

COMPLY OR EXPLAIN

CORPORATE GOVERNANCE

On 10 December 2008, an amended Dutch Corporate Governance Code was presented superseding the Dutch Corporate Governance Code of 9 December 2003.

While Heineken Holding N.V. endorses the principles of the corporate governance code (the 'Code') referred to in Section 391, subsection 5, of Book 2 of the Dutch Civil Code, the structure of the Heineken group, and in particular the relationship between Heineken Holding N.V. and Heineken N.V., prevents Heineken Holding N.V. from applying a number of the Code's principles and best-practice provisions. At the General Meeting of Shareholders on 20 April 2005, this departure from the 2003 Code was put to the vote and approved.

As recommended by the Corporate Governance Code Monitoring Committee, Heineken Holding N.V. includes a section in this annual report on the broad outline of the corporate governance structure, compliance with the Code and non-compliance situations, and will put the current position before the Annual General Meeting of Shareholders on 22 April 2010.

Structure of the Heineken group

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.133% of the outstanding share capital) of Heineken N.V. Both companies are listed on Euronext Amsterdam. L'Arche Green N.V., a company owned by the Heineken family and the Hoyer family, holds a 58.78% interest in Heineken Holding N.V.

Standing at the head of the Heineken group, Heineken Holding N.V. is not an ordinary holding company. Since its formation in 1952, Heineken Holding N.V.'s object pursuant to its Articles of Association has been to manage or supervise the management of the Heineken group and to provide services for Heineken N.V., in accordance with the policy principles outlined above.

Within the Heineken group, the primary duties of Heineken N.V.'s Executive Board are to initiate and implement corporate strategy and to manage Heineken N.V. and its related enterprise. It is supervised in the performance of its duties by Heineken N.V.'s Supervisory Board.

Heineken Holding N.V.'s governance structure and risk management and control system

Heineken Holding N.V. is managed by its Board of Directors, whose activities are directed towards

implementing the policy principles outlined above.

Because Heineken N.V. manages the Heineken group companies, Heineken Holding N.V., unlike Heineken N.V., does not have a Supervisory Board or an internal risk management and control system. Heineken Holding N.V. does not engage in any operational activities and employs no staff. The risk management and control system for the business is described in the Heineken N.V. annual report, page 44. Note 32 to the financial statements of Heineken Holding N.V. itemises the specific financial risks and explains the control systems relating to those risks.

Pursuant to Article 10, paragraph 6, of the Articles of Association of Heineken Holding N.V., holders of Heineken Holding N.V. ordinary shares receive the same dividend as holders of Heineken N.V. shares.

Within Heineken Holding N.V., there are established rules governing the disclosure of holdings of and transactions in Heineken Holding N.V. and Heineken N.V. shares and other securities that are applicable to the Board of Directors and, where required, other persons directly associated with the company.

Compliance with the Code

Heineken Holding N.V. intends to preserve its existing governance structure and does therefore not apply those principles and best-practice provisions which are inconsistent with this structure.

For the reasons stated above, Heineken Holding N.V. does not engage in any operational activities, employs no staff, has no internal risk management and control system and has no Supervisory Board. Pursuant to its Articles of Association, Heineken Holding N.V. distributes the dividend it receives from Heineken N.V. in full to its shareholders. Heineken Holding N.V. does not apply principles and best-practice provisions which presume that the actual situation is different.

Heineken Holding N.V. will apply best-practice provision II.1.1, which limits the period of appointment and reappointment of a member of the Board of Directors to a maximum of four years, according to a rotation schedule to be made in the course of 2010. The first proposal to (re)appoint will be put to the General Meeting of Shareholders in April 2011. The members of the Board of Directors are currently appointed for an indeterminate period.

Heineken Holding N.V. does not apply best-practice provision II.1.8, which limits the number of supervisory directorships of listed companies which may be held by a

member of the Board of Directors to a maximum of two and does not permit a member of the Board of Directors to be the chairman of the supervisory board of a listed company. The Board of Directors considers this best-practice provision to be inconsistent with the nature of its activities.

Heineken Holding N.V. complies with the other principles and best-practice provisions of the Code.

