

Annual Report 2016 - Corporate Governance Statement

On 11 November 2015 an agreement was reached on the terms of a recommended business combination between SABMiller and Anheuser-Busch InBev. The final step of this business combination was completed on 10 October 2016 pursuant to a Belgian law merger whereby the old Anheuser-Busch InBev SA was merged into Newbelco SA, with Newbelco being the surviving company. As a result of the Belgian Merger, Newbelco became the holding company for the combined old AB InBev Group and SABMiller Group and the old Anheuser-Busch InBev SA was dissolved. All assets and liabilities of the old Anheuser-Busch InBev SA were transferred to Newbelco and Newbelco was automatically substituted for the old Anheuser-Busch InBev SA in all its rights and obligations by operation of Belgian law. Immediately following the merger, Newbelco was renamed "Anheuser-Busch InBev". Anheuser-Busch InBev's listing on Euronext became effective on 11 October 2016.

This section comprises information on the new Anheuser-Busch InBev (formerly Newbelco SA). Such information relates to the period between 10 October 2016 and 31 December 2016 and the situation as at 31 December 2016. Information relating to the old Anheuser-Busch InBev SA has also been added to this section. Such information relates to the period between 1 January 2016 and 10 October 2016.

1. INTRODUCTION

1.1. The 2009 Belgian Code on Corporate Governance

The corporate governance practices of Anheuser-Busch InBev are reflected in its Corporate Governance Charter, which is available on www.ab-inbev.com/investors/corporate-governance.html. The Charter is regularly updated.

Anheuser-Busch InBev is a company incorporated under Belgian law with a primary listing on Euronext Brussels (Euronext: ABI) and with secondary listings on the Mexico Stock Exchange (MEXBOL: ABI) and the Johannesburg Stock Exchange (JSE: ANB) (ISIN: BE0974293251). As a Belgian company with primary listing on Euronext Brussels, Anheuser-Busch InBev adheres to the principles and provisions of the Belgian Corporate Governance Code, published in March 2009 (www.corporategovernancecommittee.be), taking into account its specific status as a multinational group with secondary listings in Mexico and Johannesburg.

In order to reflect Anheuser-Busch InBev's specific shareholding structure and the global nature of its operations, the Board of directors has adopted certain rules which depart from the Belgian Corporate Governance Code. In summary, these rules are the following:

Principle 5.3./1 (Appendix D) of the 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 Nomination 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 that could materially interfere with the exercise of their independent judgment, the Board considers that the composition of this committee achieves the Code's aim.

Principle 7.7. of the 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 fixed number of stock-options, which makes it simple, transparent and easy for shareholders to understand.

The company's long-term incentive option plan deviates from the Belgian Code on Corporate Governance as it provides for share-based payments to non-executive directors. The

successful strategy and sustainable development of the company over the past 10 years demonstrates that the compensation of directors, which includes a fixed number of stock options, does ensure that the independence of the Board members in their role of guidance and control of the company is preserved, and that the directors' interests remain fully aligned with the long-term interests of the shareholders. In particular, the vesting period of 5 years should foster a sustainable and long-term commitment to pursue the company's best interests.

It should also be noted that options may only be granted upon the recommendation of the Remuneration Committee. Any such recommendation must be subsequently approved by the Board and then by the shareholders in a general meeting.

1.2. New York Stock Exchange Listing

Further to the New York Stock Exchange listing of American depositary shares ("ADS's") representing ordinary shares of Anheuser-Busch InBev, the New York Stock Exchange Corporate Governance rules for Foreign Private Issuers are applicable to the company. Anheuser-Busch InBev has also registered under the US Securities and Exchange Act of 1934, as amended. As a result, it is also subject to the U.S. Sarbanes-Oxley Act of 2002 and to certain US Securities laws and regulations relating to corporate governance.

1.3. Specific Corporate Governance initiatives

1.3.1. Fostering ethical conduct

The Board of directors of Anheuser-Busch InBev encourages management to promote, adhere to and maintain the highest standards of ethical behavior and transparency. Therefore, ethical rules have been established and are reinforced by Anheuser-Busch InBev's internal codes and policies. This fosters responsible business conduct by all employees.

Anheuser-Busch InBev'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 company and to conduct all their dealings in an honest and ethical manner. The Code of Business Conduct also covers the confidentiality of information, limits on the acceptance of gifts or entertainment, and the appropriate use of the company's property. The Code of Business Conduct is supplemented by the Global Anti-Corruption Policy, which defines employees' responsibilities and expected behavior. It states clearly that Anheuser-Busch InBev's employees are strictly prohibited from, either directly or indirectly, offering, promising, authorizing or giving anything of value to any individual with the aim of obtaining or retaining business or influencing business or governmental decision-making in connection with Anheuser-Busch InBev's commercial activities.

In line with this commitment to integrity, Anheuser-Busch InBev has implemented a whistle-blowing system by means of a Compliance Helpline that provides employees with simple and secure ways to confidentially and, if so desired, anonymously, report activities in violation of the Code of Business Conduct based on a clear policy and applicable legislation.

1.3.2. 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, half-yearly reports, quarterly statements, the Global Citizenship Report, financial results announcements, briefings, and a section that is dedicated to investors on the Anheuser-Busch InBev website.

Anheuser-Busch InBev recognizes that a commitment to 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.

1.3.3. 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 30 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.

1.3.4. Preventing the abuse of inside information

The company's Code of Dealing is applicable to all members of the Board of directors of the company and to all employees. The Code of Dealing aims to prevent the abuse of inside information, especially in periods leading up to an announcement of financial results or leading up to price-sensitive events or decisions.

The Code of Dealing prohibits dealing in any shares during a closed period, i.e., a period of 30 days preceding any results announcement of the company. In addition, before dealing in any shares of the company, the members of the Board of directors of the company and the members of its Executive Board of Management must obtain clearance from a Clearance Committee.

Compliance with the Code of Dealing 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, pursuant to the same regulation, members of the Executive Board of Management and of the Board of directors notify their trades (above a 5,000 Euro threshold) to the company and to the Belgian Financial Services and Markets Authority, which publishes these notifications on its website.

1.3.5. Corporate Social Responsibility

Anheuser-Busch InBev's Dream is *Bringing people together for a better world*. In pursuing this dream, the company strives to strike a balance between generating great business results and managing its environmental and social responsibilities. Sustainability is central to the company's culture and embedded in the way the company does business.

Anheuser-Busch InBev publishes an annual Global Citizenship Report that outlines its targets and progress made in the following areas:

- responsible drinking;
- environment; and
- community.

The Global Citizenship Report is available on the Anheuser-Busch InBev website, www.ab-inbev.com/better-world/reporting.html, which is a section of the website specifically dedicated to the company's initiatives and achievements related to sustainability.

2. THE BOARD OF DIRECTORS

2.1. Structure and composition

The Board of directors currently consists of 15 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 Charter. This Corporate Governance Charter includes the criteria that directors must satisfy to qualify as independent directors.

Directors are appointed for a maximum term of four years, which is renewable.

The appointment and renewal of directors (i) is based on a recommendation of the Nomination Committee, taking into account the rules regarding the composition of the Board that are set out in the Articles of Association (e.g., rules regarding number of independent directors and directors appointed upon proposal of the AB InBev Reference Shareholder and the Restricted Shareholders), and (ii) is subject to approval by the Shareholders' Meeting.

Pursuant to the Articles of Association, the Board is composed as follows:

- three directors shall be independent directors appointed by the Shareholders' Meeting upon proposal by the Board; and
- so long as the Stichting Anheuser-Busch InBev (the "Reference Shareholder") and/or any of its Affiliates, any of their respective Successors or Successors' Affiliates own, in aggregate, more than 30% of shares with voting rights in the share capital of the company, nine directors shall be appointed by the Shareholders' Meeting upon proposal by the Reference Shareholder and/or any of its Affiliates, any of their respective Successors or Successors' Affiliates; and
- so long as the holders of Restricted Shares (the "Restricted Shareholders") (together with their Affiliates, any of their respective Successors and/or Successors' Affiliates) own in aggregate:
 - more than 13.5% of the Shares with voting rights in the share capital of the company, three directors will be appointed by the Shareholders' Meeting upon proposal by the Restricted Shareholders (each such director a "Restricted Share Director");
 - more than 9% but not more than 13.5% of the Shares with voting rights in the share capital of the company, two Restricted Share Directors will be appointed;
 - more than 4.5% but not more than 9% of the Shares with voting rights in the share capital of the company, one Restricted Share Director will be appointed; and
 - 4.5% or less than 4.5% of the Shares with voting rights in the share capital of the company, they will no longer have the right to propose any candidate for appointment as a member of the Board and no Restricted Share Directors will be appointed.

The Articles of Association set out detailed rules regarding the calculation of the company's share capital owned by the Reference Shareholder and the Restricted Shareholders for the purpose of determining directors' nomination rights. Affiliates and Successors have the meaning set out in the Articles of Association.

The composition of the Board will be balanced primarily considering the respective skills, education, experience and background, but also gender, nationality and age of each of the Board members.

According to the Belgian Companies Code, as amended by the Law of 28 July 2011 on gender diversity on the Board, at least one third of the directors will have to be women. As a newly listed company having securities admitted to trade on Euronext Brussels on 11 October 2016, Anheuser-Busch InBev will need to comply with the gender diversity requirement as from 1st January 2022. Anheuser-Busch InBev will continue its efforts towards fostering gender diversity on its Board in the coming years by identifying women candidates having the appropriate profile to become members of the Board.

In the context of the combination with SABMiller, the following persons were appointed to the Board of directors with effect as of 8 October 2016:

- According to the decision of the extraordinary shareholders' meeting of 28 September 2016 :
 - Mr Olivier Goudet, Ms Michele Burns and Mr Elio Leoni Sceti were appointed as independent directors until the closing of the ordinary shareholders' meeting to be held in 2020;
 - Mr Alexandre Van Damme, Mr Marcel Herrmann Telles, Mr Grégoire de Spoelberch, Mr Carlos Alberto Sicupira, Mr Paulo Alberto Lemann, Mr Stéfan Descheemaeker, Mr Paul Cornet de Ways Ruart, Mr Alexandre Behring and Ms María Asuncion Aramburuzabala were appointed as non-executive directors upon proposal of the AB InBev Reference Shareholder until the closing of the ordinary shareholders' meeting to be held in 2018;
- According to a decision of the Board of directors of 8 October 2016 :
 - Mr Martin J. Barrington, Mr William F. Gifford and Mr Alejandro Santo Domingo Davila were appointed by co-optation upon proposal of the Restricted Shareholders as non-executive directors until the closing of the annual shareholders' meeting to be held in 2017.

The composition of Anheuser-Busch InBev's Board of directors at the end of the reporting period is as follows:

Name	Date of birth Nationality	Function	Term started	Term expires
Independent Directors				
Olivier Goudet	°1964, French	Non-Executive Independent director	2016	2020
Michele Burns	°1958, American	Non-Executive Independent director	2016	2020
Elio Leoni Sceti	°1966, Italian	Non-Executive Independent director	2016	2020
Directors upon proposal of the AB InBev Reference Shareholder				
Maria Asuncion Aramburuzabala	°1963, Mexican	Non-Executive, Non-Independent director	2016	2018
Paul Cornet de Ways Ruart	°1968, Belgian	Non-Executive director, nominated by the holders of class A Stichting Anheuser-Busch InBev certificates	2016	2018
Stéfan Descheemaeker	°1960, Belgian	Non-Executive director, nominated by the holders of class A Stichting Anheuser-Busch InBev certificates	2016	2018
Grégoire de Spoelberch	°1966, Belgian	Non-Executive director, nominated by the holders of class A Stichting Anheuser-Busch InBev certificates	2016	2018
Alexandre Van Damme	°1962, Belgian	Non-Executive director, nominated by the holders of class A Stichting Anheuser-Busch InBev certificates	2016	2018
Alexandre Behring	°1967, Brazilian	Non-Executive director, nominated by the holders of class B Stichting Anheuser-Busch InBev certificates	2016	2018
Paulo Lemann	°1968, Brazilian	Non-Executive director, nominated by the holders of class B Stichting Anheuser-Busch InBev certificates	2016	2018
Carlos Alberto da Veiga Sicupira	°1948, Brazilian	Non-Executive director, nominated by the holders of class B Stichting Anheuser-Busch InBev certificates	2016	2018
Marcel Herrmann Telles	°1950, Brazilian	Non-Executive director, nominated by the holders of class B Stichting Anheuser-Busch InBev certificates	2016	2018
Directors upon proposal of the Restricted Shareholders (Restricted Share Directors)				
Martin J. Barrington	°1953, American	Non-Executive director, nominated by Altria	2016	2017
William F. Gifford	°1970, American	Non-Executive director, nominated by Altria	2016	2017
Alejandro Santo Domingo	°1977, Colombian	Non-Executive director, nominated by Bevco	2016	2017

2.2. Functioning

In 2016, the Board of the old Anheuser-Busch InBev held six regular meetings and three extraordinary telephonic meetings. The Board of the new Anheuser-Busch InBev held three regular meetings and 1 extraordinary telephonic meeting. Several of the regular meetings were held in the geographical Zones in which the company has operations. On these occasions, the Board was provided with a comprehensive briefing of the relevant geographical Zone and 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 members with the opportunity to meet with employees, trainees, customers and other stakeholders.

