-Busch. He will also be provided with personal security services through 31 December 2011 (in St. Louis, Missouri) in accordance with Anheuser-Busch's past practices including an income tax gross-up and with complimentary tickets to Anheuser-Busch sponsored events. Mr. Busch will also be eligible for a gross-up payment under Section 280G of the US Internal Revenue Code of 1986, as amended (estimated to be approximately USD 11.1 million) on various change in control payments and benefits to which he is entitled to in connection with the merger. Such Code Section 280G gross-up payments are payments which, after the imposition of certain taxes, will equal the excise tax imposed on such change of control payments and benefits to which Mr. Busch is entitled.

Mr. Busch will be subject to restrictive covenants relating to non-competition and non-solicitation of employees and customers which will be in effect for the consulting period and a confidentiality covenant.

If terminated by reason of a notice given by Mr. Busch, he would no longer be entitled to any rights, payments or benefits under the consulting agreement (with the exception of accrued but unpaid consulting fees, business expense reimbursements, any Code Section 280G gross-up payment, indemnification by the company, and continued office and administrative support for 90 days following termination of the agreement) and the non-compete and non-solicitation restrictive covenants would survive for two years following termination of the consulting agreement (but not beyond 31 December 2013). If terminated by reason of a notice given by the company for any reason other than for 'cause', Mr. Busch IV would continue to have all rights (including the right to payments and benefits) provided for in the consulting agreement and will continue to be bound by the non-compete and non-solicitation restrictive covenants through 31 December 2013.

## Executive Remuneration in 2008

The company's Executive remuneration policy, applicable since 2005, has been designed to help drive the high-performance culture at Anheuser-Busch InBev. The goal is to deliver market-leading compensation, driven by both company and individual performance, and ensure alignment with shareholders' interests by encouraging Executive ownership of company shares. Focus is on annual and long-term variable pay, rather than on base salary.

The full Executive remuneration policy of the company is disclosed in its Corporate Governance Statement which is available on the Anheuser-Busch InBev website.

### Base salary

In 2008, the CEO earned a fixed salary of 1.02 million euro, while the other members of the Executive Board of Management earned an aggregate base salary of 5.7 million euro.

<sup>3</sup> Based on membership on the offer date.

## Annual incentive

For 2008, since the targeted global EBITDA organic growth was not achieved, the CEO earned no bonus. The other members of the Executive Board of Management earned an aggregate bonus of 1.85 million euro. The bonus was based on the company performance in 2008 compared to the EBITDA growth, volume growth, market share growth and cost savings targets set for the year 2008 and the performance of the Executives compared to their individual targets. The bonus will be payable in or around April 2009.

In accordance with the Executive remuneration policy of the company, half of the bonus is settled in shares to be held for three years, the shares being valued at their market price at the time of grant. With respect to the other half of their bonus, Executives may elect to receive cash or to invest all or half of the remaining part of their bonus in shares to be held for five years. Such voluntary deferral leads to a company option match, which will be vested after five years, provided that predefined financial targets are met or exceeded. In case the remaining part of the bonus is completely invested in shares, the number of matching options granted will be equal to 4.6 times the number of shares corresponding to the gross amount of the bonus invested. In case the remaining part of the bonus is invested as to 50% in shares, the number of matching options granted will be equal to 2.3 times the number of shares corresponding to the gross amount of the bonus invested.

Shares have the following features:

1. Shares are existing ordinary shares;
2. Shares are entitled to dividends paid as from the date of granting; and
3. Shares are granted at market price at the time of grant. The Board of Directors may nevertheless, at its entire discretion, grant a discount on the market price.

Options have the following features:

1. An exercise price that is equal to the market price of the share at the time of granting;
2. A maximum life of 10 years and an exercise period that starts after five years, subject to financial performance conditions to be met at the end of the third, fourth or fifth year following the granting;
3. Upon exercise, each option entitles the option holder to one share;
4. Upon exercise, the options attract a cash payment equal to the dividends which were declared as from the date of granting of the options; and
5. Specific restrictions or forfeiture provisions apply in case of termination of service.

In total 424 933 shares and 1 043 242 matching options were granted to employees in 2008 (bonus 2007) according to the executive remuneration policy.

The following table sets forth information regarding the number of shares and matching options granted in 2008 (bonus 2007) to the Chief Executive Officer and the other members of the Executive Board of Management. The options become exercisable after five years, subject to financial performance conditions to be met at the end of the third, fourth or fifth year following the granting.

