



**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended 31 December 2020

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report \_\_\_\_\_

Commission File No.: 001-37911

**Anheuser-Busch InBev SA/NV**

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

**Belgium**

(Jurisdiction of incorporation or organization)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Ordinary shares without nominal value		New York Stock Exchange*
American Depositary Shares, each representing one ordinary share without nominal value	BUD	New York Stock Exchange
6.375% Notes due 2040 (issued January 2010)	BUD40	New York Stock Exchange
8.200% Notes due 2039 (issued March 2011)	BUD39	New York Stock Exchange
3.750% Notes due 2042 (issued July 2012)	BUD42A	New York Stock Exchange
4.000% Notes due 2043 (issued January 2013)	BUD/43	New York Stock Exchange



4.625% Notes due 2044 (issued January 2014)	BUD/44	New York Stock Exchange
3.650% Notes due 2026 (issued January 2016)	BUD/26	New York Stock Exchange
4.700% Notes due 2036 (issued January 2016)	BUD/36	New York Stock Exchange
4.900% Notes due 2046 (issued January 2016)	BUD/46	New York Stock Exchange
4.950% Notes due 2042 (issued December 2016)	BUD/42	New York Stock Exchange
6.625% Notes due 2033 (issued December 2016)	BUD/33	New York Stock Exchange
5.875% Notes due 2035 (issued December 2016)	BUD/35	New York Stock Exchange
4.439% Notes due 2048 (issued August 2017)	BUD/48	New York Stock Exchange
4.000% Notes due 2028 (issued April 2018)	BUD/28	New York Stock Exchange
4.375% Notes due 2038 (issued April 2018)	BUD/38	New York Stock Exchange
4.600% Notes due 2048 (issued April 2018)	BUD/48A	New York Stock Exchange
4.750% Notes due 2058 (issued April 2018)	BUD/58	New York Stock Exchange
Floating Rate Notes due 2024 (issued April 2018)	BUD24A	New York Stock Exchange
4.150% Notes due 2025 (issued January 2019)	BUD/25	New York Stock Exchange
4.750% Notes due 2029 (issued January 2019)	BUD/29	New York Stock Exchange
4.900% Notes due 2031 (issued January 2019)	BUD/31	New York Stock Exchange
5.450% Notes due 2039 (issued January 2019)	BUD/39A	New York Stock Exchange
5.550% Notes due 2049 (issued January 2019)	BUD/49	New York Stock Exchange
5.800% Notes due 2059 (issued January 2019)	BUD/59	New York Stock Exchange
4.900% Notes due 2046 (issued May 2019)	BUD/46A	New York Stock Exchange
4.700% Notes due 2036 (issued May 2019)	BUD/36A	New York Stock Exchange
3.650% Notes due 2026 (issued May 2019)	BUD/26A	New York Stock Exchange
3.500% Notes due 2030 (issued April 2020)	BUD/30	New York Stock Exchange
4.350% Notes due 2040 (issued April 2020)	BUD/40	New York Stock Exchange
4.500% Notes due 2050 (issued April 2020)	BUD/50	New York Stock Exchange
4.600% Notes due 2060 (issued April 2020)	BUD/60	New York Stock Exchange

\* Not for trading, but in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

**Securities registered or to be registered pursuant to Section 12(g) of the Act.**

None  
(Title of Class)

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.**

None  
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

1,693,242,156 ordinary shares without nominal value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):



Large accelerated filer 
   
 Accelerated filer 
   
 Non-accelerated filer   
   
 Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 762(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP 
   
 International Financial Reporting Standards as issued  
   
 by the International Accounting Standards Board 
   
 Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. N/A  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
 Yes  No

**(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. N/A  Yes  No



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## GENERAL INFORMATION

In this annual report on Form 20-F (“**Form 20-F**”) references to:

- “**AB InBev**,” “**we**,” “**us**” and “**our**” are, as the context requires, to Anheuser-Busch InBev SA/NV (formerly Newbelco SA/NV) or Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV and consolidated into our results, including to the predecessor Anheuser-Busch InBev SA/NV or Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV prior to the completion of the combination with SAB on 10 October 2016;
- “**AB InBev Group**” are to Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV;
- “**Ambev**” are to Ambev S.A., a Brazilian company listed on the New York Stock Exchange and on the São Paulo Stock Exchange, and successor of Companhia de Bebidas das Américas—Ambev;
- “**Anheuser-Busch**” are to Anheuser-Busch Companies, LLC, and the group of companies owned and/or controlled by Anheuser-Busch Companies, LLC, as the context requires;
- “**Budweiser APAC**” are to Budweiser Brewing Company APAC Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange;
- “**Grupo Modelo**” are to Cervecería Modelo de México, S. de R.L. de C.V., a Mexican limited liability company, and the group of companies owned and/or controlled by Cervecería Modelo de México, S. de R.L. de C.V.;
- “**Newbelco**” are to Newbelco SA/NV prior to 10 October 2016;
- “**Ordinary Shares**” are to ordinary shares without nominal value issued by Anheuser-Busch InBev SA/NV;
- “**Restricted Shares**” are to shares without nominal value issued by Anheuser-Busch InBev SA/NV to former SAB shareholders in connection with the combination with SAB, which are unlisted, not admitted to trading on any stock exchange and are subject to, among other things, restrictions on transfer until they are converted into Ordinary Shares;
- “**SAB**” are, as the context requires, to ABI SAB Group Holding Limited (formerly SABMiller Limited and prior to that SABMiller plc) or to ABI SAB Group Holding Limited and the group of companies owned and/or controlled by ABI SAB Group Holding Limited prior to the combination between AB InBev and ABI SAB Group Holding Limited on 10 October 2016; and
- “**SAB Group**” are to ABI SAB Group Holding Limited and the group of companies owned and/or controlled by ABI SAB Group Holding Limited.

When we discuss consumers of our products that contain alcohol, this is in reference to consumers of legal drinking age in their respective jurisdictions.

## PRESENTATION OF FINANCIAL AND OTHER DATA

We have prepared our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”). Unless otherwise specified, the financial information analysis in this Form 20-F is based on our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020. Unless otherwise specified, all financial information included in this Form 20-F has been stated in U.S. dollars.



All references in this Form 20-F to (i) “euro” or “EUR” are to the common currency of the European Union, (ii) “U.S. dollar,” “\$” or “USD” are to the currency of the United States of America, (iii) “CAD” (Canadian dollar) are to the currency of Canada, (iv) “RS”, “BRL”, “real” or “reais” are to the currency of Brazil, (v) “GBP” (pound sterling) are to the currency of the United Kingdom, (vi) “AUD” (Australian dollar) are to the currency of the Commonwealth of Australia, (vii) “MXN” (Mexican peso) are to the currency of Mexico, (viii) “ZAR” (South African rand) are to the currency of South Africa, (ix) “COP” (Colombian peso) are to the currency of Colombia, (x) “PEN” (Peruvian nuevo sol) are to the currency of Peru, (xi) “ARS” (Argentinean peso) are to the currency of Argentina and (xii) “CNY” (Chinese renminbi) are to the currency of China.

Unless otherwise specified, volumes, as used in this Form 20-F, include beer, beyond beer and non-beer (primarily carbonated soft drinks) volumes. In addition, unless otherwise specified, our volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor, and third-party products that we sell through our distribution network, particularly in Western Europe. Our volume figures in this Form 20-F reflect 100% of the volumes of entities that we fully consolidate in our financial reporting and a proportionate share of the volumes of entities that we proportionately consolidate in our financial reporting, but do not include volumes of our associates, joint ventures or non-consolidated entities.

On 31 December 2020, we completed the issuance of a 49.9% minority stake in our US-based metal container operations to Apollo Global Management, Inc. for net proceeds of USD 3.0 billion. We retained operational control of our US-based metal container operations. As required by IFRS 10 *Consolidated Financial Statements*, the transaction was reported in our consolidated statement of changes in equity.

Effective 1 January 2019, we reorganized our regional reporting structure. Our results are now reported under the following five regions: North America, Middle Americas, South America, EMEA and Asia Pacific. We continue to separately report the results of Global Export and Holding Companies, which includes our global headquarters and the export businesses which have not been allocated to the regions. Our five geographic regions plus our Global Export and Holding Companies comprise our six segments for all financial reporting purposes. For a list of the countries comprising our geographic reporting regions, see “Item 4. Information on the Company—B. Business Overview—3. Main Markets.”

Effective 1 January 2019, IFRS 16 *Leases* replaced the previous lease accounting requirements and introduced significant changes to lessee accounting. It requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement date, together with a different recognition of lease costs. We adopted IFRS 16 on 1 January 2019 under the full retrospective application method.

Effective 30 September 2019, following the announcement on 19 July 2019 of the agreement to divest Carlton & United Breweries (“CUB” or “Australian operations”), our Australian subsidiary, to Asahi Group Holdings, Ltd. (“Asahi”), we classified the assets and liabilities associated with the Australian operations as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. In addition, since the results of the Australian operations represented a separate major line of business, these were accounted for as discontinued operations as required by IFRS 5 and presented in a separate line in the consolidated income statement (“profit from discontinued operations”) up to 31 May 2020. Consequently, the 2018 consolidated results have been restated as if the classification had been applied as of 1 January 2018 to exclude the results of the Australian operations. The transaction closed on 1 June 2020.

The financial information for 2018 included in this Form 20-F has been restated to reflect the classification of the Australian operations as discontinued operations, the impact of adoption of IFRS 16 under the full retrospective application and the segment changes referenced above.

On 30 March 2018, we completed the 50:50 merger of AB InBev’s and Anadolu Efes Biracilik ve Malt Sanayii AŞ’s (“Anadolu Efes”) existing Russia and Ukraine businesses. Following the closing of this transaction, the operations of AB InBev and Anadolu Efes in Russia and Ukraine are combined under AB InBev Efes (“AB InBev Efes”). The combined business is fully consolidated in the Anadolu Efes financial accounts. As a result of the transaction, we stopped consolidating our Russia and Ukraine businesses and account for our investment in AB InBev Efes under the equity method.





See “Item 5. Operating and Financial Review—B. Significant Accounting Policies—Summary of Changes in Accounting Policies” for further information on how our accounting policies changed in 2020.

### PRESENTATION OF MARKET INFORMATION

Market information (including market share, market position and industry data for our operating activities and those of our subsidiaries or of companies acquired by us) or other statements presented in this Form 20-F regarding our position (or that of companies acquired by us) relative to our competitors largely reflect the best estimates of our management. These estimates are based upon information obtained from customers, trade or business organizations and associations, other contacts within the industries in which we operate and, in some cases, upon published statistical data or information from independent third parties. Except as otherwise stated, our market share data, as well as our management’s assessment of our comparative competitive position, has been derived by comparing our sales figures for the relevant period to our management’s estimates of our competitors’ sales figures for such period, as well as upon published statistical data and information from independent third parties, and, in particular, the reports published and the information made available by, among others, the local brewers’ associations and the national statistics bureaus in the various countries in which we sell our products. The principal sources generally used include IRI, Plato Logic Limited and AC Nielsen. You should not rely on the market share and other market information presented herein as precise measures of market share or of other actual conditions.

### FORWARD-LOOKING STATEMENTS

There are statements in this Form 20-F, such as statements that include the words or phrases “*will likely result*,” “*are expected to*,” “*will continue*,” “*is anticipated*,” “*anticipate*,” “*estimate*,” “*project*,” “*may*,” “*might*,” “*could*,” “*believe*,” “*expect*,” “*plan*,” “*potential*,” “*we aim*,” “*our goal*,” “*our vision*,” “*we intend*” or similar expressions that are forward-looking statements. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to, among others, the risks or uncertainties listed below. See also “Item 3. Key Information—D. Risk Factors” for further discussion of risks and uncertainties that could impact our business.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others:

- the effects of the COVID-19 pandemic and uncertainties about its impact and duration;
- local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact;
- financial risks, such as interest rate risk, foreign exchange rate risk (in particular as against the U.S. dollar, our reporting currency), commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, liquidity risk, inflation or deflation, including inability to achieve our optimal net debt level;
- continued geopolitical instability, which may result in, among other things, economic and political sanctions and currency exchange rate volatility, and which may have a substantial impact on the economies of one or more of our key markets;
- changes in government policies and currency controls;



- continued availability of financing and our ability to achieve our targeted coverage and debt levels and terms, including the risk of constraints on financing in the event of a credit rating downgrade;
- the monetary and interest rate policies of central banks, in particular the European Central Bank, the Board of Governors of the U.S. Federal Reserve System, the Bank of England, *Banco Central do Brasil*, *Banco Central de la República Argentina*, the Central Bank of China, the South African Reserve Bank, *Banco de la República* in Colombia, the Bank of Mexico and other central banks;
- changes in applicable laws, regulations and taxes in jurisdictions in which we operate, including the laws and regulations governing our operations and changes to tax benefit programs, as well as actions or decisions of courts and regulators;
- limitations on our ability to contain costs and expenses;
- our expectations with respect to expansion plans, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections;
- our ability to continue to introduce competitive new products and services on a timely, cost-effective basis;
- the effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies;
- changes in consumer spending;
- changes in pricing environments;
- volatility in the prices of raw materials, commodities and energy;
- difficulties in maintaining relationships with employees;
- regional or general changes in asset valuations;
- greater than expected costs (including taxes) and expenses;
- the risk of unexpected consequences resulting from acquisitions, joint ventures, strategic alliances, corporate reorganizations or divestiture plans, and our ability to successfully and cost-effectively implement these transactions and integrate the operations of businesses or other assets we have acquired;
- the outcome of pending and future litigation, investigations and governmental proceedings;
- natural and other disasters, including widespread health emergencies, cyberattacks and military conflict and political instability;
- any inability to economically hedge certain risks;
- inadequate impairment provisions and loss reserves;
- technological changes, threats to cybersecurity and the risk of loss or misuse of personal data;
- other statements included in this annual report that are not historical; and
- our success in managing the risks involved in the foregoing



Many of these risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. Our statements regarding financial risks, including interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, inflation and deflation, are subject to uncertainty. For example, certain market and financial risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market or financial risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

We caution that the forward-looking statements in this Form 20-F are further qualified by the risk factors disclosed in “Item 3. Key Information—D. Risk Factors” that could cause actual results to differ materially from those in the forward-looking statements. Subject to our obligations under Belgian and U.S. law in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

**A. DIRECTORS AND SENIOR MANAGEMENT**

Not applicable.

**B. ADVISERS**

Not applicable.

**C. AUDITORS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

**A. A. OFFER STATISTICS**

Not applicable.

**B. METHOD AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**A. SELECTED FINANCIAL DATA**

The selected historical financial information presented below as of 31 December 2020, 2019, 2018, 2017, and 2016, and for the five years ended 31 December 2020, has been derived from our audited consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union (“IFRS”). Our financial statements presentation and reporting currency is the U.S. dollar. Unless otherwise specified, all financial information included in this Form 20-F has been stated in U.S. dollars.

The selected historical financial information presented in the tables below should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the accompanying notes. The audited consolidated financial statements and the accompanying notes as of 31 December 2020 and 2019 and for the three years ended 31 December 2020 have been included in this Form 20-F.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<i>(USD Million)</i>				
<b>Income Statement Data</b>					
Revenue <sup>(1)</sup>	46,881	52,329	53,041	54,859	45,517
Profit from operations	9,620	16,098	16,414	16,460	12,882
Profit from continuing operations	147	9,990	5,157	8,606	2,721
Profit of the period	2,202	10,414	5,688	9,166	2,769
Profit attributable to our equity holders	1,405	9,171	4,370	7,990	1,241
Weighted average number of Ordinary and Restricted Shares (million shares) <sup>(2)</sup>	1,998	1,984	1,975	1,971	1,717



	2020	2019	2018	2017	2016
	(USD Million)				
Diluted weighted average number of Ordinary and Restricted Shares (million shares) <sup>(3)</sup>	2,037	2,026	2,011	2,010	1,755
Basic earnings per share (USD) <sup>(4)</sup>	0.70	4.62	2.21	4.05	0.72
Basic earnings per share from continuing operations (USD) <sup>(4)</sup>	(0.33)	4.41	1.94	3.77	0.69
Diluted earnings per share (USD) <sup>(5)</sup>	0.69	4.53	2.17	3.98	0.71
Dividends per share (USD)	0.61	2.02	2.05	4.33	3.85
Dividends per share (EUR)	0.50	1.30	1.80	3.60	3.60
<i>Financial Position Data</i>					
Total assets	226,410	236,648	233,868	248,208	258,381
Equity	78,351	84,553	71,889	80,200	81,425
Equity attributable to our equity holders	68,024	75,722	64,485	72,576	71,339
Issued capital	1,736	1,736	1,736	1,736	1,736
<i>Other Data</i>					
Volumes (million hectoliters)	531	561	560	605	500

Notes:

- Turnover less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers (see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Excise Taxes”).
- Weighted average number of Ordinary and Restricted Shares means, for any period, the number of shares outstanding at the beginning of the period, adjusted by the number of shares canceled, repurchased or issued during the period, including deferred share instruments and stock lending, multiplied by a time-weighting factor.
- Diluted weighted average number of Ordinary and Restricted Shares means the weighted average number of Ordinary and Restricted Shares, adjusted by the effect of share options and restricted stock units issued.
- Earnings per share means, for any period, profit attributable to our equity holders for the period divided by the weighted average number of Ordinary and Restricted Shares.
- Diluted earnings per share means, for any period, profit attributable to our equity holders for the period divided by the diluted weighted average number of Ordinary and Restricted Shares.
- Following the combination with SAB, we consolidated SAB and report results and volumes of the retained SAB operations as of the fourth quarter of 2016. For more information on the combination with SAB, see “Item 4. Information on the Company—A. History and Development of the Company.”
- The financial information for 2018 is presented under IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, which was adopted by us with effect on 1 January 2018 in accordance with the modified retrospective application. For more information on changes in accounting policies, see “Item 5. Operating and Financial Review—B. Significant Accounting Policies.”
- The financial information for 2018 and 2017 has been restated to reflect the impact of adoption of IFRS 16 *Leases* on 1 January 2019 in accordance with the full retrospective application and the classification of the Australian operations as discontinued operations. The financial information for 2016 has not been restated to reflect these changes. For more information on changes in accounting policies, see “Item 5. Operating and Financial Review—B. Significant Accounting Policies.”

**B. CAPITALIZATION AND INDEBTEDNESS**

Not applicable.

**C. REASONS FOR THE OFFER AND USE OF PROCEEDS**

Not applicable.



## D. RISK FACTORS

*Investing in our shares involves risk. We expect to be exposed to some or all of the risks described below in our future operations. Such risks include, but are not limited to, the risk factors described below. Any of the risk factors described below, as well as additional risks of which we are not currently aware, could also affect our business operations and have a material adverse effect on our business activities, financial condition, results of operations and prospects and cause the value of our shares to decline. Moreover, if and to the extent that any of the risks described below materialize, they may occur in combination with other risks which would compound the adverse effect of such risks on our business activities, financial condition, results of operations and prospects. Investors in our shares and American Depositary Shares (“ADSs”) could lose all or part of their investment.*

*You should carefully consider the following information in conjunction with the other information contained or incorporated by reference in this document. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or of the potential magnitude of their financial consequences.*

### SUMMARY OF RISK FACTORS

#### Risks relating to us and our activities

##### 1. Financial Risks

- Our business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the COVID-19 pandemic.
- We are exposed to the risks of an economic recession, credit and capital markets volatility and economic and financial crisis (including as a result of the COVID-19 pandemic), which could adversely affect the demand for our products and adversely affect the market price of our Ordinary Shares and ADSs.
- Fluctuations in foreign currency exchange rates may lead to volatility in our results of operations.
- We may not be able to obtain the necessary funding for our future needs and may face financial risks due to our level of debt, uncertain market conditions and potential downgrading of our credit ratings.
- Our results could be negatively affected by increasing interest rates or by the future discontinuance of certain interest rate benchmarks.
- The ability of our subsidiaries to distribute cash upstream may be subject to various limitations.

##### 2. Risks relating to our business activities and industry

- Changes in the availability or price of raw materials, commodities, energy and water could have an adverse effect on our results of operations.
- Certain of our operations depend on independent distributors or wholesalers to sell our products, and we may be unable to replace distributors or acquire interests in wholesalers or distributors. In addition, we may be adversely impacted by the consolidation of retailers.
- We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties could negatively affect our business.

##### 3. Risks relating to our corporate structure, acquisitions and investments

- We may be unable to influence our associates in which we have minority investments.
- We may have a conflict of interest with our majority-owned subsidiaries and we may not be able to resolve such conflict on terms favorable to us.
- We may be unsuccessful in identifying suitable acquisition targets or business partners or implementing our acquisitions, divestitures, investments or alliances, which may negatively impact our growth strategy.
- An inability to reduce costs could affect our profitability.
- Our failure to satisfy our obligations under the SAB settlement agreement could adversely affect our financial condition and results of operations.

##### 4. Market Risks

- We are exposed to developing market risks, including risks of devaluation, nationalization and inflation.
- Competition and changing consumer preferences could adversely affect our profitability.



5. Legal and Regulatory Risks

- If any of our products is defective or found to contain contaminants, we may be subject to product recalls or other associated liabilities.
- Negative publicity, perceived health risks, failure to provide safe working environments and associated government regulation may harm our business.
- We could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern our operations.
- We are exposed to the risk of litigation, claims and disputes, which may cause us to pay significant damage awards and incur other costs.
- We may be subject to adverse changes in taxation and other tax-related risks.
- We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws. In addition, in connection with our previous acquisitions, various regulatory authorities have previously imposed conditions with which we are required to comply.
- If we do not successfully comply with applicable anti-corruption laws, export control regulations and trade restrictions, we could become subject to regulatory sanctions and adverse press coverage.
- Our subsidiary Ambev operates a joint venture in Cuba, in which the Government of Cuba is its joint venture partner. Cuba remains subject to comprehensive economic and trade sanctions by the United States and Ambev's operations in Cuba may adversely affect our reputation and the liquidity and value of our securities.
- The audit report included in this annual report is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, you may be deprived of the benefits of such inspection.