Major Board agenda items included the long-range plan; achievement of targets; sales figures and brand health; reporting and budget; consolidated results; strategic direction; culture and people, including management succession planning; new and ongoing investment; capital market transactions; external growth and acquisitions; corporate social responsibility and sustainability as well as discussions on governance and Board succession planning. The average attendance rate at Board meetings in 2016 was 90% for the old Anheuser-Busch InBev and 83% for the new Anheuser-Busch InBev.

In 2016, the Board has been assisted by four Committees: the Audit Committee, the Finance Committee, the Remuneration Committee and the Nomination Committee. The Board of the old Anheuser-Busch InBev was also assisted by a Strategy Committee which was created in 2015.

The composition of the Committees is currently as follows:

	Audit Committee	Nomination Committee	Finance Committee	Remuneration Committee
Maria Asuncion Aramburuzabala				
Martin J. Barrington	Member			
Alex Behring			Member	
Michele Burns	Chair		Member	
Paul Cornet de Ways Ruart				
Stéfan Descheemaeker			Member	
Grégoire de Spoelberch		Member		
William F. Gifford			Member	
Olivier Goudet	Member	Member		Member
Paulo Lemann			Member	
Alejandro Santo Domingo				
Elio Leoni Sceti	Member			Member
Carlos Alberto da Veiga Sicupira		Member		
Marcel Herrmann Telles		Chairman		Chairman
Alexandre Van Damme		Member	Chairman	

Audit Committee

In accordance with the requirements of the Belgian Companies Code, the Audit Committee is composed exclusively of non-executive Board members and at least one of its members, i.e. Mr. Olivier Goudet, qualifies as an independent director within the meaning of article 526ter of the Belgian Companies Code. Mr. Goudet holds a degree in engineering from l'École Centrale de Paris and graduated from the ESSEC Business School in Paris with a major in finance. He has extensive experience in accounting and audit which he has obtained, among others, as Executive Vice President and Chief Financial Officer of Mars, Incorporated.

A majority of the voting members of the Audit Committee are independent directors as defined in the Corporate Governance Charter and all of them are independent as defined in Rule 10A-3(b)(1)(ii) under the U.S. Securities Exchange Act of 1934, as amended.

In 2016, the Audit Committee of the old Anheuser-Busch InBev met six times and the Audit Committee of the new Anheuser-Busch InBev met two times in 2016. During its meetings, the Committee reviewed the financial statements of the company, the annual report, half-yearly and quarterly statements, as well as related results announcements. The Committee also considered 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 obligations under Sarbanes Oxley, the review of the independence and appointment of the external auditor and a quarterly status of significant litigation were some of the other important topics on the agenda of the Committee. The members of the Committee attended all meetings except for Mr. Rorsted who was absent at one meeting of the old Anheuser-Busch InBev and Mr. Barrington who was absent at both meetings of the Committee of the new Anheuser-Busch InBev.

Finance Committee

The Finance Committee of the old Anheuser-Busch InBev met two times in 2016 and the Finance Committee of the new Anheuser-Busch InBev met two times in 2016. Committee discussions included treasury updates and overall risk management strategy including but not limited to risks related to commodities, interest rates, currencies and liquidity, hedging policies, the debt profile and capital structure of the group, pensions, dividends and the disclosure policy of the company. The members of the Committee attended all meetings except for Mrs. Burns and Mr. Descheemaeker who were absent at one meeting of the new Anheuser-Busch InBev and Mr. Gifford who was absent at both meetings of the Committee of the new Anheuser-Busch InBev.

Nomination Committee

The Nomination Committee's principal role is to guide the Board succession process. The Committee identifies persons qualified to become Board members and recommends director candidates for nomination by the Board and appointment by the shareholders' meeting.

The Nomination Committee of the old Anheuser-Busch InBev met two times in 2016 and the Nomination Committee of the new Anheuser-Busch InBev met two times in 2016. Discussions included the nomination of directors for appointment or renewal, management targets, the evaluation of the Board and its committees, the global management trainee program and succession planning for key executive functions. The members of the Committee attended all meetings.

Remuneration Committee

In accordance with the requirements of the Belgian Companies Code, the Remuneration Committee is composed exclusively of non-executive Board members and a majority of its members, i.e. Mr. Olivier Goudet and Mr. Elio Leoni Sceti, qualify as independent directors within the meaning of article 526ter of the Belgian Companies Code.

The Remuneration Committee's principal role is to guide the Board with respect to all its decisions relating to the remuneration policies for the Board, the CEO and the Executive Board of Management and on individual remuneration packages of directors, the CEO and members of the Executive Board of Management.

The Remuneration Committee of the old Anheuser-Busch InBev met three times in 2016 and the Remuneration Committee of the new Anheuser-Busch InBev met two times in 2016. Discussions included achievement of targets, Executive and Board compensation, Executive shares and options schemes, Long Term Incentive grants to directors, new compensation models and special incentives. The members of the Committee attended all meetings.

Strategy Committee

The Committee's principal role has been to assist the Board of the old Anheuser-Busch InBev in providing strategic direction in the areas of corporate strategy, external growth, organic growth, divestments and new business opportunities.

The Strategy Committee met four times in 2016. Discussions included mainly external growth opportunities. The new Anheuser-Busch InBev has not constituted any Strategy Committee.

2.3. Evaluation of the Board and its committees

Annually, the Board performs an evaluation of its performance at the initiative of the Chairman of the Board.

The evaluation constitutes a separate agenda item for a physical meeting of the Board. Discussions take place in executive session in the absence of management. A third party may act as facilitator.

During such meeting, each director is requested to comment on and evaluate the following topics:

- effectiveness of Board and committee operations (e.g. checking that important issues are suitably prepared and discussed, time available for discussion of important policy matters, checking availability and adequacy of pre-read, etc.);
- the qualifications and responsibilities of individual directors (e.g. actual contribution of each director, the director's presence at the meetings and his/her involvement in discussions, impact of changes to the director's other relevant commitments outside the company).
- effectiveness of oversight of management and interaction with management;
- composition and size of the Board and committees. Evaluation will at least take into account the following criteria:
 - o director independence: an affirmative determination as to the independence will be made in accordance with the independence criteria published in the Corporate Governance Charter.
 - o other commitments of directors: the outside Board commitments of each director enhance experience and perspective of directors, but will be reviewed on a case-by-case basis to ensure that each director can devote proper attention to the fulfillment of his oversight responsibilities.
 - o disqualifying circumstances: certain circumstances may constitute a disqualification for membership on the Board (e.g. Board membership of a major supplier, customer or competitor of the company, membership of a federal or regional government). Circumstances will be evaluated on a case-by-case basis to ensure that directors are not conflicted.
 - o skills and previous contributions: the company expects that all directors prepare for, attend and participate actively and constructively in all meetings; exercise their business judgment in good faith; focus their efforts on ensuring that the company's business is conducted so as to further the interests of the shareholders; and become and remain well informed about the company, business and economic trends that affect the company and about the principles and practices of sound Corporate Governance.

Following review and discussion of the responses, the Chairman of the Board may table proposals to enhance the performance or effectiveness of the functioning of the Board. Advice can be requested from a third-party expert.

The evaluation of the Audit Committee is performed at least once a year and is achieved by means of a written process, each member of the committee being requested to comment and provide a numerical rating on a number of questions included in a written questionnaire. Questions in the questionnaire address the composition of the committee, the understanding of the business and its risks, the oversight of financial reporting processes, including internal controls and the oversight of the internal and external audit functions. For significant questions that have obtained a low score on the proposed efficiency scale, an action plan is discussed during a meeting of the committee. The analysis of the questionnaire and the agreed action plan are subsequently presented to the entire Board.

2.4. Certain transactions and other contractual relationships

There are no transactions or other contractual relationships to be reported between the company and its Board members that gave rise to conflicting interests as defined in 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 (EBM) which comprises global functional heads (or "Chiefs") and Zone presidents including the Chief Executive Officer of Ambev (Bernardo Pinto Paiva), who reports to the Board of directors of Ambev.

Our Executive Board of Management consists of the following members:

Carlos Brito - CEO			
<u>Functional heads (Chiefs)</u>		<u>Zone presidents</u>	
Sabine Chalmers	Chief Legal	Jan Craps	Asia Pacific South
Michel Doukeris	Chief Sales Officer (effective January 2017) ⁽¹⁾	Jean Jereissati	Asia Pacific North (effective January 2017) ⁽²⁾
Felipe Dutra	Chief Financial & Technology Officer	Mauricio Leyva	Middle Americas
Pedro Earp	Chief Disruptive Growth Officer	Carlos Lisboa	Latin America South (effective January 2017) ⁽³⁾
Claudio Garcia	Chief People Officer	Stuart MacFarlane	Europe
David Kamenetzky	Chief Strategy & External Affairs Officer	Ricardo Tadeu	Africa
Peter Kraemer	Chief Supply Officer	Ricardo Moreira	Latin America COPEC
Tony Milikin	Chief Procurement Officer	João Castro Neves	North America
Miguel Patricio	Chief Marketing Officer	Bernardo Pinto Paiva	Latin America North
David Almeida	Chief Integration Officer		
Claudio Braz Ferro	Chief Supply Integration Officer		

Notes:

(1) Luiz Fernando Edmond was Chief Sales Officer until 31 December 2016. Michel Doukeris, formerly Zone President Asia Pacific North, replaced Luiz Fernando Edmond as Chief Sales Officer as of 1 January 2017.

(2) Michel Doukeris was Zone President Asia Pacific North until 31 December 2016. Jean Jereissati, formerly BU President China, replaced Michel Doukeris as Zone President Asia Pacific North as of 1 January 2017.

(3) Marcio Froes was Zone President Latin America South until 31 December 2016. Carlos Lisboa, formerly Global VP Global Brands, replaced Marcio Froes as Zone President Latin America South as of 1 January 2017.

4. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board of directors and the Executive Board of Management are responsible for establishing and maintaining adequate internal controls and risk management systems. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Risk management is the process designed to identify potential events that may affect the company and to manage risks to be within its risk appetite.

Without prejudice to the responsibilities of the Board as a whole, the Audit Committee oversees financial and business risk management and discusses the process by which management assesses and manages the company's exposure to those risks and the steps taken to monitor and control such exposure.

The company's major risk factors and uncertainties are described in the Risks and Uncertainties section of the Management report in AB InBev's annual report.

The company has established and operates its internal control and risk management systems based on guidelines issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The internal control system is based upon COSO's Internal Control-Integrated Framework of 2013 and its risk management system is based on COSO's Enterprise Risk Management Framework of 2004.

Financial reporting

The Executive Board of Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Internal controls over financial reporting include those written policies and procedures that:

- ⌚ pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ⌚ provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards;
- ⌚ provide reasonable assurance that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and
- ⌚ provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting includes the assessment of the relevant risks, the identification and monitoring of key controls and actions taken to correct deficiencies as identified. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Executive Board of Management assessed the effectiveness of the company's internal control over financial reporting as of 31 December 2016. As indicated above, management based this assessment on criteria for effective internal control over financial reporting described in "*Internal Control — Integrated Framework*" issued by COSO in May 2013. The assessment included an evaluation of the design of the company's internal control over financial reporting and testing of its operational effectiveness. Based on this assessment, the

Executive Board of Management determined that, as of 31 December 2016, the company maintained effective internal control over financial reporting.

The Board of directors and the Audit Committee reviewed the Executive Board of Management's assessment. The review related among other things to ensuring that there are no significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information, and to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

In addition, as a result of the listing of Anheuser-Busch InBev on the New York Stock Exchange, the company must adhere to Section 404 of the U.S. Sarbanes-Oxley Act of 2002. As a consequence, the company is required to provide on a yearly basis a management report on the effectiveness of the company's internal control over financial reporting, as described in the Section and the rules implementing such act. Management's report and the Statutory Auditor's related opinion regarding the company's relevant financial year, will be included in the company's Annual Report on Form 20-F for such year, which is required to be filed with the U.S. Securities and Exchange Commission.

Internal Audit

The company has a professional and independent internal audit department. The appointment of the Head of internal audit is reviewed by the Audit Committee. The Audit Committee reviews internal audit's risk assessment and annual audit plan and regularly receives internal audit reports for review and discussion.

Internal control deficiencies identified by internal audit are communicated in a timely manner to management and periodic follow-up is performed to ensure corrective action has been taken.

Compliance

Anheuser-Busch InBev has a Compliance Program which fosters a culture of ethics, integrity and lawful behavior in the company. This program includes a Code of Business Conduct and the Anti-Corruption Policy, which are available on the company's website and intranet. The Compliance Program further ensures compliance with applicable laws and regulations and the completion of an annual certification by management of compliance with the Code of Business Conduct.

A set of internal controls has been implemented and is periodically assessed at the Global and Local Compliance Committees, the Audit Committee and within the framework of internal audit.

The Global Compliance Committee, chaired by the Chief Legal Officer, assesses regulatory and ethical compliance risks for the company from a global perspective and provides strategic direction for the activities of the compliance function. On a quarterly basis, the Global Compliance Committee reviews the operation of the Compliance Program and follows-up on the reports submitted through the company's Compliance Helpline (whistle-blowing platform). In addition to the Global Compliance Committee, each Zone has its own Local Compliance Committee, which addresses local compliance matters.