	Anheuser-Busch InBev Shares acquired in 2008	Matching options granted in 2008 <sup>(1)</sup>	Offer date	Adjusted Exercise price in euro <sup>(1)</sup>
Carlos Brito – CEO	47 683	229 219	3 March 2008	34.34
Alain Beyens	15 831	0	–	–
Chris Burggraeve	6 549	24 099	3 March 2008	34.34
Sabine Chalmers	11 763	68 790	3 March 2008	34.34
Stéfan Descheemaeker <sup>(2)</sup>	743	0	–	–
Felipe Dutra	18 312	88 031	3 March 2008	34.34
Claudio Braz Ferro	15 186	73 025	3 March 2008	34.34
Claudio Garcia	16 972	81 589	3 March 2008	34.34
Miguel Patricio	12 892	61 973	3 March 2008	34.34
Jo Van Biesbroeck	8 954	0	–	–
Francisco Sá	1 525	7 337	3 March 2008	34.34
João Castro Neves	–	–	–	–
Luiz Fernando Edmond	–	–	–	–
Bernardo Pinto Paiva	–	–	–	–

1 As a consequence of the Rights Issue that took place in November 2008, the exercise price and the number of the options were adjusted according to the ratio method proposed by Euronext-Liffe in order to compensate for the dilutive effect of the Rights Issue. The adjustment ratio is 0.6252. The adjusted Exercise price of the subscription rights equals the original Exercise price multiplied by the adjustment ratio. The adjusted number of subscription rights mentioned in this table equals the original number of subscription rights divided by the adjustment ratio.

2 Stéfan Descheemaeker left the Executive Board of Management and was appointed as non-executive director on 29 April 2008.

### Exchange of share-ownership program

The combination with AmBev provides a unique opportunity to share AmBev's best practices within the Anheuser-Busch InBev group and therefore necessitates from time to time the transfer of certain members of AmBev's senior management to Anheuser-Busch InBev. In order to encourage management mobility and ensure that the interests of these managers are fully aligned with Anheuser-Busch InBev's interest, the Board approved a program that aims at facilitating the exchange by these managers of their AmBev shares into Anheuser-Busch InBev shares. Under the program, the AmBev shares can be exchanged into Anheuser-Busch InBev shares based on the average share price of both the AmBev and the Anheuser-Busch InBev shares on the date the exchange is requested. A discount of 16.66% is granted in exchange for a 5 year lock-up period for the shares and provided that the manager remains in service during this period.

Under the program, the members of the Executive Board of Management exchanged 531 649 Anheuser-Busch InBev shares in 2008.

### Exceptional option grant at closing of the Anheuser-Busch acquisition

The company granted, on 25 November 2008, approximately 28 000 000 options to approximately 40 Executives of Anheuser-Busch InBev, Anheuser-Busch and AmBev. Anheuser-Busch InBev believes that the selected Executives will help implement a successful integration of Anheuser-Busch Companies, Inc. and Anheuser-Busch InBev, which will underpin Anheuser-Busch InBev's ability to quickly deleverage.

The CEO was granted 3 253 358 options and the other members of the Executive Board of Management were granted an aggregate number of 9 326 286 options.

This grant will be subject to the confirmation of the annual shareholders' meeting of Anheuser-Busch InBev in accordance with the principles and provisions of the Belgian Corporate Governance Code.

Each option gives the grantee the right to purchase one existing share. The exercise price of the options is 10,32 euro which corresponds to the fair market value of the shares at the time of granting of the options, as adjusted as a consequence of the Rights Issue that took place in November 2008. The adjustment was made according to the ratio method proposed by Euronext-Liffe in order to compensate for the dilutive effect of the Rights Issue. The adjustment ratio is 0.6252. The adjusted exercise price of the options equals the original exercise price multiplied by the adjustment ratio.

One half of the options have a duration of 10 years as from granting and vest on 1 January 2014. The other half of the options have a duration of 15 years as from granting and vest on 1 January 2019. The exercise of the options is subject, among other things, to the condition that a performance test is met by Anheuser-Busch InBev. This performance test will be met if Anheuser-Busch InBev's net debt/EBITDA ratio falls below 2.5 before 31 December 2013. Except as a result of death of the holder, the stock options may not be transferred.

### Other compensation

We also provide Executives with life and medical insurance and perquisites and other benefits that are competitive with market practices.

In addition, the CEO also enjoys the usual expatriate perquisites such as a housing allowance in accordance with local market practice.

### Post-employment benefits

Executives also participate in the company's pension plans in either Belgium or their home country. The group operates a number of defined benefit and defined contribution plans in line with market practices.

Carlos Brito participates in a defined contribution plan. The annual contribution that is paid to his plan amounts to approximately 36 000 euro.

### Employment agreements and termination arrangements

Carlos Brito was appointed to serve as the Chief Executive Officer starting as of March 1, 2006. Carlos Brito earns an annual base salary of 1.02 million euro. As of 2006, he also participates in the regular Executive compensation programs of the company. In the event of termination of his employment other than on the grounds of serious cause, Carlos Brito is entitled to a termination indemnity of 12 months of remuneration and, provided he is eligible for it, a pro-rated performance bonus for the year of termination.

The termination arrangements for the other members of the Executive Board of Management typically provide for a termination indemnity of 12 months of remuneration and, provided they are eligible for it, a pro-rated performance bonus for the year of termination.