7. Brand and Intellectual Property Risks

- We rely on the reputation of our brands and our marketing efforts may be restricted by regulations.
- We may not be able to protect our intellectual property rights, and our ability to compete effectively may be harmed if our intellectual property rights are infringed by third parties.
- An impairment of goodwill or other intangible assets would adversely affect our financial condition.

6. Other risks related to our business

- Climate change or other environmental concerns, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect our business or operations.
- We are exposed to labor strikes and disputes that could lead to a negative impact on our costs and production level.
- Information technology failures could damage our reputation and we could suffer a loss of revenue, incur substantial additional costs and become subject to litigation and regulatory scrutiny.
- If we fail to comply with personal data protection laws, we could be subject to adverse publicity, government enforcement actions and/or private litigation, which could negatively affect our business.

8. General Risks

- We may not be able to recruit or retain key personnel.
- Natural and other disasters could disrupt our operations.
- Our insurance coverage may not be sufficient.

**Risks Related to Our Ordinary Shares and American Depositary Shares**

- The market price of our Ordinary Shares and ADSs may be volatile.
- Our largest shareholder may use its significant interest to take actions not supported by our other shareholders.
- We may be unable to pay dividends.
- Fluctuations in the exchange rate between the euro, the South African rand, the Mexican peso and the U.S. dollar may increase the risk of holding our ADSs and Ordinary Shares.
- Future equity issuances may dilute the holdings of current shareholders or ADS holders and could materially affect the market price of our Ordinary Shares or ADSs.



- Investors may suffer dilution if they are not able to participate in equity offerings, and our ADS holders may not receive any value for rights that we may grant.
- ADS holders may not be able to exercise their right to vote the shares underlying our ADSs
- ADS holders may be subject to limitations on the transfer of their ADSs or the withdrawal of the underlying Ordinary Shares from the deposit facility.
- Shareholders may not enjoy under Belgian corporate law and our articles of association certain of the rights and protections generally afforded to shareholders of U.S. companies.
- As a “foreign private issuer” in the United States, we are exempt from a number of rules under U.S. securities laws and are permitted to file less information with the SEC.
- It may be difficult for investors outside Belgium to serve process on or enforce foreign judgments against us.

### Risks relating to us and our activities

#### 1. Financial Risks

*Our business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the COVID-19 pandemic.*

Our business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the COVID-19 pandemic. The public health crisis caused by the COVID-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and we expect will continue to have, certain negative impacts on our business including, without limitation, the following:

- We have experienced disruptions to our ability to operate our production facilities in some countries, and in the future, we may experience further disruption to our ability to operate our production facilities or distribution operations as a result of regulatory restrictions, safety protocols, social distancing requirements and heightened sanitation measures. In addition, although at this time we have not experienced any material disruption to our supply chain, we may experience delays in deliveries of key supplies or disruptions to our distribution operations. Any sustained interruption in our operations or our business partners’ operations, distribution network or supply chain, or any significant continuous shortage of raw materials or other supplies could impact our ability to make, manufacture, distribute or sell our products or may result in an increase in our costs of production and distribution.
- Sales of our products in the on-premise channel have been significantly impacted by the implementation of social distancing and lockdown measures in most of our markets, including the closure of bars, clubs and restaurants and restrictions on sporting events, music festivals and similar events. Although sales in the on-premise channel have begun to improve as a result of the easing of social distancing and lockdown measures in many of these markets, such improvements may be impacted by the implementation of restrictions in certain markets. Any future outbreak or recurrence of COVID-19 cases in other markets that are currently in the process of easing social distancing and lock down measures may similarly result in the re-implementation of such measures and a further negative impact on our sales. Furthermore, if the COVID-19 pandemic intensifies and expands geographically or in duration, its negative impacts on our sales could be more prolonged and may become more severe. While we have experienced increased sales in the off-premise channel in certain markets since the outbreak, such increased volumes may not continue in the longer term and may not offset the pressure we are experiencing in the on-premise channel.
- Consumption of beer and other alcohol and non-alcohol beverages in many of the jurisdictions in which we operate is closely linked to general economic conditions, with levels of consumption tending to rise during periods of rising per capita income and fall during periods of declining per capita income. Deteriorating economic and political conditions in many of our major markets affected by the COVID-19 pandemic, such as increased unemployment, decreases in disposable income, declines in consumer confidence, or economic slowdowns or recessions, could cause a further decrease in demand for our products. Furthermore, even as governmental restrictions are lifted and economies gradually reopen in many of our major markets, the ongoing economic impacts and health concerns associated with the COVID-19 pandemic may continue to affect consumer behavior, spending levels and consumption preferences





- The impact of the COVID-19 pandemic on global economic conditions has impacted and may continue to impact the proper functioning of financial and capital markets, as well as foreign currency exchange rates, commodity and energy prices and interest rates. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access, or costs of, capital or borrowings, our business, our liquidity, our net debt to EBITDA ratio, credit ratings, results of operations and financial condition.
- Compliance with governmental measures imposed in response to the COVID-19 pandemic has caused and may continue to cause us to incur additional costs, and any inability to comply with such measures can subject us to restrictions on our business activities, fines, and other penalties, any of which can adversely affect our business. In addition, responses to the COVID-19 pandemic may result in both short-term and long-term changes to fiscal and tax policies in impacted jurisdictions, including increases in tax rates.

Any of the negative impacts of the COVID-19 pandemic, including those described above, alone or in combination with others, may have a material adverse effect on our results of operations, financial condition and cash flows. The full extent to which the COVID-19 pandemic will negatively affect our business, financial condition, cash flows and operating results will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

***We are exposed to the risks of an economic recession, credit and capital markets volatility and economic and financial crisis (including as a result of the COVID-19 pandemic), which could adversely affect the demand for our products and adversely affect the market price of our Ordinary Shares and ADSs.***

We are exposed to the risk of a global recession or a recession in one or more of our key markets, credit and capital markets volatility and an economic or financial crisis, or otherwise, which could result in reduced consumption or sales prices of our products, which in turn could result in lower revenue and reduced profit. Our financial condition and results of operations, as well as our future prospects, would likely be hindered by an economic downturn in any of our key markets.

Consumption of beer and other alcohol and non-alcohol beverages in many of the jurisdictions in which we operate is closely linked to general economic conditions, with levels of consumption tending to rise during periods of rising per capita income and fall during periods of declining per capita income. Additionally, per capita consumption is inversely related to the sale price of our products.

Besides moving in concert with changes in per capita income, beer and other alcoholic beverage consumption also increases or decreases in accordance with changes in disposable income.

Currently, disposable income is low in many of the developing countries in which we operate compared to disposable income in more developed countries. Any decrease in disposable income resulting from an increase in inflation, income taxes, the cost of living, unemployment levels, political or economic instability or other factors would likely adversely affect the demand for beer. Moreover, because a relevant portion of our brand portfolio consists of premium and core beers, our volumes and revenue may be impacted to a greater degree than those of some of our competitors, as some consumers may choose to purchase value or discount brands rather than premium or core brands. For additional information on the categorization of the beer market and our positioning, see “Item 4. Information on the Company—B. Business Overview—2. Principal Activities and Products—Beer.”



Capital and credit market volatility, such as that experienced in recent years, may result in downward pressure on stock prices and the credit capacity of issuers. Potential changes in social, political, regulatory and economic conditions in the U.S. and the European Union, including as a result of the United Kingdom's exit from the European Union and changes in policies governing foreign trade and imports, may be significant drivers of capital and credit market volatility. The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition, and on the market price of our Ordinary Shares and our ADSs.

***Fluctuations in foreign currency exchange rates may lead to volatility in our results of operations.***

Although we report our consolidated results in U.S. dollars, in 2020, we derived 68.1% of our revenue from operating companies that have non-U.S. dollar functional currencies (in most cases, in the local currency of the respective operating company). Consequently, any change in exchange rates between our operating companies' functional currencies and the U.S. dollar will affect our consolidated income statement and balance sheet when the results of those operating companies are translated into U.S. dollars for our reporting purposes, as we cannot hedge against translational exposures. Decreases in the value of our operating companies' functional currencies against the U.S. dollar will tend to reduce those operating companies' contributions in dollar terms to our financial condition and results of operations.

During 2020, several currencies, such as the Brazilian real, the Colombian peso, the Mexican peso, the Peruvian sol and the South African rand, depreciated against the U.S. dollar while the Euro strengthened against the U.S. dollar. Our total consolidated revenue was USD 46.9 billion for the year ended 31 December 2020, a decrease of USD 5.4 billion compared to the year ended 31 December 2019. The negative impact of unfavorable currency translation effects, including hyperinflation accounting impact, on our consolidated revenue in the year ended 31 December 2020 was USD 3.4 billion, primarily as a result of the impact of the currencies listed above.

Following the categorization of Argentina as a country with a three-year cumulative inflation rate greater than 100%, the country is considered as a hyperinflationary economy in accordance with IFRS rules (IAS 29 *Financial Reporting in Hyperinflationary Economies*), requiring us to restate the results of our operations for the years ended 31 December 2020 and 2019 in hyperinflationary economies for the change in the general purchasing power of the local currency, using official indices before converting the local amounts at the closing rate of the period. If the economic or political situation in Argentina further deteriorates, our Latin America South operations may be subject to restrictions under new Argentinean foreign exchange, export repatriation or expropriation regimes that could adversely affect our liquidity and operations, and our ability to access funds from Argentina. See "—We are exposed to developing market risks, including the risks of devaluation, nationalization and inflation" and "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Foreign Currency."

Significant changes in the value of foreign currencies relative to the U.S. dollar could adversely affect the amounts we record for our foreign assets, liabilities, revenues and expenses, and could have a negative effect on our results of operations and profitability. See "Item 5. Operating and Financial Review—E. Results of Operations—Year Ended 31 December 2020 Compared to the Year Ended 31 December 2019" for further details on the impact of currency translation effects on our results of operations.

In addition to currency translation risk, we incur currency transaction risks whenever one of our operating companies enters into transactions using currencies other than its respective functional currency, including purchase or sale transactions and the issuance or incurrence of debt. Although we have hedging policies in place to manage commodity price and foreign currency risks to protect our exposure to currencies other than our operating companies' functional currencies, there can be no assurance that such policies will be able to successfully hedge against the effects of such foreign exchange exposure.

Much of our debt is denominated in U.S. dollars, while a significant portion of our cash flows is denominated in currencies other than the U.S. dollar. From time to time we enter into financial instruments to mitigate currency risk, but these transactions and any other efforts taken to better match the effective currencies of our liabilities to our cash flows could result in increased costs. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments," note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, for further details on our approach to hedging commodity price and foreign currency risk.



*We may not be able to obtain the necessary funding for our future capital or refinancing needs and may face financial risks due to our level of debt, uncertain market conditions and as a result of the potential downgrading of our credit ratings.*

We may be required to raise additional funds for our future capital needs or to refinance our current indebtedness and future indebtedness through public or private financing, strategic relationships or other arrangements. There can be no assurance that the funding, if needed, will be available or provided on attractive terms.

Following the combination with SAB, the portion of our consolidated balance sheet represented by debt is significantly higher as compared to our historical position and we expect it to remain so for some time. To fund the combination with SAB, we entered into, among others, the following transactions:

- in January 2016, our subsidiary Anheuser-Busch InBev Finance Inc. (“**ABIFI**”) issued bonds in debt capital markets offerings resulting in aggregate net proceeds of approximately USD 47.0 billion; and
- in March 2016, we issued bonds in a debt capital markets offering under our Euro Medium-Term Notes Programme (“**EMTN Programme**”) resulting in aggregate net proceeds of approximately EUR 13.1 billion.

Since the combination with SAB we have undertaken further debt issuance and debt liability management exercises; see “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Funding Sources—Borrowings” for more information on our financing activities.

Our continued increased level of debt could have significant consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities or to otherwise realize the value of our assets and opportunities fully;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- impairing our ability to obtain additional financing in the future, or requiring us to obtain financing involving restrictive covenants;
- requiring us to issue additional equity (possibly under unfavorable conditions), which could dilute our existing shareholders’ equity; and
- placing us at a competitive disadvantage compared to our competitors that have less debt.

In addition, ratings agencies may downgrade our credit ratings below their current levels, including as a result of the incurrence of financial indebtedness related to the combination with SAB. In October 2018, Moody’s Investors Service placed AB InBev’s A3 senior unsecured ratings on review to downgrade, citing downward rating pressure due to high financial leverage and our slow path to deleveraging following the October 2016 acquisition of SAB. In December 2018, Moody’s Investors Service concluded its ratings review and assigned a definitive rating of Baa1 (stable outlook) to AB InBev’s long-term debt obligations. As of the date of this Form 20-F, our credit rating from Standard & Poor’s (“**S&P**”) Global Ratings was BBB+ for long-term obligations and A-2 for short-term obligations, with a negative outlook, and our credit rating from Moody’s Investors Service was Baa1 for long-term obligations and P-2 for short-term obligations, with a stable outlook. Any credit rating downgrade could materially adversely affect our ability to finance our ongoing operations and our ability to refinance the debt incurred to fund the combination with SAB, including by increasing our cost of borrowing and significantly harming our financial condition, results of operations and profitability, including our ability to refinance our other existing indebtedness.



In recent years, we have given priority, among other things, to deleveraging, with surplus free cash flow being used to reduce the level of outstanding debt. In light of the increased debt we assumed in connection with the combination with SAB, deleveraging remains a priority and may restrict the amount of dividends we are able to pay.

Our ability to repay and renegotiate our outstanding indebtedness will depend upon market conditions. In recent years, the global credit markets experienced significant price volatility, dislocations and liquidity disruptions that caused the cost of debt financings to fluctuate considerably. The markets also put downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength.

Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors reduced and, in some cases, ceased to provide funding to borrowers. If such uncertain conditions persist, our costs could increase beyond what is anticipated. Such costs could have a material adverse impact on our cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of our debt obligations when they become due, or more generally a failure to raise additional equity capital or debt financing or to realize proceeds from asset sales when needed, would have a material adverse effect on our financial condition and results of operations.

***Our results could be negatively affected by increasing interest rates or by the future discontinuance of certain interest rate benchmarks.***

We use issuances of debt and bank borrowings as a source of funding and we carry a significant level of debt. Nevertheless, pursuant to our capital structure policy, we aim to optimize shareholder value through cash flow distribution to us from our subsidiaries, while maintaining an investment-grade rating and minimizing cash and investments with a return below our weighted average cost of capital. There can be no assurance that we will be able to pursue a similar capital structure policy in the future.

Some of the debt we have issued or incurred was issued or incurred at variable interest rates, which exposes us to changes in such interest rates. As of 31 December 2020, after certain hedging and fair value adjustments, USD 6.5 billion, or 6.6%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate, while USD 92.1 billion, or 93.4%, bore a fixed interest rate. Moreover, a significant part of our external debt is denominated in non-U.S. dollar currencies, including the Brazilian real, the Canadian dollar, the euro, the pound sterling and the South Korean won. Although we enter into interest rate swap agreements to manage our interest rate risk, and also enter into cross-currency interest rate swap agreements to manage both our foreign currency risk and interest-rate risk on interest-bearing financial liabilities, there can be no assurance that such instruments will be successful in reducing the risks inherent in exposures to interest rate fluctuations. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments," note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for further details on our approach, currency and interest rate risk.

In addition, our variable rate indebtedness and interest rate swap agreements may use the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR"), or other benchmarks as a reference for establishing the interest rate. The United Kingdom Financial Conduct Authority ("FCA") has confirmed the end of 2021 deadline for transitioning away from LIBOR for most currencies. The FCA has announced that one week and two month USD LIBOR settings will cease by the end of 2021 and the remaining USD LIBOR settings will cease by the end of June 2023. Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR and EURIBOR. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of our benchmark-linked securities, and may result in other consequences such as market volatility or disruption and an increase in the cost of our variable rate indebtedness.



*The ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations.*

To a large extent, we are organized as a holding company and our operations are carried out through subsidiaries. Our domestic and foreign subsidiaries' and affiliated companies' ability to upstream or distribute cash (to be used, among other things, to meet our financial obligations) through dividends, intercompany advances, management fees and other payments is, to a large extent, dependent on the availability of cash flows at the level of such domestic and foreign subsidiaries and affiliated companies, and may be restricted by applicable laws and accounting principles. In particular, 24.3% (USD 11.4 billion) of our total revenue of USD 46.9 billion in 2020 came from our Brazilian listed subsidiary, Ambev, which is not wholly owned and is listed on the São Paulo Stock Exchange and the New York Stock Exchange. Furthermore, 11.9% (USD 5.6 billion) of our total revenue of USD 46.9 billion in 2020 came from our Asia Pacific listed subsidiary, Budweiser Brewing Company APAC Limited ("Budweiser APAC"), which, since September 2019, is not wholly owned and is listed on the Hong Kong Stock Exchange. In addition to the above, some of our subsidiaries are subject to laws restricting their ability to pay dividends or the amount of dividends they may pay. If we are not able to obtain sufficient cash flows from our domestic and foreign subsidiaries and affiliated companies, this could adversely impact our ability to pay dividends, and otherwise negatively impact our business, results of operations and financial condition. See "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Transfers from Subsidiaries" for further information in this respect.

## 2. Risks relating to our business activities and industry

*Changes in the availability or price of raw materials, commodities, energy and water, including as a result of unexpected increases in tariffs on such raw materials and commodities, like aluminum, could have an adverse effect on our results of operations.*

A significant portion of our operating expenses is related to raw materials and commodities, such as malted barley, wheat, corn grits, corn syrup, rice, hops, yeast, flavored concentrate, fruit concentrate, sugar, sweetener, water, glass, polyethylene terephthalate ("PET") and aluminum bottles, aluminum or steel cans and kegs, aluminum can stock, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

The supply and price of raw materials and commodities used for the production of our products can be affected by a number of factors beyond our control, including the level of crop production around the world, export demand, quality and availability of supply, speculative movements in the raw materials or commodities markets, currency fluctuations, governmental regulations and legislation affecting agriculture, trade agreements among producing and consuming nations, adverse weather conditions, natural disasters, economic factors affecting growth decisions, political developments, various plant diseases and pests.

We cannot predict future availability or prices of the raw materials or commodities required for our products. The markets in certain raw materials or commodities have experienced and may in the future experience shortages and significant price fluctuations, including as a result of unexpected increases in tariffs on such raw materials and commodities like aluminum. The foregoing may affect the price and availability of ingredients that we use to manufacture our products, as well as the cans and bottles in which our products are packaged. We may not be able to increase our prices to offset these increased costs or increase our prices without suffering reduced volume, revenue and operating income. To some extent, derivative financial instruments and the terms of supply agreements can protect against increases in materials and commodities costs in the short term. However, derivatives and supply agreements expire and upon expiry are subject to renegotiation and therefore cannot provide complete protection over the medium or longer term. To the extent we fail to adequately manage the risks inherent in such volatility, including if our hedging and derivative arrangements do not effectively or completely hedge against changes in commodity prices, our results of operations may be adversely impacted. In addition, it is possible that the hedging and derivative instruments we use to establish the purchase price for commodities in advance of the time of delivery may lock us into prices that are ultimately higher than actual market prices at the time of delivery. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments" for further details on our approach to hedging commodity price risk.



The production and distribution of our products require material amounts of energy, including the consumption of oil-based products, natural gas, biomass, coal and electricity. Energy prices have been subject to significant price volatility in the recent past and may be again in the future. High energy prices over an extended period of time, as well as changes in energy taxation and regulation in certain geographies, may result in a negative effect on operating income and could potentially challenge our profitability in certain markets. There is no guarantee that we will be able to pass along increased energy costs to our customers in every case.

The production of our products also requires large amounts of water, including water consumption in the agricultural supply chain. Changes in precipitation patterns and the frequency of extreme weather events may affect our water supply and, as a result, our physical operations. Water may also be subject to price increases in certain areas and changes in water taxation and regulation in certain geographies may result in a negative effect on operating income which could potentially challenge our profitability in certain markets. There is no guarantee that we will be able to pass along increased water costs to our customers in every case. See “—Climate change or other environmental concerns, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect our business or operations, including the availability of key production inputs.”

***Certain of our operations depend on independent distributors or wholesalers to sell our products, and we may be unable to replace distributors or acquire interests in wholesalers or distributors. In addition, we may be adversely impacted by the consolidation of retailers.***

Certain of our operations are dependent on effective distribution networks to deliver our products to consumers, and distributors play an important role in distributing a significant proportion of beer and other beverages. Generally, distributors purchase our products from us and then on-sell them either to other distributors or points of sale. Such distributors are either government-controlled or privately owned but independent wholesale distributors for distribution of our products. See “Item 4. Information on the Company—B. Business Overview—7. Distribution of Products” and “Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business” for further information in this respect. There can be no assurance as to the financial affairs of such distributors or that these distributors, who often act both for us and our competitors, will not give our competitors’ products higher priority, thereby reducing their efforts to sell our products.

In the United States, for instance, we sell the vast majority of our beer to independent wholesalers for distribution to retailers and ultimately consumers. As independent companies, wholesalers make their own business decisions that may not always align themselves with our interests. If our wholesalers do not effectively distribute our products, our financial results could be adversely affected.

In addition, contractual restrictions and the regulatory environment of many markets may make it very difficult to change distributors and, in some markets, we may be prevented from acquiring interests in wholesalers or distributors (for example, see “—Our failure to satisfy our obligations under the SAB settlement agreement could adversely affect our financial condition and results of operations.”). In certain cases, poor performance by a distributor or wholesaler is not a sufficient reason for replacement. Such distributors could engage in practices that harm our reputation as consumers look to us for the quality and availability of our products. Our consequent inability to replace unproductive or inefficient distributors could adversely impact our business, results of operations and financial condition.

Moreover, the retail industry, particularly in Europe, North America and other countries in which we operate, continues to consolidate, resulting in larger retailers with increased purchasing power, which may affect our competitiveness in these markets. Larger retailers may seek to improve their profitability and sales by asking for lower prices or increased trade spending. The efforts of retailers could result in reduced profitability for the beer industry as a whole and indirectly adversely affect our financial results.