The Audit Committee reviews the operation of the Compliance Program and the results of any compliance reviews or reports submitted through the company's global Compliance Helpline. On a regular basis, the Audit Committee also reviews the significant legal, compliance and regulatory matters that may have a material effect on the financial statements or the company's business, including material notices to or inquiries received from governmental agencies.

5. SHAREHOLDERS STRUCTURE

5.1. Shareholders' structure

The following table shows the shareholders' structure on 31 December 2016 based on the notifications made to Anheuser-Busch InBev and the Belgian Financial Services and Markets Authority by the shareholders listed below in accordance with article 6 of the Belgian law of 2 May 2007 on the notification of significant shareholdings and article 74 of the Belgian law of 1 April 2007 on takeover bids.

Major shareholders	Number of Shares	% of voting rights ⁽¹⁾
<i> Holders of Ordinary Shares </i>		
1. Stichting Anheuser-Busch InBev , a stichting incorporated under Dutch law (the "Reference Shareholder")	663,074,832	34.29%
2. EPS Participations Sàrl , a company incorporated under Luxembourg law, affiliated to EPS, its parent company.....	130,257,459	6.74%
3. EPS SA , a company incorporated under Luxembourg law, affiliated to the Reference Shareholder that it jointly controls with BRC.....	99,999	0.01%
4. BRC Sàrl , a company incorporated under Luxembourg law, affiliated to the Reference Shareholder that it jointly controls with EPS	37,598,236	1.94%
5. Rayvax Société d'Investissements SA , a company incorporated under Belgian law.....	484,794	0.03%
6. Sébastien Holding SA , a company incorporated under Belgian law, affiliated to Rayvax, its parent company	10	0.00%
7. Fonds Verhelst SPRL , a company with a social purpose incorporated under Belgian law	0	0.00%
8. Fonds Voorzitter Verhelst SPRL , a company with a social purpose incorporated under Belgian law, affiliated to Fonds Verhelst SPRL with social purpose, that controls it.....	6,997,665	0.36%
9. Stichting Fonds InBev-Baillet Latour , a stichting incorporated under Dutch law.....	0	0.00%
10. Fonds Baillet Latour SPRL , a company with a social purpose incorporated under Belgian law, affiliated to Stichting Fonds InBev-Baillet Latour under Dutch law, that controls it	5,485,415	0.28%
11. MHT Benefit Holding Company Ltd , a company incorporated under the law of the Bahamas, acting in concert with Marcel Herrmann Telles within the meaning of Article 3, §2 of the Takeover Law	3,645,605	0.19%
12. LTS Trading Company LLC , a company incorporated under Delaware law, acting in concert with Marcel Herrmann Telles, Jorge Paulo Lemann and Carlos Alberto Sicupira within the meaning of Article 3, §2 of the Takeover Law	4,468	0.00%
<i> Holders of Restricted Shares </i>		
1. Altria Group Inc. ⁽²⁾	185,115,417	9.57%
2. Bevco Lux Sàrl ⁽³⁾	96,862,718	5.01%

Notes :

(1) Holding percentages are calculated on the basis of the total number of shares in issue, excluding treasury shares (1,933,701,581). As at 31 December 2016, there were 2,019,241,973 shares in issue including 85,540,392 ordinary shares held in treasury by AB InBev and certain of its subsidiaries.

(2) In addition to the Restricted Shares listed above, Altria Group Inc. announced in its Schedule 13D beneficial ownership report on 11 October 2016 that, following completion of the combination, it purchased 11,941,937 Ordinary Shares in the Company, thereby increasing its aggregate ownership to 10.2% based on the number of shares with voting rights as at 31 December 2016.

(3) In addition to the Restricted Shares listed above, Bevco Lux Sàrl announced in a notification made on 17 January 2017 in accordance with the Belgian law of 2 May 2007 on the notification of significant shareholdings, that it purchased 4,215,794 Ordinary Shares in the Company, thereby increasing its aggregate ownership to 5.23 % as at 13 January 2017 based on the number of shares with voting rights as at 31 December 2016.

The first twelve entities mentioned in the table act in concert (it being understood that (i) the first ten entities act in concert within the meaning of article 3, §1, 13^o of the Belgian law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, implementing into Belgian law Directive 2004/109/CE, and (ii) the eleventh and twelfth entities act in concert with the first ten entities within the meaning of article 3, §2 of the Belgian law of 1 April 2007 on public takeover bids) and hold, in aggregate, 847,648,483 Ordinary Shares, representing 43.84% of the voting rights attached to the shares outstanding as of 31 December 2016 excluding treasury shares.

5.2. Shareholders' arrangements

Stichting Anheuser-Busch InBev (the "Reference Shareholder") has entered into shareholders' agreements with (a) BRC, EPS, EPS Participations, Rayvax Société d'Investissements SA (Rayvax), (b) Fonds Baillet Latour SPRL with a social purpose and Fonds Voorzitter Verhelst SPRL with a social purpose, and (c) the largest holders of restricted shares in the Company (the Restricted Shareholders).

a) Reference Shareholder's agreement

In connection with the combination of Interbrew with Ambev in 2004, BRC, EPS, Rayvax and the Reference Shareholder entered into a shareholders' agreement on 2 March 2004 which provided for BRC and EPS to hold their interests in the old Anheuser-Busch InBev through the Reference Shareholder (except for approximately 130 million shares held directly or indirectly by EPS and approximately 37 million shares held directly by BRC). The shareholders' agreement was amended and restated on 9 September 2009. On 18 December 2013, EPS contributed to EPS Participations its certificates in the Reference Shareholder and the shares it held in the old Anheuser-Busch InBev except for 100,000 shares. Immediately thereafter, EPS Participations joined the concert constituted by BRC, EPS, Rayvax and the Reference Shareholder and adhered to the shareholders' agreement. On 18 December 2014, the Reference Shareholder, EPS, EPS Participations, BRC and Rayvax entered into a new shareholders' agreement that replaced the previous shareholders' agreement of 2009. On 11 April 2016, the parties thereto entered into an amended and restated new shareholders' agreement (the "2016 Shareholders' Agreement").

The 2016 Shareholders' Agreement addresses, among other things, certain matters relating to the governance and management of both AB InBev and the Reference Shareholder, as well as (i) the transfer of the Reference Shareholder certificates, and (ii) the de-certification and re-certification process for the company's shares (the "Shares") and the circumstances in which the Shares held by the Reference Shareholder may be de-certified and/or pledged at the request of BRC, EPS and EPS Participations.

The 2016 Shareholders' Agreement provides for restrictions on the ability of BRC and EPS/EPS Participations to transfer their Reference Shareholder certificates.

Pursuant to the terms of the 2016 Shareholders' Agreement, BRC and EPS/EPS Participations jointly and equally exercise control over the Reference Shareholder and the Shares held by the Reference Shareholder. The Reference Shareholder is managed by an eight-member board of directors and each of BRC and EPS/EPS Participations have the right to appoint four directors to the Reference Shareholder board of directors. Subject to certain exceptions, at least seven of the eight Reference Shareholder directors must be present or represented in order to constitute a quorum of the Reference Shareholder board, and any action to be taken by the Reference Shareholder board of directors will, subject to certain qualified majority conditions, require the approval of a majority of the directors present or represented, including at least two directors appointed by BRC and two directors appointed by EPS/EPS Participations. Subject to certain exceptions, all decisions of the Reference Shareholder with respect to the Shares it holds, including how such Shares will be voted at shareholders' meetings of AB InBev (Shareholders' Meetings), will be made by the Reference Shareholder board of directors.

The 2016 Shareholders' Agreement requires the Reference Shareholder board of directors to meet prior to each Shareholders' Meeting to determine how the Shares held by the Reference Shareholder are to be voted.

The 2016 Shareholders' Agreement requires EPS, EPS Participations, BRC and Rayvax, as well as any other holder of certificates issued by the Reference Shareholder, to vote their Shares in the same manner as the Shares held by the Reference Shareholder. The parties agree to effect any free transfers of their Shares in an orderly manner of disposal that does not disrupt the market for the Shares and in accordance with any conditions established by the company to ensure such orderly disposal. In addition, under the 2016 Shareholders' Agreement, EPS, EPS Participations and BRC agree not to acquire any shares of Ambev's capital stock, subject to limited exceptions.

Pursuant to the 2016 Shareholders' Agreement, the Reference Shareholder board of directors will propose to the Shareholders' Meeting nine candidates for appointment to the Board, among which each of BRC and EPS/EPS Participations will have the right to nominate four candidates, and one candidate will be nominated by the Reference Shareholder board of directors.

The 2016 Shareholders' Agreement will remain in effect for an initial term until 27 August 2034. The 2016 Shareholders' Agreement will be automatically renewed for successive terms of ten years each unless, not later than two years prior to the expiration of the initial or any successive ten-year term, either party to the 2016 Shareholders' Agreement notifies the other of its intention to terminate the 2016 Shareholders' Agreement.

b) Voting agreement between the Reference Shareholder and the foundations

In addition, the Reference Shareholder has entered into a voting agreement with Fonds Baillet Latour SPRL with a social purpose and Fonds Voorzitter Verhelst SPRL with a social purpose. This agreement provides for consultations between the three bodies before any Shareholders' Meetings to decide how they will exercise the voting rights attached to their Shares. Consensus is required for all items that are submitted to the approval of any Shareholders' Meetings. If the parties fail to reach a consensus, Fonds Baillet Latour SPRL with a social purpose and Fonds Voorzitter Verhelst SPRL with a social purpose will vote their Shares in the same manner as the Reference Shareholder. The voting agreement is valid until 1 November 2034.

c) Voting agreement between the Reference Shareholder and Restricted Shareholders

On 8 October 2016, the Reference Shareholder and each holder of restricted shares (such holders being the Restricted Shareholders) holding more than 1% of the company's total share

capital, being Altria Group Inc. and Bevco LTD, have entered into a voting agreement, to which the company is also a party, under which notably:

- the Reference Shareholder is required to exercise the voting rights attached to its Ordinary Shares to give effect to the directors' appointment principles set out in articles 19 and 20 of the Articles of Association of the company;
- each Restricted Shareholder is required to exercise the voting rights attached to its Ordinary Shares and Restricted Shares, as applicable, to give effect to the directors' appointment principles set out in articles 19 and 20 of the Articles of Association; and
- each Restricted Shareholder is required not to exercise the voting rights attached to their Ordinary Shares and Restricted Shares, as applicable, in favor of any resolutions which would be proposed to modify the rights attached to Restricted Shares, unless such resolution has been approved by a qualified majority of the holders of at least 75% of the Restricted Shareholder Voting Shares (as defined in the Articles of Association).

6. ITEMS TO BE DISCLOSED PURSUANT TO ARTICLE 34 OF THE BELGIAN ROYAL DECREE OF 14 NOVEMBER 2007

According to article 34 of the Belgian Royal Decree of 14 November 2007, Anheuser-Busch InBev hereby discloses the following items:

6.1. Capital structure and authorizations granted to the Board

The company's share capital is divided in two categories of shares: all shares are ordinary shares (the "Ordinary Shares"), except for 325,999,817 restricted shares (the "Restricted Shares"). Ordinary shares and Restricted Shares have the same rights except as set out in the Articles of Association. Restricted Shares shall always be in registered form and shall not be listed or admitted to trading on any stock market.

Anheuser-Busch InBev may increase or decrease its share capital with the specific approval of a shareholders' meeting. The shareholders may also authorize the Board of directors to increase the share capital. Such authorization must be limited in time and amount. In either case, the shareholders' approval or authorization must satisfy the quorum and majority requirements applicable to amendments to the Articles of Association. No authorization has been granted to the Board of directors in 2016 to increase the share capital of Anheuser-Busch InBev.

Anheuser-Busch InBev's Board of directors has been authorized by the shareholders' meeting to acquire, on or outside the stock exchange, Anheuser-Busch InBev shares up to maximum 20% of the issued shares for a unitary price which will not be lower than 1 Euro and not higher than 20% above the highest closing price in the last 20 trading days preceding the transaction. This authorization is valid for 5 years from 28 September 2016.

6.2. Voting rights and transferability of shares and shareholders' arrangements

Voting rights, quorum and majority requirements

Each share entitles the holder to one vote.

Generally, there is no quorum requirement for a shareholders' meeting and decisions will be taken by a simple majority vote of shares present or represented. However, certain matters will require a larger majority and/or a quorum. These include the following:

- i. any amendment to the Articles of Association (except the amendments to the corporate purpose or the transformation of the legal form of the company), including inter alia, reductions or increases of the share capital of the company (except for capital increases decided by the Board pursuant to the authorised capital) or any resolution relating to a merger or demerger of the company require the presence in person or by proxy of

- shareholders holding an aggregate of at least 50% of the issued share capital, and the approval of a qualified majority of at least 75% of the votes cast at the meeting;
- ii. any modification of the purpose or corporate form of the company or authorisation to repurchase shares of the company requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 80% of the votes cast at the meeting;
 - iii. resolutions relating to the modification of the rights attached to a particular class of shares will require the presence in person or by proxy of shareholders holding an aggregate of at least 50% of the issued share capital in each class of shares and the approval of a qualified majority of at least 75% of the votes cast at the meeting in each class of shares,
(in each of the cases (i), (ii) and (iii), if a quorum is not present, a second meeting must be convened. At the second meeting, the quorum requirement does not apply. However, the qualified majority requirement of 75% or 80%, as the case may be, continues to apply); and
 - iv. any acquisition or disposal of tangible assets by the company for an amount higher than the value of one third of the company's consolidated total assets as reported in the company's most recent audited consolidated financial statements requires the approval of a qualified majority of at least 75% of the votes cast at the meeting (but there is no minimum quorum requirement).