BOARD OF DIRECTORS

The Board of Directors consists of four members: Chairman Mr M. Das, delegate member Mrs C.L. de Carvalho-Heineken, Mr D.P. Hoyer and Mr K. Vuursteen.

The members of the Board of Directors are appointed by the general meeting of shareholders from a non-binding list of candidates drawn up by the meeting of priority shareholders. The general meeting may appoint one of the members as delegate member, who shall be charged in particular with the day-to-day management and the implementation of the Board of Director's resolutions.

The general meeting of shareholders can dismiss members of the Board of Directors by an absolute majority of the votes cast which represents at least one-third of the issued capital.

Remuneration policy

Remuneration of the members of the Board of Directors was enabled by an amendment to the company's Articles of Association in 2001. The policy on the remuneration of members of the Board of Directors was approved by the General Meeting of Shareholders in 2005. Under this policy, the members of the Board of Directors receive the same remuneration as the members of the Supervisory Board of Heineken N.V. For 2009, this means a remuneration of €60,000 a year for the chairman and €45,000 a year for the other members of the Board of Directors.

More information on the way in which this policy was applied in practice during the year under review can be found in the notes to the consolidated financial statements (see note 35).

GENERAL MEETING OF SHAREHOLDERS

The annual general meeting of shareholders shall be held each year within six months of the end of the financial year, the agenda for which shall include: (i) consideration of the annual report, (ii) consideration and adoption of the financial statements, (iii) ratification of the actions of the members of the Board of Directors in respect of their management and (iv) appropriation of profits.

General meetings of shareholders shall be held in Amsterdam.

Notice of meeting

Pursuant to the Articles of Association, the Board of Directors shall give at least fourteen (14) days' notice of general meetings of shareholders (not including the convocation date and the date of the meeting). In practice, the period of notice has been usually around one month.

The Board of Directors is obliged to call a general meeting of shareholders at the request of shareholders who alone or together own at least 25% of the shares.

Such meeting shall be held within four weeks of receipt of the request and shall consider the matters specified by those requesting the meeting.

Right of shareholders to place items on agenda

An item that one or more holders of shares which alone or together (i) represent at least one per cent (1%) of the issued capital or (ii) have a value of at least 50 million euros have requested in writing to be placed on the agenda shall be included in the notice of meeting or announced in a similar manner, unless this would be contrary to an overriding interest of the company, and provided the Board of Directors receives the request not later than the 60th day before the date of the general meeting of shareholders.

The Dutch Corporate Governance Code of 10 December 2008 provides the following in best-practice provision IV.4.4: 'A shareholder shall exercise the right of placing an item on the agenda only after consultation with the management board. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example through the dismissal of one or more board members, the management board shall be

given the opportunity to stipulate a reasonable period in which to respond (the response period). This shall also apply to an intention as referred to above to seek the authorisation of a court of law to call a general meeting pursuant Section 2:110 of the Dutch Civil Code. The shareholder shall respect the response period stipulated by the management board within the meaning of best-practice provision II.1.9.'

If the Board of Directors stipulates a response period, that period shall not exceed 180 days from the date on which the Board of Directors is informed by one or more shareholders of their intention to place an item on the agenda to the date of the general meeting at which the item is to be considered. The Board of Directors shall use the response period for further deliberation and constructive consultation. A response period shall be stipulated only once for any given general meeting of shareholders and shall not apply to an item in respect of which a response period has previously been stipulated.

Record date

For each general meeting of shareholders, the company shall determine a record date for the exercise of the voting rights and attendance at the meeting. This record date will be set in accordance with the Articles of Association, currently providing that such date will not be earlier than the thirtieth day prior to the date of the meeting. The record date shall be included in the notice of meeting, as well as the manner in which those entitled to attend and/or vote in the meeting can be registered and the manner in which they may exercise their rights.

Only persons that are shareholders on the record date may attend and vote in the general meeting of shareholders.

Attendance by proxy or electronic communication

All shareholders are entitled, either personally or by proxy appointed in writing, to attend the general meeting of shareholders, to address the meeting and to exercise their voting rights.

