

## **April 2009 - Remuneration of Executive Management**

Our compensation system has been designed and approved to help drive our high-performance culture. The goal is to deliver market-leading compensation, driven by both company and individual performance, and ensure alignment with shareholders' interests by encouraging executive ownership of company shares.

The focus will be on annual and long-term variable pay, rather than on base salary.

Base salaries will be aligned to mid-market levels. Stretched but achievable short- and long-term performance targets will be linked to both short- and long-term incentives, and can lead to exceptional levels of reward.

Personal financial commitment to the company of executives investing (part of) their annual bonus in Anheuser-Busch InBev (or AmBev) shares will be rewarded with the potential for significantly higher long-term compensation.

The compensation and reward programs are overseen by the Compensation & Nominating Committee. It submits to the Board for approval recommendations on the compensation of the CEO and, upon recommendation of the CEO, of the Executive Management. It submits to the Board for approval the annual targets and corresponding bonus scheme.

### **Base Salary**

In order to ensure alignment with market practice, once a year base salaries are reviewed versus benchmarks, collected by independent providers, in relevant industries and geographies. Executives' base salaries are intended to be aligned to mid-market levels for the appropriate market.

### **Bonus**

The bonus is designed to encourage executives to drive short- to medium-term performance of the organization. Company and Zone targets are stretched but achievable and operate for more than one year to ensure high levels of sustained performance. Below a hurdle no incentive is earned but for really outstanding performance the bonus could be at upper quartile level (and even beyond) of the appropriate reference market. Even when company or entity targets are achieved, the actual payout of the bonus also depends on performance against individual targets.

50% of the bonus is delivered as company shares to be held for three years, and a further deferral of the remaining part of the bonus is optional and will be matched with options on company shares.

The bonus is paid annually in arrears after the publication of the full year results of Anheuser-Busch InBev. As from 2009, the bonus 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 bonus is paid immediately after publication of the half year results of Anheuser-Busch InBev and the second half of the bonus is paid after publication of full year results of Anheuser-Busch InBev.

In order to align executives' and shareholders' interests over a longer period of time, Executives will receive 50% of their bonus in Anheuser-Busch InBev (or AmBev) shares, to be held for three years, and will have the option to invest all, or half of the remaining part of their bonus in company shares to be held for a 5-year period. Such voluntary deferral will lead to a company option match, which will be vested after five years, provided that predefined financial targets are met or exceeded. In case the remaining part of the bonus is completely invested in shares, the number of matching options granted will be equal to 4.6 x the number of shares corresponding to the gross amount of the bonus invested. In case the remaining part of the bonus is invested for 50 % in shares, the number of matching options granted will be equal to 2.3 x the number of shares corresponding to the gross amount of the bonus invested.

Shares have the following features :

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

Matching options have the following features :

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

Sign in bonus

Newly hired Executives may be granted the possibility to purchase Anheuser-Busch InBev shares at the price that is prevailing for the next granting of shares under the Executives shares bonus.

Such voluntary investment leads to a company option match. The number of options granted is equal to 2.3 x the number of shares purchased. The options have the same features as the matching options granted under the Executives shares bonus.

Pension schemes and termination arrangements

The executives participate in the Anheuser-Busch InBev's pension schemes in either 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.

Other benefits such as risk insurances and medical coverage are provided in line with competitive practices in the markets where the executive is employed.

Termination arrangements are in line with legal requirements and/or jurisprudential practice.

## Disclosure of remuneration

Remuneration of Executive Management is disclosed in the annual report. For the CEO, disclosure is done on an individual basis, with a split between base salary, annual incentives and long-term incentives. For the other members of the Executive management, disclosure is done on an aggregate basis. However, disclosure will always occur on an individual basis with respect to shares, share options or rights to acquire shares, granted during the year.