***We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties could negatively affect our business.***

We rely on third-party suppliers for a range of raw materials for our beer and non-beer products, such as malted barley, corn grits, corn syrup, rice, hops, yeast, water, flavored concentrate, fruit concentrate, sugar and sweeteners, and for packaging material, such as glass, PET and aluminum bottles, aluminum or steel cans and kegs, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.





We seek to limit our exposure to market fluctuations in the supply of these raw materials by entering into medium- and long-term fixed-price arrangements. We have a limited number of suppliers of aluminum cans and glass bottles. Consolidation of the aluminum can industry and glass bottle industry in certain markets in which we operate has reduced local supply alternatives and increased the risk of disruption to aluminum can and glass bottle supplies. Although we generally have other suppliers of raw materials and packaging materials, the termination of or any material change to arrangements with certain key suppliers, disagreements with suppliers as to payment or other terms, or the failure of a key supplier to meet the contractual obligations it owes to us or otherwise deliver materials consistent with current usage would or may require us to make purchases from alternative suppliers, in each case at potentially higher prices or lower quality than those agreed with that supplier. Additionally, we may be subject to potential reputational damage if one of our suppliers violates applicable laws or regulations or our internal policies, or fails to meet certain quality standards. These factors could have a material impact on our production, distribution and sale of beer, other alcoholic beverages and soft drinks and have a material adverse effect on our business, results of operations, cash flows or financial condition.

A number of our key brand names are both licensed to third-party brewers and used by companies over which we do not have control. See “Item 4. Information on the Company—B. Business Overview—8. Licensing.” If we are unable to maintain such arrangements on favorable terms, this could have a material adverse effect on our business, results of operations, cash flows or financial condition.

We monitor brewing quality to ensure our high standards, but, to the extent that one of these key licensed brand names is subject to negative publicity, it could have a material adverse effect on our business, results of operations, cash flows or financial condition.

For certain packaging supplies and raw materials, we rely on a small number of important suppliers. In addition, certain of our subsidiaries may purchase nearly all of their key packaging materials from sole suppliers under multi-year contracts. The loss of or temporary discontinuity of supply from any of these suppliers without sufficient time to develop an alternative source could cause us to spend increased amounts on such supplies in the future. If these suppliers became unable to continue to meet our requirements, and we are unable to develop alternative sources of supply, our operations and financial results could be adversely affected.

### **3. Risks relating to our corporate structure, acquisitions and investments**

#### ***We may be unable to influence our associates in which we have minority investments.***

A portion of our global portfolio consists of associates in new or developing markets, including investments where we may have a lesser degree of control over the business operations. For example, through our investment in the beverage operations of Société des Brasseries et Glacières Internationales and B.I.H. Brasseries Internationales Holding Limited, we have exposure to a number of countries in Africa; through our investment in Anadolu Efes, we have exposure to Turkey and countries in the Commonwealth of Independent States; and through our investment in AB InBev Efes, we have exposure to Russia and Ukraine.

We face several challenges inherent to these various culturally and geographically diverse business interests. Although we work with our associates on the implementation of appropriate processes and controls, we also face additional risks and uncertainties with respect to these minority investments because we may be dependent on systems, controls and personnel that are not under our control, such as the risk that our associates may violate applicable laws and regulations, which could have an adverse effect on our business, reputation, results of operations and financial condition. For more information, see “—If we do not successfully comply with applicable anti-corruption laws, export control regulations and trade restrictions, we could become subject to fines, penalties or other regulatory sanctions, as well as to adverse press coverage, which could cause our reputation, our sales or our profitability to suffer.”



*We may have a conflict of interest with our majority-owned subsidiaries and we may not be able to resolve such conflict on terms favorable to us.*

Conflicts of interest may arise between us and certain of our subsidiaries in various situations due to our status as parent company of such majority-owned subsidiaries and interests that may differ from ours. Notwithstanding policies and procedures to address the possibility of such conflicts of interest, we may not be able to resolve all such conflicts on terms favorable to us.

We have entered into various agreements with our subsidiaries. Notwithstanding the influence that we have over such subsidiaries, we may not be able to use it to prevent them from bringing a legal claim against us in the event of a contractual breach. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Additionally, certain of our directors and/or our senior management may also be managers or senior officers in certain of our subsidiaries. Since our interests and the ones of the relevant subsidiaries are not necessarily always the same or wholly aligned, such dual mandates and other relationships with our subsidiaries or related parties may in the future result in conflicts of interest.

*We may be unsuccessful in identifying suitable acquisition targets or business partners or implementing our acquisitions, divestitures, investments, joint ventures or alliances, which may negatively impact our growth strategy.*

In the past, we have made acquisitions of, investments in and joint ventures and similar arrangements with other companies and businesses. Much of our growth in recent years is attributable to such transactions, including the combination with SAB in 2016, the combination of AB InBev and Grupo Modelo in 2013, the combination of InBev and Anheuser-Busch Companies in 2008 and the combination of Interbrew S.A. and Ambev in 2004.

We will need to identify suitable acquisition targets and agree on the terms with them if we are to make further acquisitions. Our size, contractual limitations to which we are subject and our position in the markets in which we operate may make it harder to identify suitable targets, including because it may be harder for us to obtain regulatory approval for future transactions. If appropriate opportunities do become available, we may seek to acquire or invest in other businesses; however, any future acquisition may pose regulatory, antitrust and other risks.

On 1 June 2020, we completed the sale of our Australia business (Carlton & United Breweries) to Asahi for AUD 16.0 billion, resulting in net proceeds of USD 10.8 billion.

In addition, after completion of any transaction in the future, we would be required to integrate the acquired companies, businesses or operations into our existing operations. There is a risk that such integration will not be successful or will involve greater costs or result in fewer synergies than expected. Such transactions may also involve the assumption of certain actual or potential, known or unknown liabilities, which may have a potential impact on our financial risk profile. These risks and limitations may limit our ability to implement our global strategy and our ability to achieve or maintain future business growth.

*An inability to reduce costs could affect our profitability.*

Our future success and earnings growth depend in part on our ability to be efficient in producing, advertising and selling our products and services. A number of our subsidiaries are in the process of executing cost-saving and efficiency programs and we are pursuing a number of initiatives to improve operational efficiency.

We are party to an agreement with Altria Group, Inc. (“**Altria**”), pursuant to which we provide assistance and cooperation to and give certain representations, indemnities and undertakings to Altria in relation to certain matters relevant to Altria under U.S. tax legislation (as amended from time to time, the “**Tax Matters Agreement**”). This agreement imposes some limits on our ability to effect certain reorganizations we might otherwise consider. See “Item 10. Additional Information—C. Material Contracts—Material Contracts Related to the Acquisition of SAB—Tax Matters Agreement” for more information.





If we fail for any reason to successfully complete our cost-saving measures and programs as planned or to derive the expected benefits from these measures and programs, there is a risk of increased costs associated with these efforts, delays in benefit realization, disruption to the business, reputational damage or a reduced competitive advantage in the medium term. Failure to generate significant cost savings and margin improvement through these initiatives could adversely affect our profitability and our ability to achieve our financial goals.

***Our failure to satisfy our obligations under the SAB settlement agreement could adversely affect our financial condition and results of operations.***

We entered into a consent decree with the U.S. Department of Justice in relation to the combination with SAB on 20 July 2016. As part of this consent decree, we agreed, among other things, (i) not to acquire control of a distributor if doing so would result in more than 10% of our U.S. annual volume being distributed through majority-owned distributorships in the U.S. and (ii) to notify the U.S. Department of Justice at least 30 days prior to the consummation of any acquisition of a beer brewer, importer, distributor or brand owner deriving more than USD 7.5 million in annual gross revenue from beer sold for further resale in the United States or from license fees generated by such sales, subject to certain exceptions. The consent decree was approved and entered by the U.S. federal district court in the District of Columbia on 22 October 2018. Unless the court grants an extension, the consent decree will expire on 20 July 2026 (ten (10) years after the U.S. Department of Justice filed its complaint); however, the consent decree may be terminated at any time after 22 October 2023 upon notice by the U.S. Department of Justice to the court that continuation of the consent decree is no longer necessary or in the public interest. Our compliance with our obligations under the settlement agreement is monitored by the U.S. Department of Justice and the Monitoring Trustee appointed by it. Were we to fail to fulfill our obligations under the settlement, whether intentionally or inadvertently, we could be subject to monetary fines or other penalties. Our obligations under the settlement agreement may also adversely impact our U.S. operations.

In other jurisdictions, we were required to make certain divestitures and to fulfill a number of other commitments as a condition to receiving regulatory clearance for the combination with SAB, and we are now in the process of fulfilling these commitments. For more information on commitments related to the combination with SAB, see “—We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws. In addition, in connection with our previous acquisitions, various regulatory authorities have previously imposed conditions with which we are required to comply.”

#### **4. Market Risks**

***We are exposed to developing market risks, including the risks of devaluation, nationalization and inflation.***

A substantial proportion of our operations are carried out in developing markets, representing approximately 55.2% of our 2020 revenue, which include Argentina, Bolivia, Brazil, China, Colombia, Dominican Republic, Ecuador, El Salvador, Honduras, India, Mexico, Mozambique, Nigeria, Panama, Paraguay, Peru, South Africa, Tanzania, Uganda, Vietnam and Zambia.

Our operations in these markets and equity investments in developing markets are subject to the customary risks of operating in developing countries, which include political instability or insurrection, human rights concerns, external interference, financial risks, changes in government policy, political and economic changes, changes in the relations between countries, actions of governmental authorities affecting trade and foreign investment, regulations on repatriation of funds, interpretation and application of local laws and regulations, enforceability of intellectual property and contract rights, local labor conditions and regulations, lack of upkeep of public infrastructure, potential political and economic uncertainty, application of exchange controls, nationalization or expropriation, empowerment legislation and policy, corrupt business environments, crime and lack of law enforcement. Such factors could affect our results by causing interruptions to our operations or by increasing the costs of operating in those countries or by limiting our ability to repatriate profits from those countries. The financial risks of operating in developing markets also include risks of illiquidity, inflation (for example, Brazil and Argentina have periodically experienced extremely high rates of inflation), devaluation (see “—Fluctuations in foreign currency exchange rates may lead to volatility in our results of operations.”) (for example, the Brazilian, Argentine, Colombian, Peruvian, Turkish and several African currencies have been devalued frequently during the last several decades), price volatility, currency convertibility and country default.



Continued deterioration of the Argentine economy, or new foreign exchange, export repatriation or expropriation regimes could adversely affect our liquidity and ability to access funds from Argentina, our financial condition and operating results. Further devaluations of the Argentine peso (or the functional currencies of other of our operations) in the future, if any, may also decrease our net assets in Argentina (and other of our operations), with a balancing entry in our equity. For further discussion of the risks imposed by hyperinflation in Argentina, see “—Fluctuations in foreign currency exchange rates may lead to volatility in our results of operations.”

These various factors could adversely impact our business, results of operations and financial condition. Moreover, the economies of developing countries are often affected by developments in other developing market countries and, accordingly, adverse changes in developing markets elsewhere in the world could have a negative impact on the markets in which we operate. For example, any adverse economic developments in China may have a significant impact on economies elsewhere in the world. Due to our geographic mix, these factors could affect us more than our competitors with less exposure to developing markets, and any general decline in developing markets as a whole could impact us disproportionately compared to our competitors.

***Competition and changing consumer preferences could lead to a reduction in our margins, increase costs and adversely affect our profitability.***

We compete with both brewers and other drinks companies and our products compete with other beverages. Globally, brewers, as well as other players in the beverage industry, compete mainly on the basis of brand image, price, quality, distribution networks and customer service. Consolidation has significantly increased the capital base and geographic reach of our competitors in some of the markets in which we operate, and competition is expected to increase further as the trend towards consolidation among companies in the beverage industry continues.

Concurrently, competition in the beverage industry is expanding and the market is becoming more fragmented, complex and sophisticated as consumer preferences and tastes change. Such preferences can change rapidly and in unpredictable ways due to a variety of factors, including changes in prevailing economic conditions, changing social trends and attitudes regarding alcoholic beverages, changes in leisure activity patterns or negative publicity resulting from regulatory action or litigation against us or comparable companies. Furthermore, developments in the regulatory frameworks governing the usage of cannabis could result in shifts in consumer preference and the impact that cannabis legalization could have on alcohol sales remains unclear.

Competition with brewers and producers of alternative beverages in our various markets and an increase in the purchasing power of players in our distribution channels could cause us to reduce pricing, increase capital investment, increase marketing and other expenditures and/or prevent us from increasing prices to recover higher costs, thereby causing us to reduce margins or lose market share. Further, we may not be able to anticipate or respond adequately either to changes in consumer preferences and tastes or to developments in new forms of media and marketing. Innovation faces inherent risks, and the new products we introduce may not be successful, while competitors may be able to respond more quickly than we can to emerging trends, such as the increasing consumer preference for “craft beers” produced by microbreweries and the growth of the hard seltzer category. In recent years, many industries have seen disruption from non-traditional producers and distributors, in many cases, from digital-only competitors. Our business could be negatively affected if we are unable to anticipate changing consumer preference for such platforms.

**5. Legal and Regulatory Risks**

***If any of our products is defective or found to contain contaminants, we may be subject to product recalls or other associated liabilities.***

Despite the precautions we take, in the event that any failure to comply with accepted food safety and regulatory standards (such as a contamination or a defect) does occur in the future, it may lead to business interruptions, product recalls or liability, each of which could have an adverse effect on our business, reputation, prospects, financial condition and results of operations.



Although we maintain insurance against certain product liability (but not product recall) risks, we may not be able to enforce our rights in respect of these policies, and, in the event that contamination or a defect occurs, any amounts that we recover may not be sufficient to offset any damage we may suffer, which could adversely impact our business, results of operations and financial condition.

***Negative publicity, perceived health risks, failure to provide safe working environments and associated government regulation may harm our business.***

In recent years, there has been public and political attention directed at the soft drinks and alcoholic beverage industries. This attention is the result of a rising health and well-being trend.

The global policy framework shaping the regulatory space for our products has evolved, and will likely continue to evolve, and the expectations of our stakeholders will continue to increase. We welcome the opportunity to reduce the harmful use of alcohol. Despite the progress made on our Smart Drinking Goals, we may be criticized and experience an increase in the number of publications and studies debating our efforts to reduce the harmful consumption of alcohol, as advocates try to shape the public discussions.

We may also be subject to laws and regulations aimed at reducing the affordability or availability of beer in some of our markets. Additional regulatory restrictions on our business, such as those on the legal minimum drinking age, product labeling, opening hours or marketing activities (including the marketing or selling of beer at sporting events), may cause the social acceptability of beer to decline significantly and consumption trends to shift away from it, which would have a material adverse effect on our business, financial condition and results of operations.

Negative publicity and campaigns by activists, whether or not warranted, connecting us, our supply chain or our business partners with workplace and human rights issues, whether actual or perceived, could adversely impact our corporate image and reputation and may cause our business to suffer. We have adopted policies making a number of commitments to respect human rights, including our commitment to the principles and guidance contained in the UN Guiding Principles on Business and Human Rights. Allegations, even if untrue, that we are not respecting our commitments or actual or perceived failure by our suppliers or other business partners to comply with applicable workplace and labor laws, including child labor laws, or their actual or perceived abuse or misuse of migrant workers could negatively affect our overall reputation and corporate brand image. Our operations in developing and growth markets subject us to a greater risk of negative publicity arising from environmental issues, labor rights and local work conditions.

Moreover, key brand names are used by us, our subsidiaries, associates and joint ventures, and are licensed to third-party brewers. To the extent we or one of our subsidiaries, associates, joint ventures or licensees are subject to negative publicity, and the negative publicity causes consumers and customers to change their purchasing patterns, it could have a material adverse effect on our business, results of operations, cash flows or financial condition. Negative publicity that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business, which could adversely impact our business, results of operations, cash flows and financial condition.

***We could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern our operations.***

Our business is highly regulated in many of the countries in which we or our licensed third parties operate. The regulations adopted by the authorities in these countries govern many parts of our operations, including brewing, marketing and advertising (in particular to ensure our advertising is directed to individuals of legal drinking age), consumer promotions and rebates, environmental protection, workplace safety, transportation, distributor relationships, retail execution, sales and data privacy. We may be subject to claims that we have not complied with existing laws and regulations, which could result in fines and penalties or loss of operating licenses, which may have a material adverse impact on our ability to operate our businesses in these markets.



We are also routinely subject to new or modified laws and regulations with which we must comply in order to avoid claims, fines and other penalties, which could adversely impact our business, results of operations and financial condition. Breach of any of these laws or regulations can lead to significant fines and/or damage to our reputation, as well as significantly restrict our ability to deliver on our digital productivity and growth plans.

We may also be subject to laws and regulations aimed at reducing the availability of beer and other alcoholic beverage products in some of our markets to address alcohol abuse and other social issues. See “—Negative publicity, perceived health risks, failure to provide safe working environments and associated government regulation may harm our business.” There can be no assurance that we will not incur material costs or liabilities in connection with compliance with applicable regulatory requirements, or that such regulation will not interfere with our beer, other alcoholic beverage and soft drinks businesses.

Furthermore, the partnership between Labatt Breweries of Canada (“**Labatt**”), the Canadian subsidiary of our subsidiary Ambev, and Tilray Inc. (“**Tilray**”) to research non-alcohol beverages containing tetrahydrocannabinol (“**THC**”) and cannabidiol (“**CBD**”), both derived from cannabis, and also to commercialize a non-alcohol CBD beverage in Canada only, could lead to increased legal, reputational and financial risks, as the laws and regulations governing recreational cannabis are still developing, including in ways that we may not foresee. For instance, the involvement in the legal cannabis industry in Canada may invite new regulatory and enforcement scrutiny in other markets. Cannabis remains illegal in many markets in which we operate, and violations of law could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings or criminal charges. Furthermore, the political environment and popular support for cannabis legalization is changing quickly and remains in flux.

For further detail regarding common regulations and restrictions on us, see “Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business” and “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Governmental Regulations.”

***We are exposed to the risk of litigation, claims and disputes, which may cause us to pay significant damage awards and incur other costs.***

We are now and may in the future be party to legal proceedings and claims and significant damages may be asserted against us. See “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings” and “Item 5. Operating and Financial Review—H. Contractual Obligations and Contingencies—Contingencies” and note 32 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, for a description of certain material contingencies which we believe are reasonably possible (but not probable) to be realized. Given the inherent uncertainty of litigation, it is possible that we might incur liabilities as a consequence of the proceedings and claims brought against us, including those that are not currently believed by us to be reasonably possible.

Moreover, companies in the alcoholic beverage industry and soft drink industry – including our operations – are, from time to time, exposed to collective suits (class actions) or other litigation relating to alcohol advertising, alcohol abuse problems or health consequences from the excessive consumption of beer, other alcohol beverages and soft drinks. As an illustration, we and certain other beer and other alcohol beverage producers from Brazil, Canada, Europe and the United States have been involved in class actions and other litigation seeking damages for, among other things, alleged marketing of alcohol beverages to underage consumers. If any of these types of litigation were to result in fines, damages or reputational damage to us or our brands, this could have a material adverse effect on our business, results of operations, cash flows or financial position. See “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings.”



***We may be subject to adverse changes in taxation and other tax-related risks.***

Taxation on our products in the countries in which we operate is comprised of different taxes specific to each jurisdiction, such as excise and other indirect taxes (such as value-added tax (“VAT”)). In many jurisdictions, these taxes make up a large proportion of the cost of beer charged to consumers. Increases in excise and other indirect taxes applicable to our products either on an absolute basis or relative to the levels applicable to other beverages tend to adversely affect our revenue or margins. These increases also adversely affect the affordability of our products and our profitability. In recent years, Brazil, South Africa, Singapore, Peru and Argentina, among others, increased beer excise taxes. Tax increases can result in significant price increases and have a significant impact on our sales of beer. See “—Negative publicity, perceived health risks, failure to provide safe working environments and associated government regulation may harm our business.”

In addition to excise taxes, additional charges may be levied in relation to tax stamps and other forms of fiscal marking. In the last year, we have seen a strong pressure to introduce costly and ineffective fiscal marking systems in several African markets. The cost of these marking schemes could adversely affect our businesses in the relevant countries (including their profitability).

In addition to excise and other indirect duties, we are subject to income and other taxes in the countries in which we operate. There can be no assurance that the operations of our breweries and other facilities will not become subject to increased taxation by local, national or foreign authorities or that we and our subsidiaries will not become subject to higher corporate income tax rates or to new or modified taxation regulations and requirements. For a discussion of the risk of increased tax rates as a result of the COVID-19 pandemic, please see “—Our business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the COVID-19 pandemic”.

For example, the work being carried out by the Organization for Economic Co-operation and Development (“OECD”) on base erosion and profit shifting and initiatives at the European Union level (including the anti-tax avoidance directive adopted by the Council of the European Union on 12 July 2016) as a response to increasing globalization of trade and business operations could result in changes in tax treaties, the introduction of new legislation, updates to existing legislation, or changes to regulatory interpretations of existing legislation, any of which could impose additional taxes on businesses. Furthermore, the U.S. tax reform legislation signed on 22 December 2017 (Public Law 115-97) (the “Tax Act”), known as the Tax Cuts and Jobs Act, brings major tax legislation changes into law. While the Tax Act reduces the statutory rate of U.S. federal corporate income tax to 21% and provides an exemption for certain dividends from 10%-owned foreign subsidiaries, the Tax Act expands the tax base by introducing further limitations on deductibility of interest, the imposition of a “base erosion and anti-abuse tax” and the imposition of minimum tax for “global intangible low-tax income,” among other changes which would adversely impact our results of operations. While significant regulations interpreting the changes made by the Tax Act have been implemented, additional guidance and regulations may be issued by U.S. tax authorities, and it is possible that future guidance could adversely impact us.