As an additional rule, in the event of (i) a contribution in kind to the company with assets owned by any person or entity which is required to file a transparency declaration pursuant to applicable Belgian law or a subsidiary (within the meaning of article 6 of the Companies Code) of such person or entity, or (ii) a merger of the company with such a person or entity or a subsidiary of such person or entity, then such person or entity and its subsidiaries shall not be entitled to vote on the resolution submitted to the shareholders' meeting to approve such contribution in kind or merger.

Transferability of shares

Ordinary Shares are freely transferable.

As far as Restricted Shares are concerned, no Restricted Shareholder is able, in each case directly or indirectly, to transfer, sell, contribute, offer, grant any option on, otherwise dispose of, pledge, charge, assign, mortgage, grant any lien or any security interest on, enter into any certification or depository arrangement or enter into any form of hedging arrangement with respect to, any of its Restricted Shares or any interests therein or any rights relating thereto, or enter into any contract or other agreement to do any of the foregoing, for a period of five years from 10 October 2016, except in the specific instances set out in the Articles of Association in connection with transactions with Affiliates and Successors or in relation with Pledges. Each of the terms Affiliates, Successors and Pledge is defined in the Articles of Association.

Conversion

Voluntary conversion

Each Restricted Shareholder will have the right to convert all or part of its holding of Restricted Shares into Ordinary Shares at its election (i) at any time after 10 October 2021, and (ii) in some limited other instances, including immediately prior to, but then solely for the purpose of facilitating, or at any time after entering into an agreement or arrangement to effect any permitted transfer, as set out in article 7.3.b (ii) of the Articles of Association of the Company.

Automatic conversion

The Restricted Shares shall automatically convert into Ordinary Shares in the situations set out in article 7.6. of the Articles of Association, i.e.:

- (i) upon any transfer, sale, contribution or other disposal, except as set out in article 7.6 (a) of the Articles of Association in connection with transactions with Affiliates and Successors or in relation with Pledges;

- (ii) immediately prior to the closing of a successful public takeover bid for all shares of the Company or the completion of a merger of Anheuser-Busch InBev as acquiring or disappearing company, in circumstances where the shareholders directly or indirectly, controlling or exercising directly or indirectly joint control over Anheuser-Busch InBev immediately prior to such takeover bid or merger will not directly or indirectly control, or exercise joint control over, Anheuser-Busch InBev or the surviving entity following such takeover bid or merger; or
- (iii) upon the announcement of a squeeze-out bid for the outstanding shares of the company, in accordance with article 513 of the Companies Code.

Shareholders arrangements

Please refer to section 5 above.

6.3. Significant agreements or securities that may be impacted by a change of control on the company

1. **Warrants under the long-term incentive plan.** Until 2013, the old Anheuser-Busch InBev has issued, on a regular basis, warrants/subsorption rights under its long-term incentive plan for the benefit of its Board members and, until 2007, for the benefit of the members of its Executive Board of Management and other senior employees (the "LTI"). Pursuant to the terms and conditions of the LTI, in the event of a modification, as a result of a public bid or otherwise, of the (direct or indirect) control (as defined under Belgian law) exercised over Anheuser-Busch InBev, the holders of warrants shall have the right to exercise them within one month of the date of change of control, irrespective of exercise periods/limitations provided by the plan. Subscription rights not exercised within such time period shall again be fully governed by the normal exercise periods/limitations provided by the plan.

On 30 April 2014, the annual shareholders meeting of the old Anheuser-Busch InBev decided that all the outstanding LTI warrants were automatically converted into LTI stock options, i.e. the right to purchase existing shares instead of the right to subscribe to newly-issued shares, with effect on 1 May 2014. Accordingly, all subscription rights outstanding on 1 May 2014 have become without object, with effect on the same date. The terms and conditions of the replacement LTI stock options are identical to those of the subscription rights, including regarding the exercise price, the exercise conditions and periods and the change of control provisions, except to the extent strictly needed to take into account that existing shares instead of new shares will be delivered.

As a result of the completion of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, that took place on 10 October 2016 in the framework of the combination with SABMiller, all rights and obligations attached to the outstanding LTI stock options of the old AB InBev, have been automatically transferred to the new Anheuser-Busch InBev (the absorbing company), each outstanding LTI stock option giving right to one share of the new Anheuser-Busch InBev (the absorbing company) instead of one share of the old AB InBev (the absorbed company).

Currently in aggregate, there are 1 million LTI stock options outstanding under the plan, entitling holders to purchase the same number of existing Ordinary Shares of Anheuser-Busch InBev.

2. **USD 9,000,000,000 (originally USD 13,000,000,000) Senior Facilities Agreement.** In accordance with Article 556 of the Belgian Companies Code, the shareholders meeting of the old Anheuser-Busch InBev SA/NV (the "Company") approved on 27 April 2010, (i) Clause 17 (*Mandatory Prepayment*) of the USD 13,000,000,000 Senior Facilities Agreement dated 26 February 2010 entered into by, amongst others, the Company and Anheuser-Busch InBev Worldwide Inc. as original borrowers, the original guarantors and original lenders listed therein, Bank of America Securities Limited, Banco Santander, S.A.,

Barclays Capital, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Bank NV, Intesa Sanpaolo S.P.A., J.P. Morgan PLC, Mizuho Corporate Bank, Ltd, The Royal Bank of Scotland plc, Société Générale Corporate and Investment Banking, and The Bank of Tokyo-Mitsubishi UFJ, LTD. as mandated lead arrangers and bookrunners and Fortis Bank SA/NV as agent and issuing bank (as amended and/or amended and restated from time to time) (the "2010 Senior Facilities Agreement") and (ii) any other provision of the 2010 Senior Facilities Agreement granting rights to third parties which could affect the Company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the Company or on a "Change of Control" (as defined in the 2010 Senior Facilities Agreement). Pursuant to the 2010 Senior Facilities Agreement (a) "*Change of Control*" means "*any person or group of persons acting in concert (in each case other than Stichting InBev or any existing direct or indirect certificate holder or certificate holders of Stichting InBev or any person or group of persons acting in concert with any such persons) gaining Control of the Company*", (b) "*acting in concert*" means "*a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain Control of the Company*" and (c) "*Control*" means, in respect of the Company, the "*direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the Company or the power to direct the management and the policies of the Company whether through the ownership of share capital, contract or otherwise*".

Clause 17 of the 2010 Senior Facilities Agreement grants, in essence, to any lender under the 2010 Senior Facilities Agreement, upon a Change of Control over the Company, the right (i) not to fund any loan or letter of credit (other than a rollover loan meeting certain conditions) and (ii) (by not less than 30 days written notice) to cancel its undrawn commitments and require repayment of its participations in the loans or letters of credit, together with accrued interest thereon, and all other amounts owed to such lender under the 2010 Senior Facilities Agreement (and certain related documents).

The 2010 Senior Facilities Agreement was amended on 25 July 2011 and extended on 20 August 2013. It has been amended and restated on 28 August 2015 (the 2010 Senior Facilities Agreement as amended and restated being the "**Amended and Restated 2010 Senior Facilities Agreement**") so as to increase the total commitments from USD 8,000,000,000 to USD 9,000,000,000 and to extend its term with 5 years from the date of its restatement with the possibility to extend the term by a further two years at the option of the Company.

As a result of the amendment and restatement of the 2010 Senior Facilities Agreement, the shareholders' meeting of the old Anheuser-Busch InBev of 27 April 2016 has approved, in accordance with Article 556 of the Belgian Companies Code, (i) Clause 17 (*Mandatory Prepayment*) of the Amended and Restated 2010 Senior Facilities Agreement and (ii) any other provision of the Amended and Restated 2010 Senior Facilities Agreement granting rights to third parties which could affect the company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control". The definition of the terms "Change of Control", "acting in concert" and "Control" remained unchanged in the Amended and Restated 2010 Senior Facilities Agreement.

The Amended and Restated 2010 Senior Facilities Agreement has been transferred to the company as a result of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, that took place on 10 October 2016 in the framework of the combination with SABMiller.

As of 31 December 2016, the company had not made any drawdowns under the Amended and Restated 2010 Senior Facilities Agreement.

3. **USD 75,000,000,000 Senior Facilities Agreement.** In accordance with Article 556 of the Belgian Companies Code, the shareholders meeting of the old Anheuser-Busch InBev approved on 27 April 2016 (i) Clause 8.1 (*Change of control*) of the USD 75,000,000,000 Senior Facilities Agreement dated 28 October 2015 entered into by, among others, the Company as original borrower, the original guarantors and original lenders listed therein, Barclays Bank PLC, BNP Paribas Fortis SA/NV, Citigroup Global Markets Inc., Deutsche Bank AG, London Branch, HSBC Bank Plc, ING Bank N.V., Intesa Sanpaolo Banking Group (represented by Intesa Sanpaolo S.p.A & Banca IMI S.p.A), Merrill Lynch, Pierce, Fenner & Smith Inc., Mizuho Bank, Ltd., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank Nederland", New York Branch, The Royal Bank of Scotland plc, Banco Santander, S.A., Société Générale, London Branch, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Toronto-Dominion Bank, Unicredit Bank AG and Wells Fargo Securities, LLC as mandated lead arrangers and bookrunners and BNP Paribas Fortis SA/NV as agent (as amended and/or amended and restated from time to time) (the "**2015 Senior Facilities Agreement**") and (ii) any other provision of the 2015 Senior Facilities Agreement granting rights to third parties which could affect the Company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the Company or on a "Change of Control" (as defined in the 2015 Senior Facilities Agreement). Pursuant to the 2015 Senior Facilities Agreement (a) "*Change of Control*" means "*any person or group of persons acting in concert (in each case other than Stichting InBev or any existing direct or indirect certificate holder or certificate holders of Stichting InBev or any person or group of persons acting in concert with any such persons) gaining Control of the Company,*" (b) "*acting in concert*" means "*a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain Control of the Company*" and (c) "*Control*" means, in respect of the Company, the "*direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the Company or the power to direct the management and the policies of the Company whether through the ownership of share capital, contract or otherwise*".

Clause 8.1 of the 2015 Senior Facilities Agreement grants, in essence, to any lender under the 2015 Senior Facilities Agreement, upon a Change of Control over the Company, the right (i) not to fund any loan and (ii) (by not less than 30 days written notice) to cancel its undrawn commitments and require repayment of its participations in any loans, together with accrued interest thereon, and all other amounts owed to such lender under the 2015 Senior Facilities Agreement (and certain related documents).

On 27 January 2016, USD 42.5 billion of the 2015 Senior Facilities Agreement was cancelled following bond issuances that took place in January 2016. On 4 April 2016, a further USD 12.5 billion of the 2015 Senior Facilities Agreement was cancelled and on 6 October 2016, USD 12 billion of the 2015 Senior Facilities Agreement was cancelled.

The 2015 Senior Facilities Agreement has been transferred to the company as a result of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, that took place on 10 October 2016 in the framework of the combination with SABMiller.

As of 31 December 2016, the company (and its predecessor, the old Anheuser-Busch InBev) had made drawdowns under the 2015 Senior Facilities Agreement for a total amount of USD 8 billion.

4. **EMTN Program.** In accordance with article 556 of the Belgian Companies Code, the shareholders' meeting of the old Anheuser-Busch InBev approved on 24 April 2013 (i) Condition 7.5. of the Terms & Conditions (Redemption at the Option of the Noteholders (Change of Control Put)) of the 15,000,000,000 Euro updated Euro Medium Term Note Program dated 16 May 2012 of Anheuser-Busch InBev SA/NV and Brandbrew SA (the "Issuers") and Deutsche Bank AG, London Branch, acting as Arranger, which may be

applicable in the case of Notes issued under the Program (the "EMTN Program"), (ii) any other provision in the EMTN Program granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the occurrence of a "Change of Control" (as defined in the Terms & Conditions of the EMTN Program). Pursuant to the EMTN Program, (a) "Change of Control" means "any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company", (b) "acting in concert" means "a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company", and (c) "Control" means the "direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise".

If a Change of Control Put is specified in the applicable Final Terms of the concerned notes, Condition 7.5. of the Terms & Conditions of the EMTN Programme grants, to any holder of such notes, in essence, the right to request the redemption of his notes at the redemption amount specified in the Final Terms of the notes, together, if appropriate, with interest accrued, upon the occurrence of a Change of Control and a related downgrade of the notes to sub-investment grade.

The change of control provision above is included in the Final Terms of:

- the 750,000,000 Euro 7.375% Notes due 2013 (Redeemed on 30 January 2013), the 600,000,000 Euro 8.625% Notes due 2017 (Redeemed on 9 December 2016) and the 550,000,000 GBP 9.75% Notes due 2024, each issued by the company in January 2009;
- the 750,000,000 Euro 6.57% Notes due 2014, issued by the company in February 2009 (Redeemed on 27 February 2014);
- the 50,000,000 Euro FRN Notes that bear an interest at a floating rate of 3 month EURIBOR plus 3.90 %, issued by the company in April 2009 (Redeemed on 9 April 2014);
- the 600,000,000 CHF 4.50% Notes due 2014 (Redeemed on 11 June 2014), issued by Brandbrew SA in June 2009 (with a guarantee by the company);
- the 250,000,000 Euro 5.75% Notes due 2015 (Redeemed on 22 June 2015) and the 750,000,000 GBP 6.50% Notes due 2017, each issued by the company in June 2009; and
- the 750,000,000 Euro 4% Notes due 2018, issued by the company in April 2010.