If shareholders wish to exercise their rights through a proxy appointed in writing, the instrument appointing the proxy must be received by the company no later than the date stated in the notice of meeting.

The Board of Directors may determine that the powers set out in the previous sentence may also be exercised by means of electronic communication. The Board of Directors may impose certain conditions on the use of

electronic communications, which will in that case be stated in the notice of meeting.

Attendance register

All persons entitled to vote or otherwise entitled to attend a meeting or their representatives shall sign the attendance register, stating the number of shares and votes represented.

Chairman of the general meeting of shareholders

All general meetings of shareholders shall be presided over by the chairman or the vice-chairman of the Board of Directors or, in their absence, by one of the members of the Board of Directors present at the meeting, to be appointed by the latter in consultation. If none of the members of the Board of Directors is present, the meeting shall appoint its own chairman.

Voting

Adoption of resolutions at all general meetings of shareholders shall require an absolute majority of the votes cast, except where a larger majority is required by law or the Articles of Association.

Each share confers the entitlement to cast one vote. Blank votes shall be deemed not to have been cast.

When convening a general meeting of shareholders, the Board of Directors may determine that votes cast electronically in advance of the meeting are to be equated to votes cast in the course of the meeting. Such votes may not be cast prior to the record date. A shareholder who has voted electronically in advance of a general meeting of shareholders shall still be entitled to attend and address the meeting, either in person or represented by a proxy appointed in writing. Once cast, a vote cannot be retracted.

Minutes

Minutes shall be kept of the proceedings of general meetings of shareholders by a secretary appointed by the general meeting and shall be confirmed and signed by the chairman of the meeting and by the minutes secretary. If a notarial record is made of the proceedings of a general meeting of shareholders, it shall be countersigned by the chairman of the meeting. Shareholders shall be provided on request with copies of the minutes of the general meeting of shareholders not later than three months after the end of the meeting.

**Resolutions to be adopted
by the general meeting of shareholders**

The general meeting of shareholders has authority to adopt resolutions concerning among others the following matters: (i) issue of shares by the company or rights attaching to shares (and authorisation of the Board of Directors to resolve that the company issue shares or rights attaching to shares), (ii) authorisation of the Board of Directors to resolve that the company acquire its own shares, (iii) cancellation of shares and reduction of share capital, but only after a motion of the meeting of priority shareholders, (iv) appointment of members of the Board of Directors from a non-binding list of candidates drawn up by the meeting of priority shareholders, (v) appointment of one of the members of the Board of Directors as delegate member, (vi) the remuneration policy for the Board of Directors, (vii) suspension and dismissal of members of the Board of Directors, (viii) adoption of the financial statements, (ix) ratification of the actions of the members of the Board of Directors in respect of their management, (x) the profit reservation and distribution policy, (xi) a substantial change in the corporate governance structure, (xii) appointment of the external auditors, (xiii) amendment of the Articles of Association and (xiv) winding-up of the company.

Board of Directors' resolutions on any material change in the nature or identity of the company or enterprise shall be subject to the approval of the meeting of priority shareholders and the general meeting of shareholders, in any event including resolutions relating to (a) transfer of all or virtually all of the company's enterprise to a third party, (b) entry into or termination of lasting cooperation between the company or a subsidiary and another legal entity or partnership or as general partner in a limited partnership or general partnership where such cooperation or termination thereof has material significance for the company and (c) acquisition or disposal by the company or a subsidiary of an interest in the capital of another company amounting to one-third or more of the company's assets as disclosed in its consolidated balance sheet and notes thereto according to its most recently adopted financial statements.

Provision of information

The Board of Directors shall provide the general meeting of shareholders with all the information it may require, unless there are compelling reasons to withhold it in the company's interest. If the Board of Directors withholds

information on the grounds of the company's interest, it shall give its reasons for doing so.

Priority shares

The company has issued 250 priority shares, 50% of which are held by Stichting Administratiekantoor Priors, the other 50% being held by Stichting Beheer Prioriteits aandelen Heineken Holding N.V. For a full description of rights conferred by the priority shares, reference is made to the paragraph of this report headed 'Further Information pursuant to the Article 10 Takeover Directive Decree' and the Other Information section of this annual report (page 125).