***We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws. In addition, in connection with our previous acquisitions, various regulatory authorities have previously imposed conditions with which we are required to comply.***

We are subject to antitrust and competition laws in the jurisdictions in which we operate. Consequently, we may be subject to regulatory scrutiny in certain of these jurisdictions. For instance, in June 2016, the European Commission announced an investigation into alleged abuse of a dominant position by us in Belgium, and on 13 May 2019 published a decision concluding that certain of our actions restricted competition. See “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings—Anheuser-Busch InBev SA/NV—Antitrust Matters” for more information. In addition, our Brazilian listed subsidiary, Ambev, has been subject to monitoring by antitrust authorities in Brazil. There can be no assurance that the introduction of new competition laws in the jurisdictions in which we operate, the interpretation of existing antitrust or competition laws, the enforcement of existing antitrust or competition laws by competent authorities or civil antitrust litigation by private parties, or any agreements with competent antitrust or competition authorities, against us or our subsidiaries, including Ambev, will not affect our business or the businesses of our subsidiaries in the future or have a financial impact.



In addition, divestitures and other commitments made in order to obtain regulatory approvals, or our failure to comply with such commitments, may have an adverse effect on our business, results of operations, financial condition and prospects. These or any conditions, remedies or changes also reduce the price we are able to obtain for such disposals or imposing additional costs on or limiting our revenues, any of which might have a material adverse effect on us and our results of operations.

***If we do not successfully comply with applicable anti-corruption laws, export control regulations and trade restrictions, we could become subject to fines, penalties or other regulatory sanctions, as well as to adverse press coverage, which could cause our reputation, our sales or our profitability to suffer.***

We operate our business and market our products in markets that, as a result of political, societal and economic instability, a lack of well-developed legal systems and potentially corrupt business environments, present us with political, economic and operational risks. Although we are committed to conducting business in a legal and ethical manner in compliance with local and international laws and regulations applicable to our business, there is a risk that management, employees or other representatives of our subsidiaries, affiliates, associates, joint ventures or other business interests may take actions that violate applicable anti-corruption laws and regulations, including applicable laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.S. Foreign Corrupt Practices Act (the “FCPA”), the U.K. Bribery Act and Brazilian Federal Law No. 12,846/13 (an anti-bribery statute that took effect in January 2014). Such actions could expose us to potential liability and the costs associated with investigating potential misconduct. In addition, any press coverage associated with misconduct under these laws and regulations, even if unwarranted or baseless, could damage our reputation and sales.

Additionally, in the ordinary course of business, we regularly contract and deal with business partners and consulting firms. Some of these third parties have been managed or controlled by former government officials. Because Brazilian authorities are conducting ongoing investigations that target certain firms and business partners that Ambev previously engaged, Ambev has been cited as clients in connection with such investigations.

In the third quarter of 2019, there were news reports regarding alleged leaks of statements about Ambev by a former consultant, Mr. Antonio Palocci, in a legal procedure to which Ambev subsequently had access. In this regard, we have not identified evidence supporting Mr. Palocci’s claims of illegal conduct by Ambev and remain committed to monitoring this matter.

As a global brewer, we also operate our business and market our products in countries that may be subject to export control regulations, embargoes, economic sanctions and other forms of trade restrictions imposed by the United States, the European Union, the United Nations and other participants in the international community. For example, we indirectly own, through AB InBev Efes, our combined company with Anadolu Efes, subsidiaries in Russia and Ukraine. We do not sell directly into the Crimea region but are aware that indirect shipments may occur. In addition, certain of our associates also operate their business and market their products in countries subject to trade restrictions. For example, Anadolu Efes has an indirect interest in a Syrian soft drinks bottler. Furthermore, our subsidiary Ambev operates a joint venture in Cuba with the Government of Cuba. See “—Our subsidiary Ambev operates a joint venture in Cuba, in which the Government of Cuba is its joint venture partner. Cuba remains subject to comprehensive economic and trade sanctions by the United States and Ambev’s operation in Cuba may adversely affect our reputation and the liquidity and value of our securities.”

New or expanded export control regulations, economic sanctions, embargoes or other forms of trade restrictions imposed on Syria, Cuba, Iran or other countries in which we or our associates do business may curtail our existing business and may result in serious economic challenges in these geographies, which could have a material adverse effect on our and our associates’ operations, and may result in impairment charges on goodwill or other intangible assets.





Additionally, the global reach of our operations exposes us to risks associated with doing business globally, including changes in tariffs. The Office of the United States Trade Representative has enacted tariffs on certain imports into the United States from China. Additionally, the U.S. federal government continues to signal that it may alter trade agreements and terms between China and the United States, including limiting trade with China, imposing additional tariffs on imports from China and potentially imposing other restrictions on exports from China to the United States. Consequently, it is possible that additional or higher tariffs will be imposed on products imported from foreign countries, including China, or that our business will be adversely impacted by retaliatory trade measures taken by China or other countries in response to existing or future tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade, which in turn could have a material adverse effect on our business in one or more of our key markets and results of operations.

***Our subsidiary Ambev operates a joint venture in Cuba, in which the Government of Cuba is its joint venture partner. Cuba remains subject to comprehensive economic and trade sanctions by the United States and Ambev’s operations in Cuba may adversely affect our reputation and the liquidity and value of our securities.***

A subsidiary of our subsidiary Ambev owns a 50% equity interest in Cervecería Bucanero S.A., a Cuban company in the business of producing and selling beer. Consequently, we indirectly own, through our subsidiary Ambev, a 50% equity interest in Cervecería Bucanero S.A. The other 50% equity interest is owned by the Government of Cuba. Cervecería Bucanero S.A. is operated as a joint venture in which Ambev appoints the general manager. Cervecería Bucanero S.A.’s main brands are Bucanero and Cristal, but it also imports and sells in Cuba other brands produced by certain of our non-U.S. subsidiaries. In 2020, Cervecería Bucanero S.A. sold 0.9 million hectoliters of beer, representing about 0.2% of our global volume of 531 million hectoliters for the year. Although Cervecería Bucanero S.A.’s production is primarily sold in Cuba, a small portion of its production is exported to and sold by certain distributors in other countries outside Cuba (but not in the United States).

In January 2021, the former Trump Administration identified Cuba as a state sponsor of terrorism. The U.S. Treasury Department’s Office of Foreign Assets Control and the U.S. Commerce Department together administer and enforce broad and comprehensive economic and trade sanctions based on U.S. foreign policy towards Cuba. Although our operations in Cuba through our subsidiary Ambev are quantitatively immaterial, our overall business reputation may suffer or we may face additional regulatory scrutiny as a result of our activities in Cuba based on the identification of Cuba as a target of U.S. economic and trade sanctions. In addition, Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (known as the “**Helms-Burton Act**”) authorizes private lawsuits for damages against anyone who traffics in property confiscated without compensation by the Government of Cuba from persons who at the time were, or have since become, nationals of the United States. Separately, Title IV of the Helms-Burton Act authorizes the U.S. Department of State to prohibit entry into the United States of non-U.S. persons who traffic in confiscated property, and corporate officers and principals of such persons, and their families. Although Title III of the Helms-Burton Act has been suspended by discretionary presidential action since its inception in 1996, on 2 May 2019, the former Trump Administration activated Title III of the Helms-Burton Act, thereby allowing nationals of the United States that hold claims under the Helms-Burton Act to file suit in U.S. federal court against all persons trafficking in property confiscated by the Cuban government. Since 2 May 2019, as a result of the activation of Title III of the Helms-Burton Act, we may be subject to potential U.S. litigation exposure, including claims accrued during the prior suspension of Title III of the Helms-Burton Act. Given the unprecedented activation of Title III of the Helms-Burton Act, there is substantial uncertainty as to how the statute will be interpreted by U.S. courts. In 2009, AB InBev received notice of a claim purporting to be made under the Helms- Burton Act relating to the use of a trademark by Cervecería Bucanero S.A., which is alleged to have been confiscated by the Cuban government and trafficked by AB InBev through its former ownership and management of Cervecería Bucanero S.A. It remains uncertain how the activation of Title III of the Helms-Burton Act will impact our U.S. litigation exposure with respect to this notice of claim.

***The audit report included in this annual report is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, you may be deprived of the benefits of such inspection.***

Auditors of companies that are registered with the U.S. Securities and Exchange Commission (the “**SEC**”) and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the U.S. Public Company Accounting Oversight Board (United States) (the “**PCAOB**”) and are required by the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards. Because our auditors are located in Belgium, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Belgian authorities, our auditors are not currently inspected by the PCAOB.



This lack of PCAOB inspections in Belgium prevents the PCAOB from regularly evaluating audits and quality-control procedures of any auditors operating in Belgium, including our auditors. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in Belgium makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality-control procedures as compared to auditors outside of Belgium that are subject to PCAOB inspections.

In addition, on 18 December 2020, the Holding Foreign Companies Accountable Act (the "HFCAA") was enacted in the United States, which, among other things, requires the U.S. Securities and Exchange Commission (the "SEC") to prohibit securities of any foreign companies from being listed on a U.S. securities exchange or over-the-counter market if such company retains a foreign accounting firm that cannot be inspected by the PCAOB for three consecutive years, beginning in 2021. The Board of Supervisors of Company Auditors (the "CTR") in Belgium has announced that it is in the process of negotiating a cooperation agreement with the PCAOB, which, once finalized, will enable the PCAOB to initiate joint inspections of Belgian accounting firms with the CTR. Signing of the cooperation agreement with the PCAOB is expected to take place in the first half of 2021, and is contingent upon the European Data Protection Board and Belgian Data Protection Authority's approval of certain data protection protocols contained in the agreement.

## 6. Brand and Intellectual Property Risks

*We rely on the reputation of our brands and our marketing efforts may be restricted by regulations.*

Our success depends on our ability to maintain and enhance the image and reputation of our existing products and to develop a favorable image and reputation for new products. The image and reputation of our products may be affected in the future and concerns about product quality, even when unfounded, could tarnish the image and reputation of our products. An event, or series of events, that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Restoring the image and reputation of our products may be costly and may not be possible.

Moreover, our marketing efforts are subject to restrictions on the permissible advertising style, media channels and messages used. In a number of countries, for example, television is a prohibited medium for advertising beer and other alcohol beverage products, and in other countries, television and other forms of advertising, while permitted, are carefully regulated by a number of advertising codes and applicable laws. Any additional restrictions in such countries, or the introduction of similar restrictions in other countries, may constrain our brand building potential and thus reduce the value of our brands and related revenues.

Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

*We may not be able to protect our intellectual property rights, and our ability to compete effectively may be harmed if our intellectual property rights are infringed by third parties.*

Our future success depends significantly on our ability to protect our current and future brands and products and to defend our intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how. We have been granted numerous trademark registrations and patents covering our brands and products and have filed, and expect to continue to file, trademark and patent applications seeking to protect newly developed brands and products. We cannot be sure that trademark and patent registrations will be issued with respect to any of our applications. There is also a risk that we could, by omission, fail to renew a trademark or patent on a timely basis or that our competitors will challenge, invalidate or circumvent any existing or future trademarks and patents issued to, or licensed by, us.





Although we have endeavored to take appropriate action to protect our portfolio of intellectual property rights (including patent applications, trademark registration, domain names and ongoing enforcement actions), we cannot be certain that the steps we have taken will be sufficient or that third parties will not infringe upon or misappropriate our proprietary rights. Moreover, some of the countries in which we operate offer less effective intellectual property protection than is available in Europe or the United States. If we are unable to protect our proprietary rights against infringement or misappropriation, it could have a material adverse effect on our business, results of operations, cash flows or financial condition and, in particular, on our ability to develop our business.

***An impairment of goodwill or other intangible assets would adversely affect our financial condition and results of operations.***

We have previously recognized significant goodwill on our balance sheet through acquisitions. For example, upon completion of the combination with SAB, we recognized USD 72.4 billion of incremental goodwill on our balance sheet.

Our accounting policy considers brands and distribution rights for our own products as intangible assets with indefinite useful lives, which are tested for impairment on an annual basis (or more often if an event or circumstance indicates that an impairment loss may have been incurred) and not amortized.

The COVID-19 pandemic resulted in a sharp contraction of sales during the second quarter of 2020 in many countries in which we operate, which was viewed as a triggering event for impairment testing. Consequently, we conducted an impairment test during the second quarter of 2020 for cash-generating units in Colombia, Rest of Middle Americas, South Africa, Rest of Africa and Rest of Asia Pacific. Based upon the results of the impairment test, under the worst case scenario ran with higher discount rates to factor the heightened business risk, we recorded an impairment of goodwill of USD 1.5 billion for the South Africa cash-generating unit and USD 1.0 billion for the Rest of Africa cash-generating unit applying a 30% probability of occurrence. For more information on the interim impairment test, please see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Goodwill Impairment.”

We did not recognize any additional impairment of goodwill based on the results of the annual impairment testing conducted in the fourth quarter of 2020. As of 31 December 2020, our total goodwill amounted to USD 121.0 billion and our intangible assets with indefinite useful lives amounted to USD 39.4 billion. However, if the adverse economic impacts of the COVID-19 pandemic continue or our businesses do not develop as expected, we may be required to record future goodwill impairment charges which could have an adverse effect on our results of operations and financial conditions.

**7. Other risks related to our business**

***Climate change or other environmental concerns, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect our business or operations, including the availability of key production inputs.***

There is a growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather and precipitation patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain agricultural commodities necessary for our products, such as barley, hops and sugar. Climate change may also subject us to water scarcity and quality risks due to the large amounts of water required to produce our products, including water consumed in the agricultural supply chain. In the event that climate change leads to droughts or water over-exploitation or has a negative effect on water availability or quality, the price of water may increase in certain areas and certain jurisdictions may enact unfavorable changes to applicable water-related taxes and regulations. Such measures, if adopted, could lead to increased regulatory pressures, production costs or capacity constraints. In addition, public expectations for reductions in greenhouse gas emissions could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment due to increased regulatory pressures. We have announced our 2025 Sustainability Goals focused on smart agriculture, water stewardship, circular packaging and climate action. If we fail to achieve these goals for any reason, there is a risk of reputational damage. As a result, the effects of climate change could have a long-term, material adverse impact on our business and results of operations.



Our reporting is guided by frameworks such as the Global Reporting Initiative (GRI) Standards, the United Nations (UN) Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB), the UN Guiding Principles reporting framework and the Task Force on Climate-related Financial Disclosure (TCFD). We also participate in external programs such as CDP, a global disclosure system. We are required to report greenhouse gas emissions, energy data and other related information to a variety of entities, and to comply with the wider obligations of the European Union Emissions Trading Scheme. If we are unable to measure, track and disclose information accurately and in a timely manner, we could be subject to civil penalties for non-compliance in the various European Union member states in which we operate. In addition, the need for us to comply with the European Union Emissions Trading Scheme could result in increased operational costs if we are unable to meet our compliance obligations and exceed our emission allocations.

There is also a risk of new environmental regulation in many geographies where we operate, including the European Union, U.S., Mexico and China, among others.

Our operations are subject to environmental regulations by national, state and local agencies, including, in certain cases, regulations that impose liability without regard to fault. These regulations can result in liability that might adversely affect our operations. The environmental regulatory climate in the markets in which we operate is becoming stricter, with a greater emphasis on enforcement. While we have continuously invested in reducing our environmental risks and budgeted for future capital and operating expenditures to maintain compliance with environmental laws and regulations, there can be no assurance that we will not incur a substantial environmental liability or that applicable environmental laws and regulations will not change or become more stringent in the future.

***We are exposed to labor strikes and disputes that could lead to a negative impact on our costs and production level.***

Our success depends on maintaining good relations with our workforce. In several of our operations, a majority of our workforce is unionized. For instance, a majority of the hourly employees at our breweries in several key countries in different geographies are represented by unions. Our production may be affected by work stoppages or slowdowns as a result of disputes under existing collective labor agreements with labor unions. We may not be able to satisfactorily renegotiate our collective labor agreements when they expire and may face more difficult negotiations or higher wage and benefit demands. Furthermore, a work stoppage or slowdown at our facilities could interrupt the transport of raw materials from our suppliers or the transport of our products to our customers. Such disruptions could put a strain on our relationships with suppliers and customers and may have lasting effects on our business even after the disputes with our labor force have been resolved, including as a result of negative publicity.

Our production may also be affected by work stoppages or slowdowns that affect our suppliers, distributors and retail delivery/logistics providers as a result of disputes under existing collective labor agreements with labor unions, in connection with negotiations of new collective labor agreements, as a result of supplier financial distress or for other reasons.

A strike, work stoppage or slowdown within our operations or those of our suppliers, or an interruption or shortage of raw materials for any other reason (including, but not limited to, financial distress, natural disaster or difficulties affecting a supplier) could have a material adverse effect on our earnings, financial condition and ability to operate our business.

Our United States organization has approximately 5,300 hourly brewery workers represented by the International Brotherhood of Teamsters. Their compensation and other terms of employment are governed by collective bargaining agreements negotiated between us and the International Brotherhood of Teamsters. Our current agreement with Teamsters will expire on 29 February 2024.



*Information technology failures, including those that affect the privacy and security of sensitive customer and business information, could damage our reputation and we could suffer a loss of revenue, incur substantial additional costs and become subject to litigation and regulatory scrutiny.*

We rely on information technology systems to process, transmit and store large amounts of electronic data, including personal information. We engage in e-commerce in nearly two dozen countries, which includes direct sales to some customers. Additionally, a significant portion of the communication between our personnel, customers and suppliers depends on information technology. As with all large systems, our information systems may be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers or other security issues. Unauthorized or accidental access to, or destruction, loss, alteration, disclosure, misuse, falsification or unavailability of, information could result in violations of data privacy laws and regulations, damage to our reputation or our competitive advantage, loss of opportunities to acquire or divest of businesses or brands and loss of ability to commercialize products developed through research and development efforts and, therefore, could have a negative impact on net operating revenues. More generally, technology disruptions can have a material adverse effect on our business, results of operations, cash flows or financial condition.

We depend on information technology to enable us to operate efficiently and interface with customers, as well as to maintain in-house management and control. We also collect and store non-public personal information that customers provide to purchase products or services, including personal information and payment information. We have entered into various information technology services agreements pursuant to which our information technology is partially outsourced to leading third-party vendors, and we may share information about our company, customers, operations and employees with vendors that assist with certain aspects of our business. Like us, these third parties are subject to risks imposed by data breaches and cyber-attacks and other events or actions that could damage, disrupt or close down their networks or systems. Security processes, protocols and standards that we have implemented and contractual provisions requiring security measures that we may have sought to impose on such third parties may not be sufficient or effective at preventing such events, which could result in unauthorized access to, or disruptions to, or misuse of, information or systems that are important to our business, including proprietary information, sensitive or confidential data, and other information about our operations, customers, employees and suppliers, including personal information.

In addition, the concentration of processes in shared services centers means that any technology disruption could impact a large portion of our business within the operating regions served. Any transitions of processes to, from or within shared services centers as well as other transformational projects could lead to business disruptions. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of, or failure to attract new customers, lost revenues resulting from the disruption or shutdown of computer systems, unexpected failure of devices and software in use by our IT platforms, operations or supply chain disruptions, alteration, corruption or loss of accounting financial or other data on which we rely for financial reporting and other purposes, which could cause errors or delays in our financial reporting, or the loss of or damage to intellectual property through a security breach. As with all information technology systems, our system could also be penetrated by outside parties intent on extracting information, corrupting information or disrupting business processes.

We take various actions with the aim of minimizing potential technology disruptions, such as investing in intrusion detection solutions, proceeding with internal and external security assessments, building and implementing business continuity plans and reviewing risk management processes. Regardless of such measures, we may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to us, our current or former employees, our customers or suppliers, or consumers or other data subjects, and may become exposed to legal action and increased regulatory oversight. We could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information systems.

While we continue to invest in new technology monitoring and cyberattack prevention systems, no commercial or government entity can be entirely free of vulnerability to attack or compromise given how rapidly and unpredictably techniques evolve to obtain unauthorized access or disable or degrade service. During the normal course of business, we have experienced and continue to expect to experience attempted breaches of our technology



systems and networks from time to time. In 2020, as in previous years, we experienced several attempted breaches of our technology systems and networks. None of the attempted breaches of our systems (as a result of cyberattacks, security breaches or similar events) had a material impact on our business or operations or resulted in known material unauthorized access to our data or our customers' data.

*If we fail to comply with personal data protection laws, we could be subject to adverse publicity, government enforcement actions and/or private litigation, which could negatively affect our business and operating results.*

In the ordinary course of our business, we receive, process, transmit and store information relating to identifiable individuals (“**personal data**”), such as employees and consumers. As a result, we are subject to various laws and regulations relating to personal data. These laws have been subject to frequent changes, and new legislation in this area may be enacted in other jurisdictions at any time. For example, we are subject to the General Data Protection Regulation (“**GDPR**”), which became effective in May 2018 for all member states in the EU. GDPR, as well as any other changes to existing personal data protection laws and the introduction of such laws in other jurisdictions, have subjected and may continue in the future to subject us to, among other things, additional costs and expenses and have required and may in the future require costly changes to our business practices and security systems, policies, procedures and practices. There is no assurance that our security controls over personal data, the training of employees and vendors on data privacy and data security, and the policies, procedures and practices we implemented or may implement in the future will prevent the improper disclosure of personal data. Improper disclosure of personal data in violation of GDPR and/or of other personal data protection laws could harm our reputation, subject us to government enforcement actions (including fines) or result in private litigation against us, which could negatively affect our business and operating results.

## 8. General Risks

*We may not be able to recruit or retain key personnel.*

In order to develop, support and market our products, we must hire and retain skilled employees with particular expertise. The implementation of our strategic business plans could be undermined by a failure to recruit or retain key personnel or the unexpected loss of senior employees, including in acquired companies.

We face various challenges inherent in the management of a large number of employees across diverse geographical regions. It is not certain that we will be able to attract or retain key employees and successfully manage them, which could disrupt our business and have an unfavorable material effect on our financial position, income from operations and competitive position.

*Natural and other disasters could disrupt our operations.*

Our business and operating results could be negatively impacted by natural, social, technical or physical risks such as a widespread health emergency such as the COVID-19 pandemic (or concerns over the possibility of such an emergency), earthquakes, hurricanes, typhoons, flooding, fire, water scarcity, power loss, loss of water supply, telecommunications and information technology system failures, cyberattacks, labor disputes, political instability, military conflict and uncertainties arising from terrorist attacks, including a global economic slowdown, the economic consequences of any military action and associated political instability.