The series of Notes referred to in the above paragraph were issued pursuant to the 10,000,000,000 Euro initial Euro Medium Term Note Programme dated 16 January 2009 or the 15,000,000,000 Euro updated Euro Medium Term Note Programme dated 24 February 2010 (as applicable). The relevant change of control provisions contained in the Final Terms of such series of Notes were submitted to, and approved by, the shareholders meetings of the old Anheuser-Busch InBev held on 28 April 2009 and 27 April 2010, respectively.

There is no change of control clause included in the Final Terms of any series of Notes issued pursuant to the EMTN Programme by the company and/or Brandbrew SA after April 2010.

As a result of the update of the EMTN Programme on 22 August 2013 the Terms & Conditions of the updated EMTN Programme no longer provide for a Redemption at the option of the Noteholders (Change of Control Put).

In May 2016, the old Anheuser-Busch InBev invited Noteholders of certain outstanding series of Notes issued under the EMTN Programme prior to 2016 (the "Notes") to consider certain amendments to the terms and conditions applicable to those Notes (the "Participation Solicitation"). The Participation Solicitation was undertaken to avoid any suggestion that the combination with SABMiller could be interpreted as a cessation of business (or a threat to do so), winding up or dissolution of the old Anheuser-Busch InBev.

Meetings of the Noteholders of each series of the Notes were held on 1 June 2016 at which Noteholders voted in favour of the Participation Solicitation for each of the relevant series of Notes. Amended and restated final terms for each series of the Notes reflecting the amended terms and conditions, were signed by the old Anheuser-Busch InBev and the subsidiary guarantors named therein on 1 June 2016.

The EMTN Program has been transferred to the company as a result of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, that took place on 10 October 2016 in the framework of the combination with SABMiller.

5. **US Dollar Notes.** In accordance with article 556 of the Belgian Companies Code, the shareholders meeting of the old Anheuser-Busch InBev approved on 26 April 2011 (i) the Change of Control Clause of the USD 3,250,000,000 Notes issued on 29 and 26 March 2010, consisting of USD 1,000,000,000 2.50 % Notes due 2013 (*Exchanged for Registered Notes in an exchange offer that closed on 2 September 2010 and redeemed on 26 March 2013*), USD 750,000,000 3.625 % Notes due 2015 (*Exchanged for Registered Notes in an exchange offer that closed on 2 September 2010 and redeemed on 15 April 2015*), USD 1,000,000,000 5.00 % Notes due 2020 (*Exchanged for Registered Notes in an exchange offer that closed on 2 September 2010*) and USD 500,000,000 Floating Rate Notes due 2013 (*Exchanged for Registered Notes in an exchange offer that closed on 2 September 2010 and redeemed on 26 March 2013*) (the "Unregistered Notes issued in March 2010"), (ii) the Change of Control Clause of the USD 3,250,000,000 Registered Notes issued in September 2010, consisting of USD 1,000,000,000 2.50 % Notes due 2013 (*Redeemed on 26 March 2013*), USD 750,000,000 3.625 % Notes due 2015 (*Redeemed on 15 April 2015*), USD 1,000,000,000 5.00 % Notes due 2020 and USD 500,000,000 Floating Rate Notes due 2013 (*Redeemed on 26 March 2013*) and offered in exchange for corresponding amounts of the corresponding Unregistered Notes issued in March 2010, in accordance with a US Form F-4 Registration Statement pursuant to an exchange offer launched by Anheuser-Busch InBev Worldwide Inc. in the U.S. on 5 August 2010 and expired on 2 September 2010 (the "Registered Notes issued in September 2010"), (iii) the Change of Control Clause of the USD 8,000,000,000 Registered Notes issued in March 2011, consisting of USD 1,250,000,000 7.20% Notes due 2014 (*Redeemed on 20 June 2011*), USD 2,500,000,000 7.75% Notes due 2019 and USD 1,250,000,000 8.20% Notes due 2039, USD 1,550,000,000 5.375 % Notes due 2014 (*Redeemed on 15 November 2014*), USD 1,000,000,000 6.875 % Notes due 2019 and USD 450,000,000 8.00 % Notes due 2039 and offered in exchange for corresponding amounts of the corresponding Unregistered Notes issued in January 2009 and of the corresponding Unregistered Notes issued in May 2009, in accordance with a US Form F-4 Registration Statement pursuant to an exchange offer launched by Anheuser-Busch InBev Worldwide Inc. in the U.S. on 11 February 2011 and expired on 14 March 2011 (the "Registered Notes issued in March 2011"), whereby each of the Unregistered Notes issued in March 2010, the Registered Notes issued in September 2010 and the Registered Notes issued in March 2011 were issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from the old Anheuser-Busch InBev, and (iv) any other provision applicable to the Unregistered Notes issued in March 2010, the Registered Notes issued in September 2010 and the Registered Notes issued in March

2011 granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control" (as defined in the Offering Memorandum with respect to the Unregistered Notes, as the case may be, and in the Registration Statement with respect to the Registered Notes). Pursuant to the Offering Memorandum and Registration Statement (a) "Change of Control" means "any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company", (b) "Acting in concert" means "a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company", and (c) "Control" means the "direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise". The Change of Control clause grants to any Noteholder, in essence, the right to request the redemption of his Notes at a repurchase price in cash of 101% of their principal amount (plus interest accrued) upon the occurrence of a Change of Control and a related downgrade in the Notes to sub-investment grade.

A similar change of control provision was approved by the shareholders' meeting of the old Anheuser-Busch InBev on 28 April 2009 with respect to:

- the USD 5,000,000,000 Notes, consisting of USD 1,250,000,000 7.20% Notes due 2014 (*Exchanged for Registered Notes in an exchange offer that closed on 14 March 2011 and redeemed on 20 June 2011*), USD 2,500,000,000 7.75% Notes due 2019 (*Exchanged for Registered Notes in an exchange offer that closed on 14 March 2011*) and USD 1,250,000,000 8.20% Notes due 2039 (*Exchanged for Registered Notes in an exchange offer that closed on 14 March 2011*), each issued in January 2009 by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV (the "Unregistered Notes issued in January 2009").

A similar change of control provision was approved by the shareholders' meeting of the old Anheuser-Busch InBev on 27 April 2010 with respect to:

- the USD 3,000,000,000 Notes issued in May 2009, consisting of USD 1,550,000,000 5.375 % Notes due 2014 (*Exchanged for Registered Notes in an exchange offer that closed on 14 March 2011 and redeemed on 15 November 2014*), USD 1,000,000,000 6.875 % Notes due 2019 and USD 450,000,000 8.00 % Notes due 2039 (the "Unregistered Notes issued in May 2009") each issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from the old Anheuser-Busch InBev.
- the USD 5,500,000,000 Notes issued in October 2009, consisting of USD 1,500,000,000 3.00 % Notes due 2012 (*Exchanged for Registered Notes in an exchange offer that closed on 05 February 2010 and redeemed on 15 October 2012*), USD 1,250,000,000 4.125 % Notes due 2015 (*Exchanged for Registered Notes in an exchange offer that closed on 5 February 2010 and redeemed on 15 January 2015*), USD 2,250,000,000 5.375 % Notes due 2020 and USD 500,000,000 6.375 % Notes due 2040 (the "Unregistered Notes issued in October 2009") each issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from the old Anheuser-Busch InBev.

- the USD 5,500,000,000 Registered Notes issued in February 2010, consisting of USD 1,500,000,000 3 % Notes due 2012 (*Redeemed on 15 October 2012*), USD 1,250,000,000 4.125 % Notes due 2015 (*Redeemed on 15 January 2015*), USD 2,250,000,000 5.375 % Notes due 2020 and USD 500,000,000 6.375 % Notes due 2040 and offered in exchange for corresponding amounts of the corresponding Unregistered Notes issued in October 2009, in accordance with a US Form F-4 Registration Statement pursuant to an exchange offer launched by Anheuser-Busch InBev Worldwide Inc. in the US on 8 January 2010 and expired on 5 February 2010 (the "Registered Notes issued in February 2010") each issued by Anheuser-Busch InBev Worldwide Inc. with an unconditional and irrevocable guarantee as to payment of principal and interest from the old Anheuser-Busch InBev.

The US Dollar Notes have been transferred to the company as a result of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, which took place on 10 October 2016 in the framework of the combination with SABMiller.

6. Notes issued under Anheuser-Busch InBev's Shelf Registration Statement filed on Form F-3.

For the sake of completeness, there is no Change of Control Clause applicable to outstanding Notes issued under Anheuser-Busch InBev's Shelf Registration Statement filed on Form F-3 (with an unconditional and irrevocable guarantee as to payment of principal and interest from Anheuser-Busch InBev SA/NV).

- 7. CAD Dollar Notes issued via a Canadian Private Placement.** In accordance with Article 556 of the Belgian Companies Code, the shareholders' meeting of the old Anheuser-Busch InBev approved on 26 April 2011 (i) the Change of Control Clause of the CAD 600,000,000 3.65 % Notes due 2016 issued on 8 December 2010 via a Canadian Private Placement by Anheuser-Busch InBev Worldwide Inc. (with an unconditional and irrevocable guarantee as to payment of principal and interest from the old Anheuser-Busch InBev SA/NV) and (ii) any other provision applicable to the Notes granting rights to third parties which could affect the company's assets or could impose an obligation on the company where in each case the exercise of those rights is dependent on the launch of a public take-over bid over the shares of the company or on a "Change of Control" (as defined in the Offering Memorandum dated 8 December 2010). Pursuant to the Offering Memorandum (a) "*Change of Control*" means "*any person or group of persons acting in concert (in each case other than Stichting Anheuser-Busch InBev or any existing direct or indirect certificate holder or certificate holders of Stichting Anheuser-Busch InBev) gaining Control of the company provided that a change of control shall not be deemed to have occurred if all or substantially all of the shareholders of the relevant person or group of persons are, or immediately prior to the event which would otherwise have constituted a change of control were, the shareholders of the company with the same (or substantially the same) pro rata interests in the share capital of the relevant person or group of persons as such shareholders have, or as the case may be, had, in the share capital of the company*", (b) "*Acting in concert*" means "*a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the company by any of them, either directly or indirectly, to obtain Control of the company*", and (c) "*Control*" means the "*direct or indirect ownership of more than 50 per cent of the share capital or similar rights of ownership of the company or the power to direct the management and the policies of the company whether through the ownership of share capital, contract or otherwise*". The Change of Control clause grants to any Noteholder, in essence, the right to request the redemption of his Notes at a repurchase price in cash of 101% of their principal amount (plus interest accrued) upon the occurrence of a Change of Control and a related downgrade in the Notes to sub-investment grade.

The above CAD Dollar ("CAD") 600,000,000 3.65 % Notes were redeemed on 15 January 2016.

8. Anheuser-Busch InBev's soft drinks business consists of both own production and agreements with PepsiCo related to bottling and distribution arrangements between various Anheuser-Busch InBev subsidiaries and PepsiCo. Ambev, which is a subsidiary of Anheuser-Busch InBev, is one of PepsiCo's largest bottlers in the world. Major brands that are distributed under these agreements are Pepsi, 7UP and Gatorade. Ambev has long-term agreements with PepsiCo whereby Ambev was granted the exclusive right to bottle, sell and distribute certain brands of PepsiCo's portfolio of CSDs in Brazil. The agreements will expire on 31 December 2017 and are automatically extended for additional ten-year terms, unless terminated prior to the expiration date by written notice by either party at least two years prior to the expiration of their term or on account of other events, such as a change of control or insolvency of, or failure to comply with material terms or meet material commitments by, the relevant AB InBev subsidiary.

7. REMUNERATION REPORT

This report was approved by the Remuneration Committee on 20 February 2017.

7.1. Remuneration of directors

7.1.1. Approval Procedure

The Remuneration Committee recommends the level of remuneration for directors, including the Chairman of the Board. These recommendations are subject to approval by the Board and, subsequently, by the shareholders at the annual general meeting.

The Remuneration Committee benchmarks directors' compensation against peer companies. In addition, the Board sets and revises, from time to time, the rules and level of compensation for directors carrying out a special mandate or sitting on one or more of the Board committees and the rules for reimbursement of directors' business-related out-of-pocket expenses.

The Remuneration Committee consists of three members appointed by the Board, all of whom are non-executive directors. Currently, the Chairman of the Committee is a representative of the controlling shareholders and the two other members meet the requirements of independence as established in our Corporate Governance Charter and by the Belgian Companies Code. The CEO and the Chief People Officer are invited to the meetings of the Committee.

The Remuneration Committee's principal role is to guide the Board with respect to all its decisions relating to the remuneration policies for the Board, the CEO and the Executive Board of Management and on their individual remuneration packages. The Committee ensures that the CEO and members of the Executive Board of Management are incentivized to achieve, and are compensated for, exceptional performance. The Committee also ensures the maintenance and continuous improvement of the company's compensation policy which will be based on meritocracy and a sense of ownership with a view to aligning the interests of its employees with the interests of all shareholders.

The Committee meets four times a year and more often if required and is convoked by its Chairman or at the request of at least 2 of its members.

The composition, functioning and specific responsibilities of the Remuneration Committee are set forth in the terms of reference of the Committee, which are part of our Corporate Governance Charter.

7.1.2. Remuneration policy applied in 2016

The remuneration policy for directors of the new Anheuser-Busch InBev is identical to the one for directors of the old Anheuser-Busch InBev. Decisions regarding the remuneration policy for directors taken by the old Anheuser-Busch InBev and reported below, have been applied to directors of the new Anheuser-Busch InBev.

a. Cash remuneration

Remuneration is linked to the time committed to the Board and its various committees. The base annual fee amounted to 75,000 Euro in 2016 based on attendance at ten Board meetings. The fee is supplemented with an amount of 1,500 Euro for each additional physical Board or committee meeting. The Chairman's fee is double that of other directors. For the Chairman of the Audit Committee the shareholders' meeting of 29 April 2015 decided to increase the fixed annual fee to an amount which is 70% - instead of 30% before - higher than the fixed annual fee of the other directors. In practice, this means that the fixed annual remuneration of the Chairman of the Audit Committee increased from 97,500 Euro to 127,500 Euro as of 1 May 2015.

The increase was motivated in light of the importance of the role, its risk exposure and the increasing responsibilities entrusted to the Chair of the Audit Committee.

b. Share based remuneration

Before 2014, the Board members of the old Anheuser-Busch InBev were granted a limited, pre-determined number of warrants under the company's 1999 long-term incentive warrant plan ("LTI Warrant Plan"). The number of warrants granted annually amounted to 15,000 since 2009. Each LTI warrant gave its holder the right to subscribe for one newly issued share. Shares subscribed for upon the exercise of LTI warrants were ordinary shares of the old Anheuser-Busch InBev. Holders of such shares had the same rights as any other shareholder. The exercise price of LTI warrants was equal to the average price of our shares on Euronext Brussels during the 30 days preceding their issue date. LTI warrants granted in the years prior to 2007 (except for 2003) had a duration of 10 years. From 2007 onwards (and in 2003) LTI warrants have a duration of 5 years. LTI warrants are subject to a vesting period ranging from one to three years. Forfeiture of a warrant occurs in certain circumstances when the mandate of the holder is terminated.

At the annual shareholders' meeting of the old Anheuser-Busch InBev of 30 April 2014, all outstanding LTI warrants have been converted into LTI stock options, i.e. the right to purchase existing shares instead of the right to subscribe to newly issued shares. All other terms and conditions of the outstanding LTI warrants remain unchanged.

The shareholders' meeting of the old Anheuser-Busch InBev of 30 April 2014 has also decided to replace the LTI Warrant Plan by a long-term incentive stock option plan for directors and confirmed that all LTI grants to directors will be in the form of stock options on existing shares with the following features:

- an exercise price that is set equal to the market price of the share at the time of granting;
- a maximum lifetime of 10 years and an exercise period that starts after 5 years; and
- the LTI stock options cliff vest after 5 years. Unvested options are subject to specific forfeiture provisions in the event that the directorship is not renewed upon the expiry of its term or is terminated in the course of its term, both due to a breach of duty by the director.

In line with this decision, the shareholders' meeting of the old Anheuser-Busch InBev of 27 April 2016 granted each Board member 15,000 LTI stock options. The Chairman of the Board was granted 30,000 LTI stock options and the Chairman of the Audit Committee was granted 25,500 LTI stock options. The LTI stock options have an exercise price of 113.25 Euro per share which is the closing price of the Anheuser-Busch InBev share on the day preceding the grant date, i.e. on 26 April 2016. The LTI stock options have a lifetime of 10 years and cliff vest after 5 years, i.e. on 27 April 2021.

Following the completion of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, that took place on 10 October 2016 in the framework of the combination with SABMiller, all rights and obligations attached to the outstanding long-term incentive stock options of the old Anheuser-Busch InBev, have been automatically transferred to the new Anheuser-Busch InBev (the absorbing company), each outstanding stock option giving right to one share of the new Anheuser-Busch InBev (the absorbing company) instead of one share of the old AB InBev (the absorbed company).

The company's long-term incentive plan deviates from the Belgian Code on Corporate Governance as it provides for share-based payments to non-executive directors. The Board is of the opinion that the successful strategy and sustainable development of the company over the past 10 years demonstrates that the compensation of directors, which includes a fixed number of stock options, does ensure that the independence of the Board members in their role of guidance and control of the company is preserved, and that the directors' interests remain fully aligned with the long-term interests of the shareholders. In particular, the vesting period of the options of 5 years should foster a sustainable and long-term commitment to shareholder value creation.

In accordance with article 554 of the Belgian Companies Code, any grant made under the company's long-term incentive plan is submitted to the shareholders' meeting for prior approval.

The company is prohibited from making loans to directors and members of the Executive Board of Management, whether for the purpose of exercising options or for any other purpose (except for routine advances for business-related expenses in accordance with the company's rules for reimbursement of expenses).

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

7.1.3. Remuneration in 2016

Individual director remuneration is presented in the table below. All amounts presented are gross amounts expressed in Euro before deduction of withholding tax. Unless specified otherwise, the amounts for each director are aggregate amounts comprising both (i) the remuneration received for the exercise of their mandate with the old AB InBev before the completion of the combination with SABMiller and (ii) the remuneration received for the exercise of their mandate with the new Anheuser-Busch InBev after the completion of the combination with SABMiller.

	Number of Board meetings attended	Annual fee for Board meetings	Fees for Committee meetings	Total fee	Number of LTI stock options granted ⁽¹⁾
Maria Asuncion Aramburuzabala	12	75,000	0	75,000	15,000
Martin J. Barrington (as of 08 October 2016) ⁽²⁾	2	0	0	0	0
Alexandre Behring	11	75,000	6,000	81,000	15,000
Michele Burns	12	127,500	28,500	156,000	25,500
Paul Cornet de Ways Ruart	9	75,000	0	75,000	15,000
Stéfan Descheemaeker	12	75,000	4,500	79,500	15,000
Grégoire de Spoelberch	13	75,000	6,000	81,000	15,000
Valentin Diez (until 08 October 2016)	8	56,250	0	56,250	15,000
William F. Gifford (as of 08 October 2016) ⁽²⁾	2	0	0	0	0
Olivier Goudet	13	150,000	31,500	181,500	30,000
Paulo Lemann	13	75,000	6,000	81,000	15,000
Kasper Rorsted (until 08 October 2016)	5	56,250	7,500	63,750	15,000
Alejandro Santo Domingo (as of 08 October 2016)	2	18,750	0	18,750	0

Elio Leoni Sceti	13	75,000	10,500	85,500	15,000
Carlos Alberto da Veiga Sicupira	11	75,000	6,000	81,000	15,000
Marcel Herrmann Telles	13	75,000	33,000	108,000	15,000
Alexandre Van Damme	12	75,000	30,000	105,000	15,000
All directors as a group		1,158,750	169,500	1,328,250	235,500

(1) LTI stock options were granted on 27 April 2016. They have an exercise price of 113.25 Euro per share, have a term of 10 years and cliff vest after 5 years.

(2) Mr Barrington and Mr Gifford have waived their entitlement to any type of remuneration, including long term incentive stock options, relating to the exercise of their mandate.

7.1.4. Options owned by directors

The table below sets forth, for each of our current directors, the number of LTI stock options they owned as of 31 December 2016 (1) (2):

	<u>LTI 24</u>	<u>LTI 23</u>	<u>LTI 22</u>	<u>LTI 21</u>	<u>LTI 20</u>	<u>LTI 19</u>	<u>LTI 14</u>	
<u>Grant date</u>	<u>27 April 2016</u>	<u>29 April 2015</u>	<u>30 April 2014</u>	<u>24 April 2013</u>	<u>25 April 2012</u>	<u>26 April 2011</u>	<u>25 April 2006</u>	
<u>Expiry date</u>	<u>26 April 2026</u>	<u>28 April 2025</u>	<u>29 April 2024</u>	<u>23 April 2018</u>	<u>24 April 2017</u>	<u>25 April 2016</u>	<u>24 April 2016</u>	
Maria Asuncion Aramburuzabala	15,000	15,000	0	0	0	0	0	30,000
Martin J. Barrington (3)	0	0	0	0	0	0	0	0
Alex Behring	15,000	15,000	0	0	0	0	0	30,000
Michele Burns	25,500	0	0	0	0	0	0	25,500
Paul Cornet de Ways Ruart	15,000	15,000	15,000	15,000	15,000	0	0	75,000
Stéfan Descheemaeker	15,000	15,000	15,000	15,000	15,000	0	0	75,000
Grégoire de Spoelberch	15,000	15,000	15,000	15,000	0	0	0	60,000
William F. Gifford (3)	0	0	0	0	0	0	0	0
Olivier Goudet	30,000	25,500	20,000	20,000	15,000	0	0	110,500
Paulo Lemann	15,000	15,000	0	0	0	0	0	30,000
Alejandro Santo Domingo	0	0	0	0	0	0	0	0
Elio Leoni Sceti	15,000	15,000	0	0	0	0	0	30,000
Carlos Sicupira	15,000	15,000	15,000	15,000	15,000	0	0	75,000
Marcel Telles	15,000	15,000	15,000	15,000	15,000	0	0	75,000
Alexandre Van Damme	15,000	15,000	15,000	15,000	0	0	0	60,000
Strike price (Euro)	113.25	113.10	80.83	76.20	54.71	40.92	38.70	

- (1) At the annual shareholders' meeting of 30 April 2014, all outstanding LTI warrants were converted into LTI stock options, i.e. the right to purchase existing ordinary shares instead of the right to subscribe to newly issued shares. All other terms and conditions of the outstanding LTI warrants remained unchanged.
- (2) In April 2016, Carlos Sicupira and Marcel Telles each exercised 15,000 options of the LTI 19 Series and 8,269 options of the LTI 14 Series that both expired in April 2016. In April 2016, Grégoire de Spoelberch exercised 15,000 options of the LTI 20 Series. In December 2016, Alexandre Van Damme exercised 15,000 options of the LTI 20 Series.
- (3) Mr Barrington and Mr Gifford have waived their entitlement to any type of remuneration, including long term incentive stock options, relating to the exercise of their mandate.

7.2. Remuneration of Executive Board of Management

This section 7.2 comprises information on the remuneration of the members of the Executive Board of Management with respect to their functions in the Executive Board of Management of the new Anheuser-Busch InBev. This remuneration includes the outstanding remuneration that was due to these members with respect to their function in the Executive Board of Management of the old Anheuser-Busch InBev between 1 January 2016 and 10 October 2016 and which had become, further to the completion of the SABMiller transaction, payable by the new Anheuser-Busch InBev.

Except as provided otherwise, the information in this section relates to the Executive Board of Management as at 01 January 2017.

7.2.1. Procedure for developing the remuneration policy and determining the individual remuneration

The compensation and reward programs for the Executive Board of Management are overseen by the Remuneration Committee which is exclusively composed of non-executive directors. It submits to the Board for approval recommendations on the compensation of the CEO and, upon recommendation of the CEO, of the Executive Board of Management.

The Nomination Committee approves the company and individual annual targets and the Remuneration Committee approves the target achievement and corresponding annual and long term incentives of members of the Executive Board of Management.

The remuneration policy and hence any schemes falling within its scope which grant shares or rights to acquire shares, are submitted to the shareholders' meeting for approval.

The composition, functioning and specific responsibilities of the Remuneration Committee and of the Nomination Committee are set forth in the terms of reference of the respective Committee, which are part of our Corporate Governance Charter.

7.2.2. Remuneration policy

The remuneration policy for the Executive Board of Management of the new Anheuser-Busch InBev is identical to the one for the Executive Board of Management of the old Anheuser-Busch InBev. Decisions regarding the remuneration policy for the Executive Board of Management taken by the old Anheuser-Busch InBev and reported below, have been applied to the Executive Board of Management of the new Anheuser-Busch InBev.

Our compensation system is designed to support our high-performance culture and the creation of long-term sustainable value for our shareholders. The goal of the system is to reward executives with market-leading compensation, which is conditional upon both the overall success of the company and individual performance. It ensures alignment with shareholders' interests by strongly encouraging executive ownership of shares in the company and enables to attract and retain the industry's best talent at global levels.

Base salaries are aligned to mid-market levels. Additional short- and long-term incentives are linked to challenging short- and long-term performance targets and the investment of part or all of any variable compensation earned in company shares is encouraged.

The Board may revise the level of remuneration and approve a revised remuneration policy upon recommendation of the Remuneration Committee. At the time of publication of this report, no changes to the remuneration policies for executives are planned.

7.2.3. Components of executive remuneration

Executive remuneration generally consists of (a) a fixed base salary, (b) variable performance-related compensation, (c) long-term incentive stock options, (d) retirement plan contributions and (e) other components. All amounts shown below are gross amounts before deduction of withholding taxes and social security.

Unless specified otherwise, the amounts for the CEO and the members of the Executive Board of Management are aggregate amounts comprising both (i) the remuneration received with the old Anheuser-Busch InBev before the completion of the combination with SABMiller and (ii) the remuneration received with the new Anheuser-Busch InBev after the completion of the combination with SABMiller.

a. Base Salary

In order to ensure alignment with market practice, executives' base salaries are reviewed overall against benchmarks. These benchmarks are collected by internationally recognized compensation consultants, in relevant industries and geographies. For benchmarking, a custom sample of Fast Moving Consumer Goods peer companies (Peer Group) is used when available. The Peer Group includes Apple, Coca-Cola Enterprises, Procter & Gamble, PepsiCo International and Unilever.