*Our insurance coverage may not be sufficient.*

We purchase insurance for director and officer liability and other coverage where required by law or contract or where considered to be in our best interest. Even though we maintain these insurance policies, we self-insure most of our insurable risk. Should an uninsured loss or a loss in excess of insured limits occur, this could adversely impact our business, results of operations and financial condition.



## Risks Related to Our Ordinary Shares and American Depositary Shares

### *The market price of our Ordinary Shares and ADSs may be volatile.*

The market price of our Ordinary Shares and ADSs may be volatile as a result of various factors, many of which are beyond our control. These factors include, but are not limited to, the following:

- market expectations for our financial performance;
- actual or anticipated fluctuations in our results of operations and financial condition;
- changes in the estimates of our results of operations by securities analysts;
- investor perception of the impact of the combination with SAB on us and our shareholders;
- the conversion of Restricted Shares into Ordinary Shares, the Restricted Shares becoming so convertible after 10 October 2021, subject to certain limited exceptions (see “Item 10—Additional Information—B. Memorandum and Articles of Association and Other Share Information—Form and Transferability of Our Shares—Restricted Shares—Conversion into Ordinary Shares”);
- potential or actual sales of blocks of our Ordinary Shares or ADSs in the market by any shareholder or short selling of our Ordinary Shares or ADSs. Any such transaction could occur at any time or from time to time, with or without notice;
- the entry of new competitors or new products in the markets in which we operate;
- volatility in the market as a whole or investor perception of the beverage industry or of our competitors; and
- the occurrence of any of the matters discussed in the risk factors mentioned in this section.

The market price of our Ordinary Shares and ADSs may be adversely affected by any of the preceding or other factors regardless of our actual results of operations and financial condition.

Furthermore, we have entered into a series of derivative contracts on our own shares to hedge (1) the risk arising from certain share-based payment programs, (2) the deferred share instrument related to the Grupo Modelo combination and (3) some share-based payments in connection with the acquisition of SAB. Most of these derivative instruments could not qualify for hedge accounting and thus changes in the fair value of the hedges are recognized in our profit or loss account for the period. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk — Market Risk, Hedging and Financial Instruments — Equity Price Risk”. As we currently hedge the exposure for an equivalent of 100.5 million of our shares, a significant change in our share price will have a significant impact on our profit or loss account.

### *Our largest shareholder may use its significant interest to take actions not supported by our other shareholders.*

As of 31 December 2020, our largest shareholder, Stichting Anheuser-Busch InBev (the “**Stichting**”), owned 33.62% of our voting rights (and the Stichting and certain other entities acting in concert with it (within the meaning of the Belgian Law of 1 April 2007 on public takeover bids and/or 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 (the “Belgian Law of 2 May 2007 on the notification of significant shareholdings”)) held, in aggregate, 42.91% of our voting rights), based on the number of shares outstanding on 31 December 2020, excluding the 46,992,567 treasury shares held by us and



certain of our subsidiaries (including approximately 5.4 million<sup>1</sup> treasury shares required to settle our obligations under Zenzele schemes) (see “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders” and “Item 5. Operating and Financial Review —H. Contractual Obligations and Contingencies”). In accordance with our articles of association, the Stichting has the ability to effectively control the election of a majority of our board of directors, as a result of which, under Belgian law, the Stichting has control of us. The Stichting is also able to have a significant influence on the outcome of corporate actions requiring shareholder approval, including mergers, share capital increases and other extraordinary items. See “Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information—Description of the Rights and Benefits Attached to Our Shares” for further information in this respect.

The interests and time horizons of the Stichting may differ from those of other shareholders. As a result of its influence on our business, the Stichting could prevent us from making certain decisions or taking certain actions that would protect the interests of our other shareholders. For example, this concentration of ownership may delay or prevent a change of control of Anheuser-Busch InBev SA/NV, even in the event that this change of control may benefit other shareholders generally. Similarly, the Stichting could prevent us from taking certain actions that would dilute its percentage interest in our shares, even if such actions would generally be beneficial to us and/or to other shareholders. These and other factors related to the Stichting’s holding of a significant interest in our shares may reduce the liquidity of our shares and ADSs and their attractiveness to investors.

***We may be unable to pay dividends.***

As a general matter, we cannot guarantee that we will pay dividends in the future. The payment of dividends will depend on factors such as our business outlook, cash flow requirements and financial performance, the state of the market and the general economic climate (including the impact of the COVID-19 pandemic) and other factors, including tax and other regulatory considerations. In particular, in light of the increased debt that resulted from completion of the combination with SAB, deleveraging remains a priority and may restrict the amount of dividends we are able to pay. In addition, we must, under Belgian law and our articles of association, before we proceed with any dividend payment, allocate an amount equal to 5% of our annual net profit on an unconsolidated basis to a legal reserve in our unconsolidated financial statements until the reserve reaches 10% of our share capital, in accordance with Belgian accounting principles.

***Fluctuations in the exchange rate between the euro, the South African rand, the Mexican peso and the U.S. dollar may increase the risk of holding our ADSs and Ordinary Shares.***

Our Ordinary Shares currently trade on Euronext Brussels in euro and we have secondary listings of our shares on the Johannesburg Stock Exchange in South African rand and on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) in Mexican pesos. Our ADSs trade on the New York Stock Exchange (“NYSE”) in U.S. dollars. Fluctuations in the exchange rate between the euro, the South African rand, the Mexican peso and the U.S. dollar may result in temporary differences between the value of our Ordinary Shares trading in different currencies and between the value of our Ordinary Shares and ADSs, which may result in heavy trading by investors seeking to exploit such differences. Similarly, uncertainty over fiscal and budgetary challenges in the United States, Mexico, South Africa and/or Europe may negatively impact global economic conditions, and could trigger sharply increased trading and consequent market fluctuations, which would increase the volatility of, and may have an adverse effect upon, the price of our Ordinary Shares or ADSs.

In addition, as a result of fluctuations in the exchange rate between the U.S. dollar, the euro, the South African rand and the Mexican peso, the U.S. dollar equivalent of the proceeds that a holder of our ADSs would receive upon the sale in Belgium, South Africa or Mexico of any shares withdrawn from the American Depositary Receipt (“ADR”) depositary and the U.S. dollar equivalent of any cash dividends paid in euro on our Ordinary Shares represented by the ADSs could also decline.

<sup>1</sup> Calculated assuming our closing share price of EUR 57.01 per share and an exchange rate of ZAR 18.021914 to EUR 1.00 as at 31 December 2020.





***Future equity issuances may dilute the holdings of current shareholders or ADS holders and could materially affect the market price of our Ordinary Shares or ADSs.***

We may in the future decide to offer additional equity to raise capital or for other purposes, in compliance with applicable Belgian legislation. Any such additional offering could reduce the proportionate ownership and voting interests of holders of our Ordinary Shares and ADSs, as well as our earnings per share or ADS and net asset value per share or ADS, and any offerings by us or our main shareholders could have an adverse effect on the market price of our Ordinary Shares and ADSs.

We entered into a registration rights agreement requiring us to, in certain circumstances, register for resale under the Securities Act of 1933, as amended (the “**Securities Act**”), all registrable shares held by the holders of Restricted Shares (the “**Restricted Shareholders**”) any time after 10 October 2021, the fifth anniversary of the completion of the combination with SAB, at which point the Restricted Shares will become eligible for conversion into Ordinary Shares at the option of the Restricted Shareholder. Although the Restricted Shares are generally subject to certain holdback and suspension periods until 10 October 2021, the Restricted Shares, once they are converted to Ordinary Shares, are not subject to a “lock-up” or similar restriction under the registration rights agreement. Accordingly, sales of large numbers of Ordinary Shares may be made following the expiry of such holdback and suspension periods. Registration and sales of our Ordinary Shares effectuated pursuant to the registration rights agreement will increase the number of shares being sold in the public market and may increase the volatility of the price of our Ordinary Shares and ADSs.

***Investors may suffer dilution if they are not able to participate in equity offerings, and our ADS holders may not receive any value for rights that we may grant.***

Our constitutional documents provide for preference rights to be granted to our existing shareholders unless such rights are disapplied by resolution of our shareholders’ meeting or the Board of Directors. Our shareholders’ meeting or our Board of Directors may disapply such rights in future equity offerings, while no preference rights apply to capital increases through contributions in kind. In addition, certain shareholders (including shareholders resident in, or citizens of, certain jurisdictions, such as the United States, Australia, Canada and Japan) may not be entitled to exercise such rights even if they are not disapplied unless the rights and related shares are registered or qualified for sale under the relevant legislative or regulatory framework. In particular, there can be no assurance that we will be able to establish an exemption from registration under the Securities Act and we are under no obligation to file a registration statement with respect to any such preferential subscription rights or underlying securities or to endeavor to have a registration statement declared effective under the Securities Act (other than as set out in the Registration Rights Agreement) (see “Item 10. Additional Information—C. Material Contracts—Material Contracts Related to the Acquisition of SAB — Registration Rights Agreement” for more information on the Registration Rights Agreement). As a result, there is the risk that investors may suffer dilution of their shareholding should they not be permitted to participate in preference right equity or other offerings that we may conduct in the future.

If rights are granted to our shareholders, but the ADR depository is unable to sell rights corresponding to shares represented by ADSs that are not exercised by, or distributed to, our ADS holders, or if the sale of such rights is not lawful or reasonably practicable, the ADR depository will allow the rights to lapse, in which case ADS holders will receive no value for such rights.

***ADS holders may not be able to exercise their right to vote the shares underlying our ADSs.***

Holders of ADSs may be entitled to exercise voting rights with respect to the Ordinary Shares represented by our ADSs only in accordance with the provisions of the deposit agreement (as amended from time to time, the “**Deposit Agreement**”), dated 30 June 2009, as amended from time to time, among AB InBev, The Bank of New York Mellon, as depository, and the owners and holders of American Depositary Shares from time to time under the Deposit Agreement. The Deposit Agreement provides that, upon receipt of a notice of any meeting of holders of our Ordinary Shares, the depository will, if we so request, distribute to the ADS holders a notice which shall contain (i) such information as is contained in the notice of the meeting sent by us, (ii) a statement that the ADS holder as of the specified record date shall be entitled to instruct the ADR depository as to the exercise of voting rights and (iii) a statement as to the manner in which instructions may be given by the holders.



Under the Deposit Agreement, holders of ADSs may instruct the depositary to vote the shares underlying their ADSs, but they will only receive the notice described above if we ask the depositary to ask for their instructions. Otherwise, ADS holders will not be able to exercise their right to vote, unless they withdraw the Ordinary Shares underlying the ADSs they hold. However, ADS holders may not know about the meeting far enough in advance to withdraw those shares. If we ask for the instructions of ADS holders, the depositary, upon timely notice from us, will notify ADS holders of the upcoming vote and arrange to deliver our voting materials to them. We cannot guarantee ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that ADS holders may not be able to exercise their right to vote, and there may be nothing they can do if the shares underlying their ADSs are not voted as requested.

***ADS holders may be subject to limitations on the transfer of their ADSs or the withdrawal of the underlying Ordinary Shares from the deposit facility.***

ADSs are transferable on the books of the ADR depositary. However, the ADR depositary may refuse to deliver, transfer or register transfers of ADSs generally when the books of the depositary are closed or if such action is deemed necessary or advisable by the depositary or by us because of any requirement of law or of any government or governmental body or commission or under any provision of the Deposit Agreement. Moreover, the surrender of ADSs and withdrawal of Ordinary Shares may be suspended subject to the payment of fees, taxes and similar charges or if we direct the depositary at any time to cease new issuances and withdrawals of our Ordinary Shares during periods specified by us in connection with shareholders' meetings, the payment of dividends or as otherwise reasonably necessary for compliance with any applicable laws or government regulations.

***Shareholders may not enjoy under Belgian corporate law and our articles of association certain of the rights and protections generally afforded to shareholders of U.S. companies under U.S. federal and state laws and the NYSE rules.***

We are a public limited liability company incorporated under the laws of Belgium. Shareholders may not enjoy under Belgian corporate law and our articles of association certain of the rights and protections generally afforded to shareholders of U.S. companies under U.S. federal and state laws and the NYSE rules. The rights provided to our shareholders under Belgian corporate law and our articles of association differ in certain respects from the rights that you would typically enjoy as a shareholder of a U.S. company under applicable U.S. federal and/or state laws. In general, the Belgian Corporate Governance Code is a code of best practice applying to Belgian-listed companies on a non-binding basis. The Belgian Corporate Governance Code applies a "comply or explain" approach, *i.e.*, companies may depart from the Belgian Corporate Governance Code's provisions if, as required by law, they give a reasoned explanation of the reasons for doing so.

We rely on a provision in the NYSE Listed Company Manual that allows us to follow Belgian corporate law and the Belgian Corporate Governance Code with regard to certain aspects of corporate governance. This allows us to follow certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on the NYSE. See "Item 16G. Corporate Governance" for additional information on these differences. In particular, the NYSE rules require a majority of the directors of a U.S.-listed company to be independent while, in Belgium, only three directors need be independent. Our board currently comprises three independent directors and 12 directors not deemed to be "independent" under the NYSE listing standards. See "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board of Directors." The NYSE rules further require that each of the nomination, compensation and audit committees of a listed U.S. company be comprised entirely of independent directors. However, the Belgian Corporate Governance Code recommends only that a majority of the directors on each of these committees meet the technical requirements for independence under Belgian corporate law. All voting members of our Audit Committee are independent for purposes of Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our Audit Committee, Nomination Committee and Remuneration Committee have members who would not be considered independent under NYSE rules, and, therefore, our Audit Committee, Nomination Committee and Remuneration Committee would not be in compliance with the NYSE Corporate Governance Standards for domestic issuers in respect of the independence of these committees. However, our Audit Committee, Nomination Committee and Remuneration Committee are composed exclusively of non-executive directors who are independent of management and whom we consider to be free of any business or other relationship which could materially interfere with the exercise of their independent judgment. See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Information about Our Committees—General."





Under Belgian corporate law, other than certain limited information that we must make public, our shareholders may not ask for an inspection of our corporate records, while under Delaware corporate law, any shareholder, irrespective of the size of his or her shareholdings, may do so. Shareholders of a Belgian corporation are also unable to initiate a derivative action, a remedy typically available to shareholders of U.S. companies, in order to enforce a right of AB InBev, in case we fail to enforce such right ourselves, other than in certain cases of director liability under limited circumstances. In addition, a majority of our shareholders may release a director from any claim of liability we may have, including if he or she has acted in bad faith or has breached his or her duty of loyalty, provided, in some cases, that the relevant acts were specifically mentioned in the convening notice to the shareholders' meeting deliberating on the discharge. In contrast, most U.S. federal and state laws prohibit a company or its shareholders from releasing a director from liability altogether if he or she has acted in bad faith or has breached his or her duty of loyalty to the company. Finally, Belgian corporate law does not provide any form of appraisal rights in the case of a business combination.

For additional information on these and other aspects of Belgian corporate law and our articles of association, see "Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information." As a result of these differences between Belgian corporate law and our articles of association, on the one hand, and U.S. federal and state laws, on the other hand, in certain instances, you could receive less protection as a shareholder of our company than you would as a shareholder of a U.S. company.

***As a "foreign private issuer" in the United States, we are exempt from a number of rules under U.S. securities laws and are permitted to file less information with the SEC.***

As a "foreign private issuer," we are exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions under Section 16 of the Exchange Act. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Accordingly, there may be less publicly available information concerning us than there is for U.S. public companies.

***It may be difficult for investors outside Belgium to serve process on or enforce foreign judgments against us.***

We are a Belgian public limited liability company. Certain of the members of our Board of Directors and the Executive Committee and certain of the persons named herein are non-residents of the United States. All or a substantial portion of the assets of such non-resident persons and certain of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or on us or to enforce against them or us a judgment obtained in U.S. courts. Original actions or actions for the enforcement of judgments of U.S. courts relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Belgium. The United States and Belgium do not currently have a multilateral or bilateral treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. In order for a final judgment for the payment of money rendered by U.S. courts based on civil liability to produce any effect on Belgian soil, it is accordingly required that this judgment be recognized or be declared enforceable by a Belgian court pursuant to the relevant provisions of the 2004 Belgian Code of Private International Law. Recognition or enforcement does not imply a review of the merits of the case and is irrespective of any reciprocity requirement. A U.S. judgment will, however, not be recognized or declared enforceable in Belgium if it infringes upon one or more of the grounds for refusal which are exhaustively listed in Article 25 of the Belgian Code of Private International Law. In addition to recognition or enforcement, a judgment by a federal or state court in the United States against us may also serve as evidence in a similar action in a Belgian court if it meets the conditions required for the authenticity of judgments according to the law of the state where it was rendered.

**ITEM 4. INFORMATION ON THE COMPANY****A. HISTORY AND DEVELOPMENT OF THE COMPANY**

We are the world’s largest brewer by volume and one of the world’s top ten consumer products companies by revenue. As a consumer-focused, insights-driven company, we produce, market, distribute and sell a diversified portfolio of well over 500 beer and other malt beverage brands. These include brands with significant international distribution, such as Budweiser, Corona (except in the United States), Stella Artois, Beck’s, Leffe, Hoegaarden and Michelob Ultra; and brands primarily distributed to local markets such as Bud Light in the United States, Modelo Especial, Negra Modelo, Victoria and Pacifico in Mexico; Skol, Brahma and Antarctica in Brazil; Aguila and Poker in Colombia; Cristal and Pilsen Callao in Peru; Quilmes in Argentina; Jupiler in Belgium and the Netherlands; Franziskaner in Germany; Carling Black Label, Castle Lager, Castle Lite and Hansa Pilsener in South Africa; Hero and Trophy in Nigeria; Safari and Kilimanjaro in Tanzania; Harbin and Sedrin in China; and Cass in South Korea. We also produce and distribute soft drinks, particularly in Central and South America and Africa, and beyond beer products, such as Bud Light Seltzer in the United States; and Bud Light Strawberry Lemonade, Palm Bay, and Mike’s Hard Lemonade in Canada.

Our dedication to quality goes back to a brewing tradition of more than 600 years with the Den Hoorn brewery in Leuven, Belgium, as well as the pioneering spirit of the Anheuser & Co. brewery, with origins in St. Louis, U.S.A. since 1852, and the history of the South African Breweries with its origins in Johannesburg in 1895. As of 31 December 2020, we employed more than 164,000 people based in nearly 50 countries worldwide. As a result, we have a global footprint with a balanced exposure to developed and developing markets and production facilities spread across our geographic regions. Since 1 January 2019, we have reported our results under the following five regions: North America, Middle Americas, South America, EMEA and Asia Pacific. We also report the results of Global Export and Holding Companies, which includes our global headquarters and the export businesses, which have not been allocated to the regions.

Our 2020 volumes (beer and non-beer) were 531 million hectoliters and our revenue amounted to USD 46.9 billion.

**Registration and Main Corporate Details**

Anheuser-Busch InBev SA/NV was incorporated on 3 March 2016 for an unlimited duration under the laws of Belgium under the original name Newbelco SA/NV, and is the successor entity to predecessor Anheuser-Busch InBev SA/NV, which was incorporated on 2 August 1977 for an unlimited duration under the laws of Belgium under the original name BEMES. It has the legal form of a public limited liability company (*naamloze vennootschap/société anonyme*). Its registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and it is registered with the Register of Legal Entities of Brussels under the number 0417.497.106. Our global headquarters are located at Brouwerijplein 1, 3000 Leuven, Belgium (tel.: +32 16 27 61 11). Our agent in the United States is Anheuser-Busch InBev Services LLC, 250 Park Avenue, 2nd Floor, New York, NY 10177.

We are a publicly traded company, with our primary listing on Euronext Brussels under the symbol “ABI.” We also have secondary listings on the Johannesburg Stock Exchange under the symbol “ANH” and the Mexican Stock Exchange under the symbol “ANB.” ADSs representing rights to receive our Ordinary Shares are listed and trade on the NYSE under the symbol “BUD.”

**History and Development of the Company**

Our dedication to quality goes back to a brewing tradition of more than 600 years and the Den Hoorn brewery in Leuven, Belgium. In 1717, Sébastien Artois, master brewer of Den Hoorn, took over the brewery and renamed it Sébastien Artois. In 1987, the two largest breweries in Belgium merged: Brouwerijen Artois NV, located in Leuven, and Brasserie Piedboeuf SA, founded in 1853 and located in Jupille, resulting in the formation of Interbrew S.A. Interbrew operated as a family-owned business until December 2000, the time of its initial public offering on Euronext Brussels. The period since the listing of Interbrew on Euronext Brussels has been marked by increasing geographical diversification.