If Peer Group data are not available for a given level in certain geographies, Fortune 100 companies' data are used.

Executives' base salaries are intended to be aligned to mid-market levels for the appropriate market. Mid-market means that for a similar job in the market, 50% of companies in that market pay more and 50% of companies pay less. Executives' total compensation is intended to be 10% above the 3rd quartile.

In 2016, based on his employment contract, the CEO earned a fixed annual salary of 1.48 million Euro (USD 1.64 million), while the other members of the Executive Board of Management earned an aggregate annual base salary of 11.2 million Euro (USD 12.4 million).

b. Variable performance-related compensation – Share-based compensation plan

Variable performance-related compensation is key to the company's compensation system and is aimed at rewarding executives' short- and long-term performance of the organization.

The target variable compensation is expressed as a percentage of the Market Reference Salary applicable to the executive. The on-target bonus percentage theoretically amounts to maximum 200% of the Market Reference Salary for members of the Executive Board of Management and 300% for the CEO.

The effective pay-out of variable compensation is directly correlated with performance, i.e. linked to the achievement of total company, business unit and individual targets, all of which are based on performance metrics.

Company and business unit targets focus to achieve a balance of top line growth and cash flow generation.

Below a hurdle of achievement for total company and business unit targets, no variable compensation is earned irrespective of personal target achievement.

In addition, the final individual bonus pay-out percentage also depends on each executive's personal achievement of their individual performance targets. Individual performance targets of the CEO and the Executive Board of Management may consist of financial and non-financial

targets such as sustainability and other elements of corporate social responsibility as well as compliance/ethics related targets. Typical performance measures in this area can relate to employee engagement, talent pipeline, better world goals, compliance dashboards etc. that are also important for the sustainability of the financial performance.

Targets achievement is assessed by the Remuneration Committee on the basis of accounting and financial data.

For 2016, based on the company's target achievement during the year 2016 and the executives' individual target achievement, the total variable compensation for the Executive Board of Management, including the CEO, effectively amounted to approximately 20 % of their 2016 base salary.

Executives receive their variable compensation in cash but are encouraged to invest some or all of its value in company shares to be held for a 5-year period (the "Voluntary Shares"). Such voluntary investment leads to a 10% discount and a company shares match of 3 matching shares for each share voluntarily invested (the "Matching Shares") up to a limited total percentage of each executive's variable compensation. The percentage of the variable compensation that can be invested in voluntary shares is 60% for the CEO and for members of the Executive Board of Management.

Voluntary Shares are:

- o existing ordinary shares;
- o entitled to dividends paid as from the date of grant;
- o subject to a lock-up period of five years; and
- o granted at market price. The discount is at discretion of the Board. Currently, the discount is 10% which is delivered as restricted stock units, subject to specific restrictions or forfeiture provisions in case of termination of service.

Both the Matching Shares and the discounted shares are delivered in the form of restricted stock units (RSU) and vest after five years. In case of termination of service before the vesting date, special forfeiture rules apply.

No performance conditions apply to the vesting of the restricted stock units. However, restricted stock units will only be granted under the double condition that the executive:

- has earned a variable compensation, which is subject to the successful achievement of total company, business unit and individual performance targets (performance condition); and
- has agreed to reinvest all or part of his/her variable compensation in company shares that are locked for a 5-year period (ownership condition).

The variable compensation is usually paid annually in arrears after the publication of the full year results of Anheuser-Busch InBev. Exceptionally, the variable compensation may be paid out semi-annually at the discretion of the Board based on the achievement of semi-annual targets. In such case, the first half of the variable compensation is paid immediately after publication of the half year results and the second half of the variable compensation is paid after publication of the full year results of Anheuser-Busch InBev. The variable compensation for 2016 will be paid in or around March 2017.

In accordance with the authorization granted in the company's bylaws, as amended by the shareholders' meeting of 26 April 2011, the variable compensation system partly deviates from article 520ter of the Belgian Companies Code, as it allows:

1. for the variable remuneration to be paid out based on the achievement of annual targets without staggering its grant or payment over a 3-year period. However, executives are encouraged to invest some or all of their variable compensation in company shares which are blocked for 5 years (the "Voluntary Shares"). Such voluntary investment also leads to a grant of Matching Shares in the form of restricted stock units which only vest after 5 years, ensuring sustainable long-term performance.
2. for the Voluntary Shares granted under the share based compensation plan to vest at their grant, instead of applying a vesting period of minimum 3 years. Nonetheless, as

indicated above, the Voluntary Shares remain blocked for 5 years. On the other hand, any Matching Shares that are granted, will only vest after 5 years.

Variable compensation for performance in 2015 (old Anheuser-Busch InBev) – Paid in March 2016

For the full year 2015, the CEO earned variable compensation of 2.96 million Euro (USD 3.29 million). The other members of the Executive Board of Management as at 01 January 2016 earned aggregate variable compensation of 13.19 million Euro (USD 14.67 million).

The following table sets forth information regarding the number of our shares voluntarily acquired and Matching Shares granted in March 2016 (variable compensation awarded for performance in 2015) to our CEO and the other members of our Executive Board of Management as at 01 January 2016 under the Share-based compensation plan. The Matching Shares were granted in the form of restricted stock units and vest after five years, on 2 March 2021.

Name	Voluntary Shares acquired	Matching Shares granted
Carlos Brito – CEO	14,230	63,213
Chiefs		
David Almeida	-	-
Sabine Chalmers	3,876	18,661
Felipe Dutra	9,085	40,357
Pedro Earp	2,261	10,447
Luiz Fernando Edmond	7,848	33,631
Claudio Braz Ferro	3,876	18,661
Claudio Garcia	3,465	16,680
Tony Milikin	1,724	13,003
Miguel Patricio	3,068	22,238
Zone Presidents		
Michel Doukeris	3,414	15,777
Marcio Froes (1)	-	-
João Castro Neves	282	2,221
Stuart Mc Farlane	6,178	27,388
Bernardo Pinto Paiva (1)	-	-
Ricardo Tadeu	3,192	23,091

(1) Bernardo Pinto Paiva, Zone President Latin America North, reported to the Board of Directors of Ambev. He and Marcio Froes, Zone President Latin America South, participated in 2015 in the incentive plans of Ambev S.A. that are disclosed separately by Ambev

Variable compensation for performance in 2016

For the year 2016, the CEO earned no variable compensation. The other members of the Executive Board of Management earned aggregate variable compensation of 2.3 million Euro (USD 2.5 million).

The amount of variable compensation is based on the company's performance during the year 2016 and the executives' individual target achievement. Because performance targets for 2016 were not met, the CEO and most of his management team received zero variable compensation. The variable compensation will be paid in or around March 2017.

c. Long-term incentive stock options

Annual long-term incentive stock options

Members of our senior management may be eligible for an annual long-term incentive paid out in stock options (or similar share related instrument), depending on management's assessment of the beneficiary's performance and future potential.

Long-term incentive stock options have the following features:

- o an exercise price that is set equal to the market price of the share at the time of grant;
- o a maximum lifetime of 10 years and an exercise period that starts after 5 years;
- o upon exercise, each option entitles the option holder to purchase one share;
- o the options cliff vest after 5 years. In the case of termination of service before the vesting date, special forfeiture rules will apply.

No options were granted in 2016 by the old AB InBev. The following table sets forth information regarding the number of options granted by the new Anheuser-Busch InBev between 10 October 2016 and the time of publication of this report to the CEO and the other members of the Executive Board of Management. The options were granted on 20 January 2017, have an exercise price of 98.85 Euro and become exercisable after five years.

Name	Long Term Incentive stock options granted
Carlos Brito – CEO	396,266
Chiefs	
David Almeida	29,137
Sabine Chalmers	0
Michel Doukeris	46,619
Felipe Dutra	125,873
Pedro Earp	0
Claudio Braz Ferro	0
Claudio Garcia	0
David Kamenetzky	0
Peter Kraemer	29,137
Tony Milikin	43,705
Miguel Patricio	69,929
Zone Presidents	
Jan Craps ⁽¹⁾	0
Jean Jereissati ⁽²⁾	17,323
Mauricio Leyva	19,203
Carlos Lisboa ⁽²⁾	22,616
Stuart Mc Farlane	69,929
Ricardo Moreira ⁽²⁾	17,323
João Castro Neves	125,873
Bernardo Pinto Paiva ⁽¹⁾	0
Ricardo Tadeu	34,964

(1) Bernardo Pinto Paiva, Zone President Latin America North, reported to the Board of Directors of Ambev. He participated in 2016 in the incentive plans of Ambev S.A. that are disclosed separately by Ambev. Similarly, Jan Craps participated in 2016 in the incentive plans of Ambev S.A. since he was an executive of Labatt, which is a subsidiary of Ambev S.A.,

(2) The options were granted on 01 December 2016, have an exercise price of 98.04 Euro and become exercisable after five years.

Exceptional long-term incentive stock options

a) *2020 Incentive Plan*: on 22 December 2015, 4.7 million options were granted by the old Anheuser-Busch InBev to a selected group of approximately 65 members of the senior management of the company, who are considered to be instrumental to help the company to achieve its ambitious growth target.

Each option gives the grantee the right to purchase one existing share. The exercise price of the options is 113.00 Euro which corresponds to the closing share price on the day preceding the grant date. The options have a duration of 10 years as from granting and vest after 5 years. The options only become exercisable provided a performance test is met by Anheuser-Busch InBev. This performance test is based on a net revenue amount which must be achieved by 2022 at the latest.

No stock options were granted to members of the Executive Board of Management at the time of grant.

The 2020 Incentive Plan has been transferred to the new Anheuser-Busch InBev.

b) *Integration Incentive Plan*: on 15 December 2016, 16.41 million options were granted to a selected group of approximately 375 members of the senior management of the company considering the significant contribution that these employees can make to the success of the company and the achievement of integration benefits.

Each option gives the grantee the right to purchase one existing AB InBev share. The exercise price of the options is 97.99 Euro which corresponds to the closing share price on the day preceding the grant date.

The options have a duration of 10 years from grant and vest on 1 January 2022.

The options only become exercisable provided a performance test is met by Anheuser-Busch InBev. This performance test is based on an EBITDA compounded annual growth rate target and may be complemented by additional country or Zone specific or function specific targets. 100% of the options will become exercisable if the performance test is achieved by 31 December 2019, 90% of the options will become exercisable if the performance test is achieved by 31 December 2020 and 80% of the options will become exercisable if the performance test is achieved by 31 December 2021. Specific forfeiture rules apply if the employee leaves the company before the performance test achievement or vesting date.

No stock options were granted to members of the Executive Board of Management.

c) *Incentive Plan for SABMiller employees*: on 15 December 2016, 1.43 million options were granted to employees of SABMiller. The grant results from the commitment that AB InBev has made under the terms of the combination with SABMiller, that it would, for at least one year, preserve the terms and conditions for employment of all employees that remain with the SABMiller Group.

Each option gives the grantee the right to purchase one existing AB InBev share. The exercise price of the options is 97.99 Euro which corresponds to the closing share price on the day preceding the grant date.

The options have a duration of 10 years as from granting and vest after 3 years. Specific forfeiture rules apply if the employee leaves the company before the vesting date.

d. Long-term restricted stock unit programs

Anheuser-Busch InBev has in place three specific long-term restricted stock unit programs:

1. A program allowing for the offer of restricted stock units to certain members of our senior management in certain specific circumstances. Such hardship grants are made

at the discretion of the CEO, e.g. to compensate for assignments of expatriates in certain limited countries.

The characteristics of the restricted stock units are identical to the characteristics of the Matching Shares that are granted as part of the Share-based compensation plan (see 7.2.3.b). The restricted stock units vest after five years and in case of termination of service before the vesting date, special forfeiture rules apply.

During the reporting period in 2016, 0.38 million restricted stock units were granted under the program to our senior management. No restricted stock units were granted under the program to members of the Executive Board of Management

2. A program allowing for the exceptional offer of restricted stock units to certain members of senior management at the discretion of the Remuneration Committee of Anheuser-Busch InBev as a long-term retention incentive for key managers of the company.

Members of senior management eligible to receive a grant under the program receive 2 series of restricted stock units. The first half of the restricted stock units vest after five years. The second half of the restricted stock units vest after 10 years. In case of termination of service before the vesting date, special forfeiture rules apply. As of 2017, instead of restricted stock units, stock options may be granted under the program with similar vesting and forfeiture rules.

During the reporting period in 2016, 0.16 million restricted stock units were granted under the program to our management. No restricted stock units were granted under the program to members of the Executive Board of Management.

3. A program allowing certain employees to purchase company shares at a discount aimed as a long-term retention incentive for (i) high-potential employees of the company, who are at a mid-manager level ("People bet share purchase program") or (ii) for newly hired employees. The voluntary investment in company shares leads to the grant of 3 matching shares for each share invested. The discount and matching shares are granted in the form of restricted stock units which vest after 5 years. In case of termination before the vesting date, special forfeiture rules apply.