Since 2000, we have completed the following major combinations, acquisitions and sales:

- In 2002, Interbrew acquired Beck's for 3.5 billion German marks.
- In 2004, Interbrew combined with Ambev, a Brazilian company originally formed by the combination of Brahma and Antarctica in 1999–2000, resulting in the creation of InBev. Ambev is listed on the New York Stock Exchange and on the São Paulo Stock Exchange. As of 31 December 2020, we had a 61.8% voting and economic interest in Ambev.
- In July 2008, InBev combined with Anheuser-Busch Companies by way of an offer for USD 54.8 billion, as a result of which we changed our name to Anheuser-Busch InBev SA/NV.
- In 2013, we announced the completion of our combination with Grupo Modelo in a transaction valued at USD 20.1 billion, following which we owned approximately 95% of Grupo Modelo's outstanding shares. We acquired the remaining shares via a mandatory tender offer, which completed in August 2015.
- In 2013, in another transaction related to the combination with Grupo Modelo, Grupo Modelo completed the sale of its U.S. business to Constellation Brands, Inc. for approximately USD 4.75 billion, in aggregate. The transaction included the sale of Grupo Modelo's Piedras Negras brewery, Grupo Modelo's 50% stake in Crown Imports LLC and perpetual rights to certain of Grupo Modelo's beer brands in the United States. As a consequence, we granted Constellation Brands, Inc. the exclusive and perpetual right to market and sell Corona beer and certain other Grupo Modelo beer brands in the 50 states of the United States, the District of Columbia and Guam. In December 2016, we also completed the sale of our brewery plant located in Obregón, Sonora, México to Constellation Brands, Inc. for a sale price of approximately USD 600 million.
- In October 2016, we completed our combination with SAB, valued at a gross purchase consideration of USD 114 billion. See "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes—Acquisition of SAB" for more information on the combination with SAB. In connection with the combination with SAB, we transferred SAB's business in Panama to Ambev in exchange for Ambev's businesses in Colombia, Peru and Ecuador. We also undertook certain divestitures, with the goal of proactively addressing potential regulatory considerations regarding the combination with SAB.
- On 30 March 2018, we combined Russia and Ukraine businesses with those of Anadolu Efes through the creation of a new company called AB InBev Efes. Following the closing of this transaction, the newly combined business is fully consolidated into Anadolu Efes. As a result of the transaction, we have stopped consolidating these operations and account for our investment in AB InBev Efes under the equity method.
- On 30 September 2019, we successfully completed the listing of a minority stake of our Asia Pacific subsidiary, Budweiser APAC, on the Hong Kong Stock Exchange for USD 5.75 billion (including the exercise of an over-allotment option). On 3 October 2019, the over-allotment option in connection with the initial public offering of a minority stake of Budweiser APAC was fully exercised. Following the full exercise of the over-allotment option, we control 87.22% of the issued share capital of Budweiser APAC.
- On 1 June 2020, we completed the sale of our Australia business (Carlton & United Breweries) to Asahi for AUD 16.0 billion, resulting in net proceeds of USD 10.8 billion. As part of this transaction, we granted Asahi rights to commercialize our portfolio of global and international brands in Australia.
- On 30 September 2020, we completed the acquisition of the remaining 68.8% stake in Craft Brew Alliance for net consideration of USD 0.2 billion and obtained 100% control over Craft Brew Alliance.



- On 31 December 2020, we completed the issuance of a 49.9% minority stake in our US-based metal container operations to Apollo Global Management, Inc. for net proceeds of USD 3.0 billion. We continue to have operational control of our US-based metal container operations.

Furthermore, during 2020, 2019 and 2018, we performed a series of other investments and disposals. For further details, see “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Investments and Disposals.”

## B. BUSINESS OVERVIEW

### 1. STRENGTHS AND STRATEGY

#### Strengths

We are building a company to last, brewing beer and building brands that will continue to bring people together for the next 100 years and beyond. As a global family of local companies with operations in nearly 50 markets and sales in over 150 countries, we unite approximately 164,000 exceptional people and more than 500 brands around a passion for brewing the highest quality beer. We believe that the following key strengths will drive the realization of our strategic goals and reinforce our competitive position in the marketplace:

#### *Global platform with strong market positions in key markets to grow the category*

We are a truly global brewer, positioned to serve the evolving needs of consumers worldwide. Our portfolio of well over 500 brands means we have beers for every type of occasion and our iconic brands bring people together across generations and communities.

We hold leading positions in the majority of our key markets, based on strong brands and the benefits of scale. We believe this enables us to invest significant sales and marketing resources in our brands, achieve attractive sourcing terms, generate cost savings through centralization and operate under a lean cost structure. Our global footprint provides us with a strong platform to grow our global and multi-country brands, while developing local brands tailored to regional tastes and trends. We benefit from a global distribution network which, depending on the location, is either owned by us or is based on strong partnerships with wholesalers and local distributors.

In 2020, we were one of the largest consumer products companies worldwide, measured by EBITDA, as defined, and held the number one position in terms of total market share of beer by volume in the world, according to Plato Logic Limited. We hold the number one position in terms of total market share of beer by volume, based on our estimates, in the United States, Mexico and Brazil, three of the top five most profitable beer markets in the world. We estimate that we hold the number three position in total market share of beer by volume, and the number one position by volume in the fast-growing premium beer category, in China, the world’s largest beer market by volume.

We believe that we can realize sufficient upside potential by using our strong platform to grow our global and multi-country brands while developing local brands tailored to regional tastes and trends.

#### *Geographic diversification*

Our geographically diversified platform balances the growth opportunities of developing markets with the stability and strength of developed markets. With significant operations in both the Southern and Northern Hemispheres, we benefit from a natural hedge against local or regional market, economic and seasonal volatility.

Developed markets represented approximately 44.8% of our 2020 revenue and developing markets represented 55.2% of our 2020 revenue. Our developing markets include Argentina, Bolivia, Brazil, China, Colombia, Dominican Republic, Ecuador, El Salvador, Honduras, India, Mexico, Mozambique, Nigeria, Panama, Paraguay, Peru, South Africa, Tanzania, Uganda, Vietnam and Zambia.



***Strong brand portfolio with global, multi-country and local brands***

Our strong brand portfolio addresses a broad range of demand for different types of beer, comprising three categories:

- *Global brands:* Capitalizing on common values and experiences which appeal to consumers across borders, our three global brands, Budweiser, Corona and Stella Artois, have recognition and appeal worldwide in a significant number of markets globally;
- *Multi-country brands:* Building from a strong consumer base in their home markets, our multi-country brands, Beck's, Hoegaarden, Leffe and Michelob Ultra, bring international flavor to selected markets, connecting with consumers across continents; and
- *Local brands:* Offering locally popular tastes, local brands such as Aguila, Bud Light, Cass, Cristal, Harbin, Poker, Skol and Victoria connect particularly well with consumers in their home markets.

With well over 500 brands, of which 17 had an estimated gross revenue of over USD 1.0 billion in 2020, we believe our portfolio is the strongest in the industry. Eight of our brands – Budweiser, Bud Light, Stella Artois, Corona Extra, Skol, Brahma, Aguila and Modelo – are ranked among the Global Top Ten most valuable beer brands by BrandZ™.

Our passion for brewing was evidenced by the 237 awards we won around the world this year, despite the cancellation of many competitions due to the COVID-19 pandemic, making us the most awarded brewer at major international beer competitions. We continue to focus on creating the highest quality beers to meet consumer needs across a wide variety of occasions.

Our strategy is to develop a portfolio of brands that meet a wide breadth of consumer needs within the market, ranging in terms of price tier, flavor profiles, and brand meaning. As a result, we make clear brand choices and seek to invest behind brands with strong purpose in order to build deep connections with consumers. We leverage the scale of our global footprint to replicate successful brand initiatives, market programs and best practices across multiple geographic markets.

***Strong consumer insights-driven brand development capabilities***

As a consumer-focused, insights-driven company, we continuously strive to understand the values, lifestyles and preferences of today's consumers. Furthermore, we want to provide superior products to our consumers across key categories. We expect that this will allow us to remain relevant, as well as build fresh appeal and competitive advantage through innovative products and services tailored to meet evolving consumer needs. We believe that consumer demand can be best anticipated by a close relationship between our innovation and insight teams in which current and expected market trends trigger and drive research processes. To better address changing consumer behaviors, it is also critical that we have a diverse portfolio of products that target a variety of consumer needs and occasions. Successful examples of recently developed products or insights deployed include Brahma Duplo Malte (Brazil), Bud Light Seltzer (U.S.), Stella Artois Solstice (U.S.), Bud Light Strawberry Lemonade (Canada), Mike's Blue Freeze (Canada), Victoria 1.8% (Mexico), Coronita (Ecuador), Nuestra Siembra (Ecuador), Chicha Taquina (Bolivia), Sedrin Lychee (China), Filgood (South Korea), Leffe Legere (France), and Stella Artois 0.0 (UK, Belgium).

We believe that our internal excellence programs are a major competitive advantage. The World Class Marketing Excellence Program and Marketing Academy was re-designed in 2020 to continuously improve the quality of our marketing capabilities and processes by ensuring they are fully understood by all relevant employees and consistently followed.



***Strict financial discipline***

World-class efficiency has been, and will remain, a long-term focus across all markets, all lines of business and under all economic circumstances. Avoiding unnecessary costs is a core competency within our culture. We aim to be efficient with our overhead expenses in order to spend more effectively to grow our company. As a result, we have implemented, and will continue to develop, programs and initiatives aimed at reducing non-commercial expenses. This strict financial discipline has allowed us to develop a “Cost—Connect—Win” model in which overhead expenses are minimized in order to maximize our sales and marketing investments designed to connect with our consumers, win market share and achieve long-term, profitable growth.

We have a number of group-wide cost efficiency programs in place, including:

- *Zero-Based Budgeting or ZBB:* Under Zero-Based Budgeting (“**ZBB**”), budget decisions are unrelated to the previous year’s levels of expenditure and require justification starting from a zero base each year. Employee compensation is closely tied to delivering on zero-based budgets. ZBB has been successfully introduced into all of our major markets, as well as our global headquarters.
- *Voyager Plant Optimization or VPO:* Voyager Plant Optimization (“**VPO**”) aims to bring greater efficiency and standardization to our brewing operations and to generate cost savings, while at the same time improving quality, safety and the environment. VPO also entails assessment of our procurement processes to maximize purchasing power and to help us achieve the best results when purchasing a range of goods and services. Behavioral change towards greater efficiencies is at the core of this program, and comprehensive training modules have been established to assist our employees with the implementation of VPO in their daily routines.
- *Business Shared Services Centers:* We have established a number of business shared services centers across our business segments which focus on transactional and support activities within our group. These centers help to standardize working practices and identify and disseminate best practices.

***Experienced management team with a strong track record of delivering synergies through business combinations***

During the last two decades, our management, including the management of our predecessor companies, has executed a number of merger and acquisition transactions of varying sizes, with acquired businesses being successfully and smoothly integrated into our operations, realizing significant synergies. Notable historical examples include the creation of Ambev in 2000 through the combination of Brahma and Antarctica, the acquisition of Beck’s by Interbrew in 2002, the combination of Ambev and Quilmes in 2003, Ambev gaining control of Labatt in 2004 and the creation of InBev in 2004 from the combination of Interbrew and Ambev. More recent examples include the combination with Anheuser-Busch Companies in November 2008, the combination with Grupo Modelo in June 2013 and the combination with SAB in 2016.

Our strong track record also extends to successfully integrating brands such as Budweiser, Corona and Stella Artois into our global brand portfolio and distribution network, including leveraging Ambev’s distribution channels in Latin America and Canada.





## Strategy

### *Delivering organic growth*

We have a long-term focus on top-line growth, and delivering consistent, balanced and profitable top-line growth is our number one priority. We are building a company for the next 100 years. We have a comprehensive strategy focused on three interlocking strategic frameworks:

1. **The market maturity model** is a framework that classifies our markets against a maturity level and share of beer. We know that the beer category evolves as markets mature and we use the market maturity model to group markets into clusters based on maturity level. We have found that the growth opportunity for beer differs across each level of maturity. The model enables us to develop our portfolios and commercial capabilities with a future-facing mindset, so we can predict the evolution of a market and anticipate market dynamics from more mature markets, set specific priorities based on a market's cluster and optimize our portfolio of brands to address consumer occasions across clusters.
2. **Category expansion framework** guides us in shaping our brand portfolio to take advantage of the new occasions in evolving markets. We use this framework to identify which types of beer will best fit the adapting needs of an evolving market. This allows us to expand our offerings to anticipate and deliver the types of beer our consumers desire. Our vision is to structure the evolution of beers to be similar to other categories (to stretch the price ladder through premiumization, add lower bitterness propositions, introduce sophisticated options and extend to savorings and refinement). We believe that the insights derived from the category expansion framework will enable our company to achieve further growth across our diverse geographic footprint at different levels of maturity.
3. **Growth champions:** We use growth champions to ensure that we expand our portfolios and related commercial practices efficiently and at the right time. This process follows one of our most successful business systems, efficiency systems, which provide a benchmark to open gaps, share best practices and then execute on them in a deliberate manner in order to deliver increasing cost-efficiency. We are now replicating this system through growth champions, benchmarking best practices for top-line growth around the world and implementing them in new markets with similar characteristics to leverage our scale.

Since the combination with SAB, we have adopted a new way of looking at the beer category that recognizes different market maturities and the role of brand portfolios in driving category health. We are excited about the growth opportunities we are seeing in more than 50 markets—in both developed and developing markets—and this positions us for sustainable and profitable long-term revenue growth, delivered with a healthy balance between volume and revenue per hectoliter. As a result of now having operations in virtually every major beer market, we have an enhanced understanding of the key moments of consumption, and to focus our sales, marketing, product development and other brand-building activities on capturing a greater share of these consumption opportunities. We believe that by understanding, embracing and enriching consumption moments and occasions, we have the opportunity to accelerate growth and deliver increased shareholder value.

### *Our strategy is based on our Purpose of Bringing People Together for a Better World*

We strive to achieve this every day. By combining scale, resources and energy with the needs of the communities we serve, we believe we have the drive and tools to help make it happen.

We are committed to driving long-term growth and creating value for our business partners and stakeholders. Through our products, brands and investment in communities, we are excited to work toward the Purpose of Bringing People Together for a Better World.

With operations in virtually every major beer market and an expanded portfolio that includes global, multi-country and local brands, we are providing more choices for consumers around the world to better meet their needs and expectations. We expect that our expanded reach will help grow our global and multi-country brands, while we continue to develop local brands tailored to regional tastes and trends.

Through our reach, resources and energy, we are addressing the needs of our communities by:

- **Improving environmental and social sustainability:** We depend on natural resources to brew our beers and strive to use resources responsibly and preserve them for the future. That is why we factor sustainability into how we do business, including how we source water, energy and raw materials. We develop innovative programs across our supply chain to improve our sustainability performance with our business partners. To improve lives in the communities we are part of, we also support the farmers and small retailers in our value chain to help them be more productive. To facilitate progress, we combined our sustainability and procurement activities under a single function led by a member of our senior leadership team.





- **Promoting smart drinking:** We want every experience with beer to be a positive one. We believe that the harmful use of alcohol is bad for consumers, society and our business. We’re a global company, brewing beers and building brands that will continue to bring people together for a better world for the next 100 years and beyond. This requires thriving communities across the globe where harmful use of alcohol no longer presents a social challenge. We established our Global Smart Drinking Goals in December 2015 to contribute to the World Health Organization’s target of reducing the harmful use of alcohol by at least 10% in every country by 2025 and the United Nations Sustainable Development Goal of strengthening the prevention of harmful use of alcohol globally. Our Global Smart Drinking Goals are intended to serve as a laboratory to identify and test replicable programs, implement them in partnership with others and ensure they are independently and transparently evaluated.
- **Increasing workplace safety:** We are committed to doing everything possible to create a safe work environment. We encourage employees and contractors to follow safe practices and make healthy choices in our workplaces and local communities.
- **Business ethics:** Our leaders set the tone for our company. We expect them to deliver results and to inspire our colleagues through passion for brewing and a sense of ownership. Most importantly, we never take shortcuts. Integrity, hard work, quality and responsibility are essential to our growth.

For further information about our Purpose of Bringing People Together for a Better World, see “—13. Social and Community Matters.”

With our strong brand portfolio, we are “bringing people together” in ways that few others can. By building common ground, strengthening human connections and helping our consumers share unique experiences, we are able to achieve something together that cannot be accomplished alone.

*Cost management and efficiency*

We strive to continuously improve efficiency by unlocking the potential for variable and fixed-cost savings by seeking to:

- maintain long-term cost increases below inflation, benefiting from the application of cost-efficiency programs such as ZBB and VPO, internal and external benchmarking, as well as from our size;
- leverage our global procurement office to generate further cost savings, and build on our supplier relationships to bring new ideas and innovation to our business; and
- continue to share best practices across all functions, as well as benchmark performance externally against other leading companies. Cost management and efficiency will be part of an ongoing process and fueled by an ownership mindset.

**2. PRINCIPAL ACTIVITIES AND PRODUCTS**

We produce, market, distribute and sell a portfolio of well over 500 beer and malt beverage brands. We have a global footprint with a balanced exposure to developed and developing markets and production facilities spread across our regions.

Our production and distribution facilities and other assets are predominantly located in the same geographical areas as our consumers. We set up local production when we believe that there is substantial potential for local sales that cannot be addressed in a cost-efficient manner through exports or third-party distribution into the relevant country. Local production also helps us to reduce, although it does not eliminate, our exposure to currency movements.



The table below sets out the main brands we sell in the markets listed below as of 31 December 2020. We expect that significant growth opportunities will arise from marketing our brand portfolio through a largely complementary distribution network.

Country by Region  
**North America**

**Brands**

Canada	<b>Beer and Beyond Beer:</b> Alexander Keith's, Archibald, American Vintage, Beach Day Every Day, Beck's, Brava, Bud Light, Bud Light Strawberry Lemonade, Budweiser, Busch, Corona, Hoegaarden, Goose Island, Kokanee, Labatt 50, Labatt Blue, Lakeport, Leffe, Löwenbräu, Lucky, Michelob Ultra, Mike's Hard Lemonade, Mike's Blue Freeze, Mill Street, NUTRL, Okanagan, Oland, Palm Bay, Rolling Rock, Rockstar, Shock Top, Stanley Park, Stella Artois, Tail Spin
United States	<b>Beer and Beyond Beer:</b> 10 Barrel, Beck's, Blue Point, Breckenridge, Bud Light, Bud Light Lime, Bud Light Platinum, Bud Light Seltzer, Bud Light Platinum Seltzer, Bud Light Chelada, Bud Light Orange, Bud Light Lemonade, Budweiser, Budweiser Zero, Budweiser Select, Busch, Busch Light, Cutwater, Devil's Backbone, Elysian, Estrella Jalisco, Four Peaks, Golden Road, Goose Island, Hiball, Hoegaarden, Karbach, Kombrewcha, Landshark, Leffe, Rita Family, Michelob Ultra, Michelob Ultra Pure Gold, Michelob Ultra Infusions, Natural Light, Natural Light Seltzer, Patagonia, Presidente, Rolling Rock, Shock Top, Bon & Viv Spiked Seltzer, Social Club Seltzer, Stella Artois, Virtue, Wicked Weed
<b>Middle Americas</b>	
Colombia	<b>Beer:</b> Bahia, Aguila family, Bogota Beer Company, Budweiser, Club Colombia family, Cola y Pola, Corona, Costeña family, Modelo Especial, Pilsen, Poker family, Redd's, Stella Artois, Azteca, Beck's, Busch Light <b>Non-Beer:</b> Pony Malta, Malta Leona, Zalva
Dominican Republic	<b>Beer:</b> Bohemia, Brahma, Budweiser, Corona, Franziskaner, Goose Island, Hoegaarden, Leffe, Modelo (Especial and Negra), Presidente Family, Stella Artois, Shock Top, Spaten, The One <b>Non-Beer:</b> 7UP, Guaraná Antarctica, Enriquillo, Coco Rico, Malta Bohemia, Malta Löwenbräu, Malta Morena, Montpellier water, Pepsi, Red Bull, Red Rock, 911, VitaMalt
Ecuador	<b>Beer:</b> Budweiser, Club family, Pilsener family, Corona, Stella Artois, Beck's, Suprema, Nuestra Siembra, Archer <b>Non-Beer:</b> Manantial water, Pony Malta, Origen, Origen Vibes
El Salvador	<b>Beer:</b> Golden, Pilsener, Corona, Taurino, Modelo, Stella Artois, Budweiser, Corona Cero, Michelob Ultra, Santa Cruz



Country by Region

Brands

	<b>Non-Beer:</b> Coca-Cola, Fanta, Sprite, Tropical, Ades, Cristal (Water), Del Valle, Monster, Powerade, Oasis (Water), Fuze Tea
Guatemala	<b>Beer:</b> Beck's Blue, Brahva, Bud Light, Budweiser, Busch Light, Corona, Goose Island, Hoegaarden, Leffe, Michelob Ultra, Modelo (Especial and Negra), Shock Top, Stella Artois
Honduras	<b>Beer:</b> Barena, Corona, Imperial, Port Royal, SalvaVida, Michelob Ultra, Legacy, Barena Lime, Stella Artois <b>Non-Beer:</b> Coca-Cola, Fanta, Sprite, Tropical, Fresca, Ades, Dasani (Water), Del Valle, Monster, Powerade, Vital (Water), Acti Malta, Fuze Tea
Mexico	<b>Beer and Beyond Beer:</b> Barrilito, Bocanegra, Bud Light, Budweiser, Busch Light, Carta Clara, Corona Extra, Corona Cero (non-alcoholic), Corona Light, Corona Ligera, Cucapá, Estrella, Goose Island, Guinness, Hoegaarden, Leon, Mexicali, Michelob Ultra, Michelob Ultra Seltzer, Modelo Ambar, Modelo Especial, Modelo Trigo, Montejo, Modelo Negra, Pacifico, Stella Artois, Tijuana, Tropical Light, Victoria, Victoria 1.8, Vickychelada, Vicky Chamoy <b>Non-Beer:</b> Nestlé Pureza Vital, Perrier, Sn. Pellegrino, Sta. María, Red Bull
Panama	<b>Beer:</b> Atlas, Atlas Golden Light, Balboa, Balboa Ice, Budweiser, Corona, Presidente, Michelob Ultra, Modelo Especial, Stella Artois, Becks, Leffe, Hoegaarden, Goose Island <b>Non-Beer:</b> 7UP, Agua Brisa, Malta Vigor, Mirinda, Pepsi, Pony Malta, Canada Dry, Orange Crush, Squirt
Peru	<b>Beer:</b> Arequipeña, Barbarian, Becks, Budweiser, Pacífico, Golden, Corona, Cristal, Cusqueña family, Michelob Ultra, Pilsen Callao, Pilsen Trujillo, San Juan, Stella Artois <b>Non-Beer:</b> Agua Tonica Backus, Guaraná Backus family, Maltin Power, San Mateo water, Viva Backus, Malta Cusqueña, Mike's Hard
<b>South America</b>	
Argentina	<b>Beer:</b> Andes, Budweiser, Brahma, Corona, Franziskaner, Goose Island, Hoegaarden, Leffe, Löwenbräu, Michelob Ultra, Negra Modelo, Patagonia, Quilmes, Stella Artois, Temple
Bolivia	<b>Beer:</b> Báltica, Beck's, Bicervecina, Bock, Brahma, Corona, Coronita, Ducal, El Inca, Huari, Imperial, Paceña, Stella Artois, Taquiña <b>Non-Beer:</b> Pepsi, Guarana, Ortinal Mirinda, 7Up, Maltin, Gatorade, H2OH!
Brazil	<b>Beer and Beyond Beer:</b> Antarctica, Antarctica SubZero, Becks, Bohemia, Brahma, Brahma Duplo Malte, Budweiser, Colorado, Corona, Hoegaarden, Leffe, Nossa, Original, Serramalte, Skol, Beats, Skol Puro Malte, Stella Artois