During the reporting period in 2016, our employees purchased 4,163 shares under the program. No member of the Executive Board of Management participated in the program.

e. Exchange of share-ownership program

From time to time certain members of Ambev's senior management are transferred to Anheuser-Busch InBev and vice-versa. In order to encourage management mobility and ensure that the interests of these managers are fully aligned with Anheuser-Busch InBev's interests, the Board has 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. The discounted shares are forfeited in case of termination of service before the end of the 5 year lock-up period.

Under the program, members of our senior management have exchanged 4.4 million Ambev shares for a total of 0.25 million Anheuser-Busch InBev shares in 2016.

f. Programs for maintaining consistency of benefits granted and for encouraging global mobility of executives

Two programs which are aimed at maintaining consistency of benefits granted to executives and at encouraging the international mobility of executives while complying with all legal and tax obligations are in place:

1. The Exchange program: under this program the vesting and transferability restrictions of the Series A options granted under the November 2008 Exceptional Option Grant and of the options granted under the April 2009 Exceptional Option Grant, could be released e.g. for executives who moved to the United States. These executives were then offered the possibility to exchange their options for ordinary Anheuser-Busch InBev shares that remain locked-up until 31 December 2018 (5 years longer than the original lock-up period).

Since the Series A options granted under the November 2008 Exceptional Option Grant and the options granted under the April 2009 Exceptional Option Grant have vested on 1 January 2014, the Exchange program is no longer relevant for these options. Instead, the Exchange program has now become applicable to the Series B options granted under the November 2008 Exceptional Option Grant. Under the extended program, executives who are relocated e.g. to the United States, can be offered the possibility to exchange their Series B options for ordinary Anheuser-Busch shares that remain locked-up until 31 December 2023 (5 years longer than the original lock-up period).

In 2016, no exchanges were executed under this program.

As a variant to this program, the Board also approved the recommendation of the Remuneration Committee to allow the early release of the vesting conditions of the Series B options granted under the November 2008 Exceptional Option Grant for executives who are relocated, e.g. to the United States. The shares that result from the exercise of the options must remain blocked until 31 December 2023.

Under this variant to the program, Michel Doukeris, member of the Executive Board of Management, has exercised 180,742 options. No other members of the senior management have exercised options under this variant to the program.

2. The Dividend waiver program: where applicable, the dividend protection feature of the outstanding options owned by executives who move to the United States is being cancelled. In order to compensate for the economic loss which results from this cancellation, a number of new options is granted to these executives with a value equal to this economic loss. The new options have a strike price equal to the share price on the day preceding the grant date of the options. All other terms and conditions, in particular with respect to vesting, exercise limitations and forfeiture rules of the new options are identical to the outstanding options for which the dividend protection feature is cancelled. As a consequence, the grant of these new options does not result in the grant of any additional economic benefit to the executives concerned.

In 2016, 0.23 million new options were granted under this program.

The Board has also approved the early release of vesting conditions of unvested stock options which are vesting within 6 months of the executives' relocation. The shares that result from the early exercise of the options must remain blocked until the end of the initial vesting period of the stock options. Under this program, Michel Doukeris, member of the Executive Board of Management, has exercised 51,843 options with an exercise price of 44.00 EUR, whose vesting had been accelerated. In 2016, other members of the senior management have exercised approximately 0,01 million stock options whose vesting had been accelerated.

g. Performance related incentive plan for Disruptive Growth Function

The company has implemented a performance related incentive plan which substitutes the long-term incentive stock option plan for executives of the Disruptive Growth Function. This function was created to accelerate new business development opportunities, focusing on initiatives in e-commerce, mobile, craft and branded experiences such as brew pubs and is headed by Pedro Earp, Chief Disruptive Growth Officer.

The incentive plan, which is inspired from compensation models in technology and start-up businesses, aims at specifically linking the compensation to the value creation and success of the disruptive growth business within the company.

Executives will be granted performance units whose value will depend on the internal rate of return (IRR) of their business area. The units vest after 5 years provided a performance test is met, based on a minimal growth rate of the IRR. At vesting, the performance units may be settled in cash or in ordinary shares of the company. Specific forfeiture rules apply in case the executive leaves the company.

During the reporting period in 2016, 2.54 million performance units were granted to senior management under this program. Out of these, 695,932 performance units were granted to Pedro Earp, member of the Executive Board of Management.

h. Pension schemes

Our executives participate in Anheuser-Busch InBev's pension schemes in either the US, Belgium or their home country. These schemes are in line with predominant market practices in the respective geographic environments. They may be defined benefit plans or defined contribution plans.

The CEO participates in a defined contribution plan. The annual contribution that is paid to his plan amounted to approximately USD 0.24 million in 2016. The contributions for the other members of the Executive Board of Management amounted to approximately USD 0.66 million in 2016.

i. Other benefits

Executives are also entitled to life and medical insurance and perquisites and other benefits that are competitive with market practices. In addition to life and medical insurance, the CEO enjoys a schooling allowance in accordance with local market practice for a limited period of time.

7.2.4. Main contractual terms and conditions of employment of members of the Executive Board of Management

The terms and conditions of employment of the members of the Executive Board of Management are included in individual employment agreements. Executives are also required to comply with the company's policies and codes such as the Code of Business Conduct and Code of Dealing and are subject to exclusivity, confidentiality and non-compete obligations.

The agreement typically provides that the executive's eligibility for payment of variable compensation is determined exclusively on the basis of the achievement of corporate and individual targets to be set by the company. The specific conditions and modalities of the variable compensation are fixed separately by the company and approved by the Remuneration Committee.

Termination arrangements are in line with legal requirements and/or jurisprudential practice. The termination arrangements for the Executive Board of Management provide for a termination indemnity of 12 months of remuneration including variable compensation in case of termination without cause. The variable compensation for purposes of the termination indemnity shall be calculated as the average of the variable compensation paid to the executive for the last two years of employment prior to the year of termination. In addition, if the company decides to impose upon the executive a non-compete restriction of 12 months, the executive shall be entitled to receive an additional indemnity of six months.

In the first quarter of 2017, Luiz Fernando Edmond, former Chief Sales Officer, and Marcio Froes, former Zone President Latin America South, left the company. They were granted a termination indemnity that corresponds to 12 months of their base salary and an amount corresponding to the average of the variable compensation paid for the last two years.

Carlos Brito was appointed to serve as the CEO starting as of 1 March 2006. In the event of termination of his employment other than on the grounds of serious cause, the CEO is entitled to a termination indemnity of 12 months of remuneration including variable compensation as described above.

There is no "claw-back" provision in case of misstated financial statements.

7.2.5. Options owned by members of the Executive Board of Management¹

The tables below set forth the number of Matching options owned by the members of our Executive Board of Management as of 31 December 2016 under the Share-based compensation plan that was applicable until 2010⁽¹⁾.

	Matching options 2010	Matching options 2009	Matching options 2009	Matching options 2008	Matching options 2007	Matching options 2006
Grant date	05 March 2010	14 August 2009	6 March 2009	3 March 2008	2 April 2007	27 April 2006
Expiry date	04 March 2020	13 August 2019	5 March 2019	2 March 2018	1 April 2017	26 April 2016
EBM ⁽³⁾	0	140,106	80,765	61,974	0	0
Strike price (Euro) ...	36.52	27.06	20.49	34.34	33.59	24.78

¹ Following the completion of the merger between Anheuser-Busch InBev (formerly "Newbelco") and the old AB InBev, that took place on 10 October 2016 in the framework of the combination with SABMiller, all rights and obligations attached to the outstanding stock options of the old AB InBev, have been automatically transferred to Anheuser-Busch InBev (the absorbing company), each outstanding stock option giving right to one share of the new Anheuser-Busch InBev (the absorbing company) instead of one share of the old AB InBev (the absorbed company).

	Matching options 2009- Dividend Waiver 13 (2)	Matching options 2009- Dividend Waiver 13 (2)	Matching options 2008- Dividend Waiver 13 (2)	Matching options 2008- Dividend Waiver 09 (2)	Matching options 2007- Dividend Waiver 09 (2)	Matching options 2006 - Dividend Waiver 09 (2)
Grant date	15 May 2013	15 May 2013	15 May 2013	1 December 2009	1 December 2009	1 December 2009
Expiry date	13 August 2019	5 March 2019	2 March 2018	2 March 2018	1 April 2017	26 April 2016
EBM⁽³⁾	74,869	37,131	49,468	0	0	0
Strike price (Euro) ...	75.82	75.82	75.82	33.24	33.24	33.24

1. *Matching options have the following features:*
 - a. *an exercise price that is set equal to the market price of the share at the time of grant;*
 - b. *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 second, third or fourth year following the grant;*
 - c. *upon exercise, each option entitles the option holder to subscribe one share;*
 - d. *specific restrictions or forfeiture provisions apply in case of termination of service.*
2. *Options granted under the Dividend waiver program (see 7.2.3.f)*
3. *The following options were exercised in 2016 :*
 - a. *In May 2016 Michel Dimitrios Doukeris exercised 15,296 Matching options 2010 with a strike price of 36.52 Euro.*

The table below sets forth the number of LTI stock options owned by the members of our Executive Board of Management as of 31 December 2016 under the 2009 Long term incentive stock option plan (see 7.2.3.c).

	LTI options	LTI options	LTI options	LTI options	LTI options	LTI options	LTI options	LTI options
Grant date	18 Dec 2009	30 Nov 2010	30 Nov 2011	30 Nov 2012	02 Dec 2013	01 Dec 2014	01 Dec 2015	22 Dec 2015
Expiry date	17 Dec 2019	29 Nov 2020	29 Nov 2021	29 Nov 2022	01 Dec 2023	30 Nov 2024	30 Nov 2025	21 Dec 2025
EBM⁽¹⁾	371,698	620,719	742,459	1,017,909	800,825	604,177	37,754	1,004,848
Strike price (Euro) ..	35.90	42.41	44.00	66.56	75.15	94.46	121.95	113.00

	LTI options (ADR)	LTI options (ADR)	LTI options (ADR)	LTI options (ADR)	LTI options (ADR)	LTI options (ADR)
Grant date	30 Nov 2010	30 Nov 2011	30 Nov 2012	02 Dec 2013	01 Dec 2014	01 Dec 2015
Expiry date	29 Nov 2020	29 Nov 2021	29 Nov 2022	01 Dec 2023	30 Nov 2024	30 Nov 2025
EBM	21,880	23,257	15,685	12,893	11,473	10,521
Strike price (USD)....	56.02	58.44	86.43	102.11	116.99	128.46

1. *The following options were exercised in 2016 :*
 - a. *In January 2016:*
 - i. *Tony Milikin exercised 5,823 LTI options of 18 December 2009 with a strike price of 35.90 Euro;*
 - b. *In May 2016 :*
 - i. *Michel Dimitrios Doukeris exercised 38,219 LTI options of 30 November 2010 with a strike price of 42.41Euro and 51,843 LTI options of 30 November 2011 with a strike price of 44.00 Euro;*
 - c. *In August 2016:*
 - i. *Sabine Chalmers exercised 47,680 LTI options of 30 November 2010 with a strike price of 42.41 Euro;*
 - d. *In November 2016:*
 - i. *Jan Craps exercised 3,867 LTI options of 30 November 2010 with a strike price of 42.41 Euro.*

The table below sets forth the number of options granted under the November 2008 Exceptional Option Grant owned by the members of our Executive Board of Management as of 31 December 2016⁽¹⁾.

	November 2008 Exceptional Grant options Series A	November 2008 Exceptional Grant options Series B	November 2008 Exceptional Grant options Series A – Dividend Waiver 09	November 2008 Exceptional Grant options Series B – Dividend Waiver 09	November 2008 Exceptional Grant options Series B – Dividend Waiver 11	November 2008 Exceptional Grant options Series B – Dividend Waiver 13
Grant date	25 November 2008	25 November 2008	1 December 2009	1 December 2009	11 July 2011	31 May 2013
Expiry date	24 November 2018	24 November 2023	24 November 2018	24 November 2023	24 November 2023	24 November 2023
EBM⁽²⁾ Strike price (Euro)	0 10.32	3,976,325 10.32	0	1,834,049 33.24	243,901 40.35	286,977 75.82
EBM Strike price (Euro)	0 10.50	722,968 10.50	0	457,886 33.24	0	0

(1) The Series A stock options have a duration of 10 years as from granting and have vested on 1 January 2014. The Series B stock options have a duration of 15 years as from granting and vest on 1 January 2019. The exercise of the stock options is subject, among other things, to the condition that the company meets a performance test. This performance test, which was met, required the net debt/EBITDA, as defined (adjusted for exceptional items) ratio to fall below 2.5 before 31 December 2013. Specific forfeiture rules apply in the case of termination of employment.

(2) The following options were exercised in 2016 :

a. In May 2016:

i. Michel Dimitrios Doukeris exercised 180,742 Exceptional Grant options Series A with a strike price of 10.32 Euro and 180,742 Exceptional Grant options Series B with a strike price of 10.32 Euro;

b. In August 2016:

i. Peter Kraemer exercised 180,742 Exceptional Grant options Series A with a strike price of 10.50 Euro.

The table below sets forth the number of options granted under the *2020 Incentive Plan* owned by the members of our Executive Board of Management as of 31 December 2016 (see 7.2.3.c).

	2020 Incentive Stock Options
Grant date	22 December 2015
Expiry date	22 December 2025
EBM	286,942
Strike price (Euro)...	113.00

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