Country by Region

Brands

**Non-Beer:** Antártica Guaraná, Gatorade, H2OH!, Lipton, Pepsi, Sukita, Tônica Antarctica

Chile **Beer:** Baviera, Baltica, Beck's, Becker, Brahma, Budweiser, Bud Light, Busch, Corona, Coronita, Cusqueña, Goose Island, Hoegaarden, Kilometro 24.7, Kona, Leffe, Malta del Sur, Michelob Ultra, Modelo, Negra Modelo, Modelo Especial, Paceña, Pilsen, Pilsen Del Sur, Quilmes, Stella Artois

Paraguay **Beer:** Antarctica, Baviera, Bohemia, Brahma, Brahma Subzero, Budweiser, Bud Light, Corona, Hoegaarden, Leffe, Norte, Ouro Fino, Patagonia, Pilsen, Pilsen Nande, Quilmes, Skol, Stella Artois

**Non-Beer:** Dante Robino

Uruguay **Beer:** Beck's, Brahma, Budweiser, Corona, Franziskaner, Goose Island, Hoegaarden, Leffe, Löwenbräu, Negra Modelo, Michelob Ultra, Norteña, Patagonia, Patricia, Pilsen, Quilmes, Stella Artois, Zillertal

**Non-Beer:** 7UP, Gatorade, Guarana, H2OH!, Mirinda, Paso de los Toros, Pepsi, Teem

**EMEA**

Belgium **Beer and Beyond Beer:** Belle Vue, Corona, Cubanisto, Ginette, Hoegaarden, Jupiler, Kwak, Leffe, Stella Artois, Tripel Karmeliet, Victoria Strong Blonde

France **Beer and Beyond Beer:** Beck's, Belle Vue, Bud, Camden, Corona, Cubanisto, Franziskaner, Ginette, Goose Island, Hoegaarden, Jupiler, Kwak, Leffe, Lowenbrau, Stella Artois, Tripel Karmeliet

Germany **Beer:** Beck's, Corona, Diebels, Haake-Beck, Hasseroeder, Lowenbrau, Leffe Spaten

Italy **Beer:** Beck's, Birra del Borgo, Budweiser, Corona, Franziskaner, Goose Island, Hoegaarden, Jupiler, Kwak, Leffe, Lowenbrau, Spaten, Stella Atrois, Tennet's Super

Luxembourg **Beer:** Corona, Diekirch, Franziskaner, Hoegaarden, Jupiler, Kwak, Leffe, Stella Artois, Tripel Karmeliet

Netherlands **Beer and Beyond Beer:** Bud, Corona, Cubanisto, Dommelsch, Franziskaner, Goose Island, Hertog Jan, Hoegaarden, Jupiler, Kwak, Leffe, Lowenbrau, Stella Artois, Tripel Karmeliet

Spain **Beer and Beyond Beer:** Budweiser, Corona, Cubanisto, Dorada, Franziskaner, Hoegaarden, La Virgen, Leffe, Stella Artois, Tropical

United Kingdom **Beer and Beyond Beer:** Bass, Beck's, Boddington's, Brahma, Budweiser, Bud Light, Camden, Corona, Franziskaner, Goose Island, Hoegaarden, Leffe, Lowenbrau, Magners Cidre, Michelob Ultra, Spaten, Stella Artois, Stella Artois Cidre, Tennent's Super



Country by Region

Brands

Botswana	<p><b>Beer and Beyond Beer:</b> Carling Black Label, Castle Lager, Castle Lite, Castle Free, Castle Milk Corona, Flying Fish, Hansa Pilsener, Redd's, Stella Artois, Stout, St. Louis family</p> <p><b>Non-Beer:</b> Bonaqua, Chibuku, Keone Mooka Mague</p>
eSwatini	<p><b>Beer and Beyond Beer:</b> Brutal Fruit, Budweiser, Carling Black Label, Castle Lager, Castle Lite, Castle Milk Stout, Corona, Flying Fish, Hansa Pilsener, Lion Lager, Redd's, Sibebe, Smirnoff, Stella Artois</p>
Ghana	<p><b>Beer:</b> Budweiser, Club Premium Lager, Club Shandy, Eagle, Eagle Extra Stout, Stella Artois</p> <p><b>Non-Beer:</b> Beta Malt</p>
Lesotho	<p><b>Beer and Beyond Beer:</b> Brutal Fruit, Budweiser, Carling Black Label, Castle Lager, Castle Free, Castle Lite, Castle Milk Stout, Corona, Flying Fish, Hansa Pilsener, Maluti Premium Lager, Redd's, Smirnoff, Stella Artois</p>
Mozambique	<p><b>Beer and Beyond Beer:</b> 2M, Budweiser, Carling Black Label, Castle Lite, Corona, Dourada, Flying Fish, Impala, Laurentina family, Manica, Stella Artois, Smirnoff</p>
Namibia	<p><b>Beer and Beyond Beer:</b> Budweiser, Carling Black Label, Castle Lager, Castle Free Castle Lite, Corona, Eagle Lager, Flying Fish, Lion, Redd's, Stella Artois</p>
Nigeria	<p><b>Beer:</b> Budweiser, Castle Lite, Eagle, Eagle Stout, Hero, Trophy, Trophy Stout</p> <p><b>Non-Beer:</b> Beta Malt, Grand Malt, Rootz</p>
South Africa	<p><b>Beer and Beyond Beer:</b> Beck's, Beck's Blue, Brutal Fruit, Budweiser, Carling Black Label, Castle Lager, Castle Free, Castle Lite, Castle Milk Stout, Castle Milk Stout Chocolate, Corona, Flying Fish family, Guinness, Hansa Pilsener, Hoegaarden, Leffe, Lion Lager, No 3 Fransen Street, Newlands Spring, Redd's family, Red Bull, Shine Club, Stella Artois</p> <p><b>Non-Beer:</b> Smirnoff</p>
Tanzania	<p><b>Beer and Beyond Beer:</b> Balimi, Budweiser, Castle Lager, Castle Lite, Castle Milk Stout, Corona, Dodoma, Eagle, Imagi, Kilimanjaro, Redd's, Safari</p> <p><b>Non-Beer:</b> Bia Bingwa, Grand Malt, Konyagi, Ndovu Special Malt, Safari Water</p>
Uganda	<p><b>Beer and Beyond Beer:</b> Budweiser, Castle Lite, Castle Milk Stout, Chairman's ESB, Club Pilsener, Club Twist, Eagle family, Konyagi, Nile family</p>
Zambia	<p><b>Beer:</b> Budweiser, Carling Black Label, Castle Lager, Castle Lite, Corona, Eagle, Flying Fish, Leffe, Mosi, Stella Artois</p>



**Country by Region**

**Brands**

**Asia Pacific<sup>(1)</sup>**

China	<b>Beer:</b> Beck's, Blue Girl, Boxing Cat, Budweiser, Bud Light, Corona, Franziskaner, Ginsber, Goose Island, Harbin family, Hoegaarden, Leffe, Sedrin, Stella Artois
India	<b>Beer:</b> Beck's Ice, Budweiser, Bud 0.0%, Foster's, Haywards, Royal Challenge
South Korea	<b>Beer:</b> Beck's, Budweiser, Cafri, Cass, Corona, Goose Island, Harbin, Hoegaarden, OB Lager, Patagonia Weisse, Stella Artois, Suntory
Vietnam	<b>Beer:</b> Budweiser, Beck's family, Corona, Hoegaarden, Leffe, Stella Artois, Zorok

Notes:

- (1) On 1 June 2020, we completed the previously announced sale of our Australia business (Carlton & United Breweries) to Asahi for AUD 16.0 billion, resulting in net proceeds of USD 10.8 billion.

The table below sets out our sales broken down by business segment for the periods shown:

Market	2020		2019		2018	
	Revenue <sup>(1)</sup> (USD million)	Revenue (% of total)	Revenue <sup>(1)</sup> (USD million)	Revenue (% of total)	Revenue <sup>(1)</sup> (USD million)	Revenue (% of total)
North America	15,622	33.3%	15,488	29.6%	15,504	29.2%
Middle Americas	10,032	21.4%	11,912	22.8%	11,614	21.9%
South America	8,092	17.3%	9,790	18.7%	10,238	19.3%
EMEA	6,835	14.6%	7,911	15.1%	8,368	15.8%
Asia Pacific	5,648	12.0%	6,544	12.5%	6,735	12.7%
Global Export and Holding Companies	652	1.4%	685	1.3%	582	1.1%
<b>Total</b>	<b>46,881</b>	<b>100.0%</b>	<b>52,329</b>	<b>100.0%</b>	<b>53,041</b>	<b>100.0%</b>

Notes:

- (1) Revenue is turnover less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers (see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Excise Taxes").
- (2) Effective 1 January 2019, our business segments changed to be as follows: North America, Middle Americas, South America, EMEA, Asia Pacific and Global Export and Holding Companies. The figures for the year ended 31 December 2018 have been restated to reflect this allocation.
- (3) Effective 30 September 2019, the Australian operations were classified as a disposal group held for sale, and accounted for as discontinued operations up to 31 May 2020. The transaction closed on 1 June 2020. The figures for the year ended 31 December 2018 have been restated to reflect this change.

For a discussion of changes in revenue, see "Item 5. Operating and Financial Review—E. Results of Operations—Year Ended 31 December 2020 Compared to the Year Ended 31 December 2019—Revenue" of this Form 20-F and "Item 5. Operating and Financial Review—E. Results of Operations—Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018—Revenue" of our Annual Report on Form 20-F for the fiscal year ended 31 December 2019.



The table below sets out the breakdown between our beer and non-beer volumes and revenue. Based on our actual historical financial information for these periods, our non-beer activities accounted for 11.3% of consolidated volumes in 2020, 11.1% of consolidated volumes in 2019 and 11.8% of consolidated volumes in 2018. In terms of revenue, our non-beer activities generated 8.2% of consolidated revenue in 2020 compared to 8.3% in 2019 and 8.4% in 2018, based on our actual historical financial information for these periods.

	Beer and Beyond Beer <sup>(1)(2)(3)(4)</sup>			Non-Beer <sup>(3)(4)</sup>			Consolidated <sup>(4)</sup>		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Volume (million hectoliters)	467	495	494	60	63	66	530	561	560
Revenue <sup>(2)</sup> (USD million)	43,044	47,984	48,602	3,387	4,345	4,439	46,881	52,329	53,041

## Notes:

- (1) Beer volumes and revenue include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Western Europe.
- (2) Revenue is turnover less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers (see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Excise Taxes”).
- (3) The non-beer category includes soft drinks and certain other beverages.
- (4) Effective 30 September 2019, the Australian operations were classified as a disposal group held for sale, and accounted for as discontinued operations up to 31 May 2020. The figures for the year ended 31 December 2018 have been restated to reflect this change.

**Beer and Beyond Beer**

Our brands are the foundation and the cornerstone of our relationships with consumers. We invest in our brands to create long-term and sustainable competitive advantages by meeting the various needs and expectations of consumers and by developing leading brand positions around the globe.

On the basis of quality and price, beer can be differentiated into the following categories:

- Premium or high-end brands;
- Core brands; and
- Value, discount or sub-premium brands.

Our brands are positioned across all of these categories. For example, a brand like Stella Artois generally targets the premium category across the globe, while a brand like Skol targets the core segment in Brazil and Natural Light targets the sub-premium category in the United States. We have a particular focus on core-to-premium categories but are also present in the value category where the market structure in a particular country necessitates its presence.

Our portfolio includes:

***International Distribution***

- Beck’s, the world’s number one German beer, is renowned for uncompromising quality. It is brewed today, just as it was in 1873, with a rigorous brewing process and a recipe using only four natural ingredients. Beck’s adheres to the strictest quality standards of the German Reinheitsgebot (Purity Law). Beck’s is brewed in various countries, including the United States.
- Budweiser is one of the top-selling beers in the United States. The brand has experienced strong growth over the past 10 years. Sales outside the United States represented over 70% of global Budweiser volume in 2020. Once again, Budweiser was ranked number one in the BrandZ™ list of





most valuable beer brands worldwide. Budweiser also continues to support international football year-round as the sponsor of the English Premier League and La Liga. This year, Budweiser also sponsored La Liga superstar Lionel Messi, gaining significant share of conversation as Messi set a record for the most career goals scored with a single team.

- Corona is the best-selling Mexican beer in the world and the leading beer brand in Mexico. Corona is available in more than 130 countries. In 2020, it was ranked number five in the BrandZ™ list of most valuable beer brands worldwide. We granted Constellation Brands, Inc. the exclusive right to market and sell Corona beer and certain other Grupo Modelo beer brands in the 50 states of the United States, the District of Columbia and Guam, including Victoria, Modelo Especial, Pacifico and Negra Modelo.
- Hoegaarden is a high-end Belgian wheat (or “white”) beer. Based on its brewing tradition dating back to 1445, Hoegaarden is top fermented and then refermented in the bottle or keg, leading to its distinctive cloudy white appearance.
- Leffe, a rich, full-bodied beer that hails from Belgium, has the longest heritage in our beer portfolio and is available in over 90 countries worldwide.
- Michelob Ultra was rolled out nationally in the United States in 2002 and grew to become the second largest beer brand by value, in the US in 2019, behind only Bud Light. As a low calorie, low carb beer associated with an active lifestyle, Michelob Ultra was the fastest-growing beer brand in the United States between 2015 and 2018, according to IRI (based on volume share gains). This strong history of success has now been replicated in multiple international markets. In Canada, Mexico and Honduras, Michelob Ultra continued to grow despite category declines due to the COVID-19 pandemic. Michelob Ultra is also available in multiple other markets, including El Salvador, Peru, Chile, and Guatemala.
- Stella Artois is the number one Belgian beer in the world according to Plato Logic Limited, it is the world’s third most valuable beer brand according to the BrandZ™ list of most valuable beer brands worldwide and it is distributed in over 100 countries worldwide. As a premium lager with roots tracing back to 1366 in the town of Leuven, Belgium, its legacy of quality and elegance is reflected in its iconic chalice and nine-step pouring ritual. The top three markets in terms of revenue for Stella Artois as of 2020 are the United States, the United Kingdom and Brazil with expansion plans well under way in several new growth markets, including South Africa and Mexico.

**North America**

- Bud Light is the best-selling beer in the United States and the leader in the light category. It is the official sponsor of the NFL (National Football League), with a sponsorship agreement most recently extended to 2022.

**Middle Americas**

- Modelo Especial is a full-flavored pilsner beer brewed with premium two-row barley malt for a slightly sweet, well-balanced taste with a light hop character and crisp finish. Brewed since 1925, it was created to be a “model” beer for all of Mexico and stands for pride and authenticity.
- Victoria is a Vienna-style lager and one of Mexico’s most popular beers. Victoria was produced for the first time in 1865, making Victoria Mexico’s oldest beer brand.
- Aguila is a classic Colombian lager beer with a balanced and refreshing flavor that was first brewed in 1913.



- Cristal is Peru’s leading beer, brewed since 1922. With a crisp taste and dedication to quality, Cerveza Cristal is a favorite among Peruvians.
- Pilsen Callao, first brewed 150 years ago in Peru, offers the clean and simple taste of a true Pilsner.
- Poker is a Pilsner lager that has been enjoyed by Colombians for its traditional, bittersweet taste since 1929.

**South America**

- Skol is the leading beer brand in the Brazilian market, according to Plato Logic Limited. Skol has been a pioneer and innovator in the beer category, engaging with consumers and creating new market trends, especially with regional festivals such as Carnival and new products such as Skol Puro Malte, launched in 2019.
- Brahma is the second-most consumed beer in Brazil, according to Plato Logic Limited. It was one of the Brazilian official sponsors of the 2018 FIFA World Cup™, and in 2020 Brahma Franchise was one of the main brands to entertain consumers at home with the livestream concerts. Brahma Duplo Malte was launched in 2020 and is one of best example of our innovation strategy, resulting from actively listening to consumer demands. The brand is already the leader of the Core Plus segment.
- Antarctica is the fourth-most consumed beer in Brazil, according to Plato Logic Limited.

**EMEA**

- Jupiler is the market leader in Belgium and the official sponsor of the most important Belgian professional football league, the Jupiler Pro League. It is also the sponsor of the Belgian national football team.

**Africa**

- Carling Black Label is the biggest brand in South Africa and the most awarded beer in the South Africa portfolio. It is brewed to provide consumers with distinctly aromatic, truly rewarding, full-flavored refreshment.
- Castle Lager is popularly described as South Africa’s national beer, first brewed in Johannesburg in 1895, using local hops, creating a somewhat dry taste with bitterness and undertones of malt. Castle Lager is the official sponsor of several South African sporting associations, including the national football and cricket teams.
- Castle Lite was first brewed in South Africa in 1994 with a mission to provide the coldest and most refreshing beer on the South African market. Today, it is an Africa-wide premium brand enjoyed in 14 countries and continues to innovate to keep its beer “extra cold.”
- Flying Fish Premium Flavored Beer combines the pure refreshment of beer with added flavors: pressed lemon and green apple. With an easy drinking taste, Flying Fish offers something different for consumers looking to share new experiences, new flavors and new tastes at any occasion.
- Hero is a Nigerian beer brewed using local sorghum and malted barley.
- Hansa Pilsener is brewed in true pilsener style, using Saaz hops, which are responsible for the brand’s unique hoppy aroma.



- Kilimanjaro Premium Lager is named after Tanzania’s iconic Mount Kilimanjaro, the highest mountain in Africa. Launched in 1996, it boasts an easy drinking taste made from ingredients grown on the slopes of Mount Kilimanjaro and nourished by the pure waters that flow from its ice-capped peak. It is light in color with 4.5% alcohol by volume (“ABV”) and a crisp refreshing taste.
- Safari, first brewed in Tanzania in 1977, is a full-flavored, full-bodied beer with a rich golden color and taste that gave rise to a new era of beer brewing in Tanzania. Today it is still the mainstream category leader inspiring young Tanzanian consumers to follow their paths.
- Trophy Lager beer is one of the top selling beers in Nigeria. Originated in 1978, Trophy has grown from a small core brand in the west of Nigeria to a strong lovemark (a brand that commands both high respect and “love” from consumers) and is now expanding nationally. Sales have grown by double digits over the years and Trophy now contributes 40% to our Beer business in Nigeria. Trophy is known as the honorable beer that accords respect to Nigerian consumers and Nigeria.

### *Asia Pacific*

- Cass is the market leader in South Korea.
- Harbin is a national brand with its roots in the northeast of China.
- Sedrin is a strong regional brand that originated in China’s Fujian province.
- Haywards is one of the biggest core lager brands in India with a brand positioning that supports and encourages the strength of resolve of hard-working consumers.

### *No- and Low-Alcohol Beer*

We take pride in empowering consumers to make smart drinking choices. Consumers around the world are becoming interested in no- and low-alcohol beers that allow them to enjoy a beer experience, with less or no alcohol involved. Making that choice available to more consumers globally is a core pillar of advancing our Smart Drinking Goals. Specifically, we have aimed to ensure no- and low- alcohol beer (NABLAB) products represent at least 20% of our global beer volume by the end of 2025. Although we are not on track to meet this goal, we are incorporating our experience into our efforts going forward. For further details please see “Item 4. Information on the Company—B. Business Overview—13. Social and Community Matters—Smart Drinking.”

We have continued to expand our global portfolio of non-alcoholic beverages, which currently houses over 30 brands. As of 2020, China, Panama, Ecuador, Mozambique and Botswana already have no- and low-alcohol beer representing more than 20% of their beer volumes. Additionally, Brahma 0.0% is the number one non-alcoholic beer in Brazil. 2020 also saw the global launch of Budweiser Zero, which has rolled out across the United States, Canada, the U.K., Russia, and Ukraine. Our additional non-alcohol beverage brands include Beck’s NA in the United States, Canada, the U.K. and Germany, Jupiler 00 in Belgium and Castle Free in South Africa. See “—Beer” above for more information.

### *Beyond Beer*

Our Beyond Beer Brands have allowed us to tap into new occasions and draw new consumers to our portfolio and the category.

Hard seltzer is a clear highlight of 2020 with amazing results from Bud Light Seltzer, Natural Light Seltzer and Nutrl Vodka Soda, among several other offerings across US and Canada. We also began to expand the hard seltzer category globally with the launch of Mike’s Hard Seltzer in UK.



We also saw strong performance across multiple markets from our RTD Brands: Brutal Fruit and Flying Fish in South Africa; Beats in Brazil; Palm Bay in Canada. Our Canadian brand Mike’s Hard Lemonade is moving towards global expansion with launches in China, Brazil, Mexico, Peru and Colombia. All these brands are designed to grow the Beyond Beer business and improve our market share of total alcoholic beverages by addressing changing consumer trends and preferences.

**Non-Beer**

*Non-Alcohol Beverages*

While our core business is beer, we also have an important presence in the Non-Alcohol Beverages (“NAB”) market. We have NAB operations in Latin America and Africa, and our subsidiary Ambev has NAB operations in South America and the Caribbean. The NAB market includes both carbonated and non-carbonated beverages.

Our NAB business includes both our own brands and agreements with PepsiCo, Inc. (“PepsiCo”) related to bottling and distribution of PepsiCo brands. Ambev has a long-term agreement with PepsiCo whereby it has been granted the exclusive right to bottle, sell and distribute certain PepsiCo brands in Brazil, including Pepsi-Cola, Gatorade, H2OH!, and Lipton Ice Tea. Through our Latin America South operations, Ambev is also PepsiCo’s bottler for Argentina, Uruguay and Bolivia, as well as in the Dominican Republic and Panama. In Panama, we also produce and bottle other third-party soft drink brands, such as Canada Dry Ginger Ale, Squirt and Crush.

Apart from the bottling and distribution agreements with PepsiCo, Ambev also produces, sells and distributes its own non-alcoholic beverages. Its main carbonated soft drinks brand is Guaraná Antarctica.

In 2018, we completed the sale of our carbonated soft drink businesses in Zambia and Botswana to The Coca-Cola Company. In 2019, we completed the sale of all of our carbonated soft drink business in eSwatini (Swaziland) and certain non-alcoholic beverage brands in El Salvador and Honduras. In El Salvador and Honduras, we have executed long-term bottling agreements which became effective in 2019 upon the closing of the El Salvador and Honduras brand divestitures. In 2020, The Coca-Cola Company acquired our interest in the bottling operations of our business in Lesotho.

In the United States, we sell Teavana in partnership with Starbucks and an energy drink called Hiball.

Labatt, the Canadian subsidiary of our subsidiary Ambev, has entered into a joint venture with Tilray, a global player in cannabis production and distribution, to research non-alcohol beverages containing THC and CBD, and also to commercialize a non-alcohol CBD beverage in Canada only.

**Other Alcoholic Beverages**

We are actively exploring opportunities in other categories through ZX Ventures, with initiatives in all continents. In wine, our U.S. brand Babe took a step towards global expansion with launches in Canada, U.K. and South Korea. In Argentina, we also acquired Dante Robino and launched Blasfemia, the 1<sup>st</sup> canned wine in the market. In South Africa we established Shine Club, a sophisticated wine in a box. We also have relevant pilots in the Spirits category with Cutwater in US, Atom Group in U.K. and G&W in Canada.

**ZX Ventures**

ZX Ventures is our global investment and innovation group. ZX is focused on seeding and launching beverages of the future and building and scaling new ventures outside of our core business.

ZX Ventures invests in areas of varying adjacency to our core beer business, thematically including direct-to consumer, beverages, sustainability and circular solutions.

**Z-Tech**

Z-Tech is our global technology and innovation hub whose mission is to empower small and medium-sized businesses through technology, creating an environment where those businesses and their families can thrive for the long term. Z-Tech teams make use of an agile methodology as they define small and medium-sized businesses' needs, explore marketplace and financial technology solutions, validate through proof-of-concept and pilot before scaling across the globe.

Z-Tech was created in 2019 and is currently active in Brazil, Mexico, Colombia and Peru, with plans to expand to other markets in 2021.

**3. MAIN MARKETS**

We are a global brewer, with sales in over 150 countries across the globe.

The last two decades have been characterized by rapid growth in fast-growing developing markets, notably in certain regions of Africa, Asia and Central and South America, where we have significant sales.

Each market in which we operate has its own dynamics and consumer preferences and trends. Given the breadth of our brand portfolio, we believe we are well-placed to address changing consumer needs in the various categories (premium, core and value) within any given market.

Effective 1 January 2019, we have been organized into six business segments.

The business segments and their corresponding countries are:

- *North America:* the United States and Canada;
- *Middle Americas:* the Caribbean, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama and Peru;
- *South America:* Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay;
- *EMEA:* Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Spain, Switzerland, the United Kingdom, African Islands, Botswana, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda and Zambia and export activities in Europe and Middle East;
- *Asia Pacific:* China, India, Japan, New Zealand, South Korea, Vietnam and other South Asian and Southeast Asian countries; and
- *Global Export and Holdings Companies.*

The table below sets out our total volumes broken down by business segment for the periods shown:

Market	2020		2019		2018	
	Volumes (million hectoliters)	Volumes (% of total)	Volumes (million hectoliters)	Volumes (% of total)	Volumes (million hectoliters)	Volumes (% of total)
North America	107	20.2%	108	19.3%	111	19.8%
Middle Americas	121	22.8%	134	23.9%	129	23.0%
South America	144	27.1%	140	25.0%	136	24.3%
EMEA	76	14.3%	86	15.3%	87	15.5%
Asia Pacific	82	15.4%	93	16.6%	96	17.1%
Global Export and Holding Companies	0.9	0.2%	1	0.2%	1	0.2%
<b>Total</b>	<b>531</b>	<b>100%</b>	<b>561</b>	<b>100.0%</b>	<b>560</b>	<b>100.0%</b>



## Notes:

- (1) Effective 1 January 2019, our business segments changed to be as follows: North America, Middle Americas, South America, EMEA, Asia Pacific and Global Export and Holding Companies. The figures for the year ended 31 December 2018 have been restated to reflect this allocation.
- (2) Effective 30 September 2019, the Australian operations were classified as a disposal group held for sale, and accounted for as discontinued operations up to 31 May 2020. The transaction closed on 1 June 2020. The figures for the year ended 31 December 2018 have been restated to reflect this change.

On an individual country basis, our largest markets by volume listed, during the year ended 31 December 2020, in alphabetical order, Argentina, Belgium, Brazil, Canada, China, Colombia, Dominican Republic, El Salvador, France, Germany, Honduras, Mexico, Peru, South Africa, South Korea, the United Kingdom and the United States, with each market having its own dynamics and consumer preferences and trends. Given the breadth of our brand portfolio, we believe we are well-placed to address changing consumer needs in the various categories (premium, core and value) within any given market.

**4. COMPETITION**

We believe our largest competitors are Heineken, Carlsberg, CR Snow and Molson Coors Brewing Company based on information from the Plato Logic Limited report for the calendar year 2019 (published in December 2020).

Historically, brewing was a local industry with only a few players having a substantial international presence. Larger brewing companies often obtained an international footprint through direct exports, licensing agreements and joint venture arrangements. However, the last several decades have seen a transformation of the industry, with a prolonged period of consolidation. This trend started within the more established beer markets of Western Europe and North America and took the form of larger businesses being formed through merger and acquisition activity within national markets. More recently, consolidation has also taken place within developing markets. Over the last decade, the global consolidation process has accelerated, with brewing groups making significant acquisitions outside of their domestic markets and increasingly looking to purchase other regional brewing organizations. As a result of this consolidation process, the absolute and relative size of the world's largest brewers has substantially increased. Therefore, today's leading international brewers have significantly more diversified operations and have established leading positions in a number of international markets.

We have participated in this consolidation trend and grown our international footprint through a series of mergers and acquisitions, described in "—A. History and Development of the Company," which include:

- the acquisition of Beck's in 2002;
- the creation of InBev in 2004, through the combination of Interbrew and Ambev;
- the acquisition of Anheuser-Busch Companies in November 2008;
- the combination with Grupo Modelo in June 2013; and
- the combination with SAB in October 2016.

The 10 largest brewers in the world in 2019 in terms of volume are as set out in the table below.

1	AB InBev	503.3
2	Heineken	254.0
3	Carlsberg	123.0
4	CR Snow	114.3
5	Molson Coors Brewing Company	88.9
6	Tsingtao (Group)	80.5



7	Asahi	75.0
8	Beijing Yanjing	38.1
9	Castel	36.1
10	EFES	35.5

## Note:

- (1) Source: Plato Logic Limited report for the calendar year 2019 (published in December 2020). Volumes are based on calculations on total volumes of majority-owned subsidiaries, also licensed brewing. Our own beer volumes for the year ended 31 December 2020 were 467 million hectoliters and 495 million hectoliters for the year ended 31 December 2019.

In each of our regional markets, we compete against a mixture of national, regional, local and imported beer brands. In North America, Brazil and other selected countries in Latin America, Europe and Asia Pacific, we compete primarily with large leading international or regional brewers and international or regional brands.

## 5. WEATHER AND SEASONALITY

For information on how weather affects consumption of our products and the seasonality of our business, see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Weather and Seasonality.”

## 6. BREWING PROCESS; RAW MATERIALS AND PACKAGING; PRODUCTION FACILITIES; LOGISTICS

### Brewing Process

The basic brewing process for most beers is straightforward, but significant know-how is involved in quality and cost control. The most important stages are brewing and fermentation, followed by maturation, filtering and packaging. Although malted barley (malt) is the primary ingredient, other grains such as unmalted barley, rice or wheat are sometimes added to produce different beer styles. The proportion and choice of other raw materials varies according to regional taste preferences and the type of beer.

The first step in the brewing process is making wort by mixing malt with warm water and then gradually heating it to around 75°C in large mash tuns to dissolve the starch and transform it into a mixture, called “mash,” of maltose and other sugars. The spent grains are filtered out and the liquid, now called “wort,” is boiled. Hops are added at this point to give a special bitter taste and aroma to the beer. The wort is boiled for one to two hours to sterilize and concentrate it, and extract the desired flavor and bitterness from the hops. Cooling follows, using a heat exchanger. The hopped wort is saturated with air, or oxygen, essential for the growth of the yeast in the next stage.

Yeast is a micro-organism that turns the sugar in the wort into alcohol and carbon dioxide. This process of fermentation takes five to 11 days, after which the wort finally becomes beer. Different types of beer are made using different strains of yeast and wort compositions. In some yeast varieties, the yeast cells rise to the top of the liquid at the end of fermentation. Ales and wheat beers are brewed with these “top-fermenting” yeast strains. Lagers are made using yeast strains that settle to the bottom of the liquid. Some special Belgian beers, called lambic or gueuze, use yet another method, where fermentation relies on spontaneous action by airborne yeasts.

During the maturation process, the liquid clarifies as yeast and other particles settle. Further filtering gives the beer more clarity. Maturation varies by type of beer and can take as long as three weeks, and then the beer is ready for packaging in kegs, cans or bottles.





### Raw Materials and Packaging

The main raw materials used in our beer and other alcoholic malt beverage production are barley, rice, corn grits, corn syrup, hops, yeast and water. In some of our regions, such as in Africa, locally sourced agricultural products such as sorghum or cassava are used in place of malted barley. For non-beer production (mainly carbonated soft drinks) the main ingredients are flavored concentrate, fruit concentrate, sugar, sweetener and water. In addition to these inputs into our products, delivery of our products to consumers requires extensive use of packaging materials such as glass, PET and aluminum bottles, aluminum or steel cans and kegs, aluminum can stock, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

We use only our own proprietary yeast, which we grow in our facilities. In some regions, we import hops to obtain adequate quality and appropriate variety for flavor and aroma. We purchase these ingredients through the open market and through contracts with suppliers. We also purchase barley and process it to meet our malt requirements at our malting plants.

Prices and sources of raw materials are determined by, among other factors:

- the level of crop production;
- weather conditions;
- export demand; and
- governmental taxes and regulations.

We hedge some of our commodities contracts on the financial markets and some of our malt requirements are purchased on the spot market. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments” and note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, for further details on commodities hedging.

We have supply contracts with respect to most packaging materials as well as our own production capacity as outlined below in “—Production Facilities.” The choice of packaging materials varies by cost and availability in different regions, as well as consumer preferences and the image of each brand. We also use aluminum cansheet for the production of beverage cans and lids.

Hops, PET resin and, to some extent, cans are mainly sourced globally. Malt, adjuncts (such as unmalted grains or fruit), sugar, steel, cans, labels, metal closures, soda ash for our glass plants, plastic closures, preforms and folding cartons are sourced regionally. Electricity is sourced nationally, while water is sourced locally, for example, from municipal water systems and private wells.

We use natural gas as the primary fuel for our plants, and diesel as the primary fuel for freight. We believe adequate supplies of fuel and electricity are available for the conduct of our business. The energy commodity markets have experienced, and can be expected to continue to experience, significant price volatility. We manage our energy costs using various methods including supply contracts, hedging techniques and fuel-switching.

### Production Facilities

Our production facilities are spread across our regions, giving us a balanced geographical footprint in terms of production and allowing us to efficiently meet consumer demand across the globe. We manage our production capacity across our regions, countries and plants. We typically own our production facilities free of any major encumbrances. We also lease a number of warehouses and other commercial buildings from third parties. See “—11. Regulations Affecting Our Business” for a description of the environmental and other regulations that affect our production facilities.



**Beverage Production Facilities**

Our beverage production facilities comprised 225 breweries and/or non-beer plants as of 31 December 2020 spread across our regions. Of these 225 plants, 175 produced only beer and other alcoholic malt beverages, 10 produced only soft drinks and 40 produced beer, other alcoholic beverages and soft drinks. Except in limited cases (for example, our Hoegaarden brewery in Belgium), our breweries are not dedicated to one single brand of beer.

This allows us to allocate production capacity efficiently within our group.

The table below sets out, for each of our business segments (excluding Global Export and Holdings Companies) in 2020, the number of our beverage production plants (breweries and/or non-beer drink plants) as well as the plants' overall capacity.

Business Segment	Number of plants as of 31 December 2020 <sup>(3)</sup>	2020 Volumes <sup>(1)(3)</sup>		Annual engineering capacity as of 31 December 2020	
		Beer and Beyond Beer (khl)	Non-Beer (khl) <sup>(2)</sup>	Beer and Beyond Beer (khl)	Non-Beer (khl) <sup>(2)</sup>
North America	21	105,451	143	128,388	0
Middle Americas	39	105,945	18,385	144,751	33,501
South America	51	108,760	35,164	138,679	72,826
EMEA	60	100,584	86	156,559	1,548
Asia Pacific	51	79,269	103	161,585	546
<b>Total</b>	<b>225</b>	<b>500,009</b>	<b>53,882</b>	<b>729,962</b>	<b>108,421</b>

Notes:

- (1) Reported volumes.
- (2) The non-beer category includes soft drinks and certain other beverages, such as Stella Artois Cidre.
- (3) Excludes our joint ventures and assets where we are not the majority owner.

**Non-Beverage Production Facilities**

Our beverage production plants are supplemented and supported by a number of plants and other facilities that produce raw materials and packaging materials for our beverages. The table below provides additional detail on these facilities as of 31 December 2020.

Type of plant / facility	Number of plants / facilities <sup>(1)</sup>	Countries in which plants / facilities are located <sup>(1)</sup>
Malt plants	19	Argentina, Brazil, Colombia, Ecuador, Mexico, Peru, South Africa, South Korea, Uganda, United States, Uruguay, Zambia
Rice and corn grits mill	6	Argentina, Bolivia, Peru, United States
Farm and agriculture	3	Germany, United States, South Africa
Hop pellet plant	1	Argentina
Glass bottle plants	7	Brazil, Mexico, Paraguay, United States <sup>(2)</sup> , South Africa
Bottle cap plants	6	Argentina, Brazil, Colombia, Honduras, Mexico, South Africa
Label plants	3	Brazil, Colombia
Can plants	7	Bolivia, Mexico, United States
Can lid manufacturing plants	2	United States
Crown and closure liner material plants	1	United States
Soft drink concentrate plants	4	Brazil
Sand quarries	1	Mexico
Yeast plants	1	Brazil
Plastic crates plants	1	Honduras
Other	1	United States
<b>Total</b>	<b>63</b>	<b>—</b>

Notes:

- (1) Excludes plants and facilities owned by joint ventures and assets where we are not the majority owner.
- (2) On 29 January 2021, Anheuser-Busch announced an agreement to sell one of its glass manufacturing facilities in the United States. The sale is expected to be completed in the first quarter of 2021.



In addition to production facilities, we also maintain a geographical footprint in key markets through sales offices and distribution centers. Such offices and centers are opened as needs in the various markets arise.

### Capacity Expansion

We continually assess whether our production footprint is optimized to support future customer demand. Through footprint optimization, adding new capabilities (such as plants, packaging lines or distribution centers) to our footprint not only allows us to boost production capacity, but the strategic location often also reduces distribution time and costs so that our products reach consumers rapidly, efficiently and at a lower total cost. Conversely, footprint optimization can lead to divesting of some assets, such as reducing some production and distribution capabilities as needed to maintain the most optimal operational network.

For example, in 2020, we invested in additional brewing, packaging and distribution capacities in multiple countries including China, Korea, Argentina, Mozambique, Nigeria, South Africa, U.S., U.K., Belgium, Brazil, Mexico, Canada and others to meet our future demand expectations in these countries or for export volumes.

Our capital expenditures are primarily funded through cash from operating activities and are for production facilities, logistics, administrative capabilities improvements, hardware and software.

We may also outsource, to a limited extent, the production of items that we are either unable to produce in our own production network (for example, due to a lack of capacity during seasonal peaks) or for which we do not yet want to invest in new production facilities (for example, to launch a new product without incurring the full associated start-up costs). Such outsourcing mainly relates to secondary repackaging materials that we cannot practicably produce on our own, in which case our products are sent to external companies for repackaging (for example, gift packs with different types of beers).

### Logistics

Our logistics organization is composed of (i) a first tier, which comprises all inbound flows into the plants of raw materials and packaging materials and all outbound flows from the plants into the second drop point in the chain (for example, distribution centers, warehouses, wholesalers or key accounts) and (ii) a second tier, which comprises all distribution flows from the second drop point into the customer delivery tier (for example, pubs or retailers).

Our transportation mechanics vary by market depending on economic and strategic considerations. We may outsource transportation to third-party contractors, retain such capability in-house or implement owner-driver programs, among other options.

Some of our breweries have warehouses that are attached to their production facilities. In places where our warehouse capacity is limited, external warehouses are rented. We strive to centralize fixed costs, which has resulted in some plants sharing warehouse and other facilities with each other.

Where it has been implemented, the VPO/DPO program has had a direct impact on our logistics organization, for example, in respect of safety, quality, environment, scheduling, warehouse productivity and loss-prevention actions and is delivering great results by standardizing ways of working around the globe. Recently, we implemented a management program to guide our Logistics Centralized Processes (LCP) in our business units, which has also significantly improved planning and transportation across the zones. These programs facilitate fast sharing of learnings and best practices across management systems and were instrumental in overcoming the challenges posed by the COVID-19 pandemic in 2020.



## 7. DISTRIBUTION OF PRODUCTS

We depend on effective distribution networks to deliver products to our customers. We review our focus markets for distribution and licensing agreements on an annual basis. The focus markets will typically be markets with an interesting premium category and with reliable and strong partners (brewers and/or importers). Based on these criteria, focus markets are then chosen.

The distribution of beer, other alcoholic beverages and non-beer drinks varies from country to country and from region to region. The nature of distribution reflects consumption patterns and market structure, geographical density of customers, local regulation, the structure of the local retail sector, scale considerations, market share, expected added-value and capital returns, and the existence of third-party wholesalers or distributors. In some markets, brewers distribute directly to customers (for example, in Belgium). In other markets, wholesalers may play an important role in distributing a significant proportion of beer to consumers, either in part for legal reasons (for example, in certain U.S. states and Canada where there may be legal constraints on the ability of a beer manufacturer to own a wholesaler), because of historical market practice (for example, in China and Argentina) or because we have determined that third-party wholesalers provide the most effective route of distribution (which is generally the case in the United States). In some instances, we have acquired third-party distributors to help us self-distribute our products, as we have done in Brazil and Mexico.

The products we brew in the United States are sold to 415 wholesalers with the exclusive right to carry our products within a designated territory, for resale to retailers, with some entities owning more than one wholesalership. As of the end of 2020, we owned 15 of these wholesalers and the remaining wholesalers are independent businesses.

We generally distribute our products through (i) our own distribution, in which we deliver to points of sale directly, and (ii) third-party distribution networks, in which delivery to points of sale occurs through wholesalers and independent distributors. In certain cases, we may own or have an ownership stake in a wholesaler. Third-party distribution networks may be exclusive or non-exclusive.

See “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Distribution Arrangements” for a discussion of the effect of the choice of distribution arrangements on our results of operations.

As a customer-driven organization, we have programs for professional relationship building with our customers in all markets regardless of the chosen distribution method. This happens directly, for example, by way of key customer account management, and indirectly, by way of wholesaler excellence programs.

We seek to provide media advertising, point-of-sale advertising and sales promotion programs to promote our brands. Where relevant, we complement national brand strategies with geographic marketing teams focused on delivering relevant programming addressing local interests and opportunities.

## 8. LICENSING

In some markets, we may enter into license agreements or, alternatively, international distribution and/or importation agreements, depending on the best strategic fit for each particular market. License agreements entered into by us grant the right to third-party licensees to manufacture, package, sell and market one or several of our brands in a particular assigned territory under strict rules and technical requirements. In the case of international distribution and/or importation agreements, we produce and package the products ourselves while the third party distributes, markets and sells the brands in the local market.



We have entered into a number of licensing, distribution and importation agreements relating to our brands, including the following:

- Stella Artois is licensed to third parties in various countries including Algeria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Israel, Kosovo, Montenegro, New Zealand, Romania, Serbia and Slovakia, while Beck's is licensed to third parties in Algeria, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Montenegro, New Zealand, Romania, Serbia, Slovakia, Tunisia and Turkey.
- A licensing agreement allows Diageo Ireland to brew and sell Budweiser and Bud Light in the Republic of Ireland, and Diageo Northern Ireland has the right to sell Budweiser in Northern Ireland. Anadolu Efes has the right to brew and sell Bud in Turkey. For more information, see "Item 5. Operating and Financial Review—H. Contractual Obligations and Contingencies—Contractual Obligations." We also sell various brands, including Budweiser, by exporting from our license partners' breweries to other countries.
- The Corona beer brand is perpetually licensed to a subsidiary of Constellation Brands, Inc. for production in Mexico and marketing and sales in 50 states of the United States, the District of Columbia and Guam.
- Aguila, Castle Lager, Cusqueña, Cristal, Redd's and certain other brands are perpetually licensed to Molson Coors Brewing Company in the 50 states of the United States, the District of Columbia and Puerto Rico. We have retained rights to brew and distribute these beers outside of the United States, the District of Columbia and Puerto Rico.
- On 30 March 2018, following the merger of our businesses in Russia and Ukraine with Anadolu Efes, we granted the right to brew and/or distribute several of our brands including Bud, Stella Artois and Corona to AB InBev Efes, our combined business with Anadolu Efes.
- In connection with the listing of a minority stake of Budweiser APAC on the Hong Kong Stock Exchange, we have entered into a number of framework agreements granting Budweiser APAC (i) exclusive licenses to import for sale, manufacture, sell and distribute and (ii) non-exclusive licenses to advertise and promote our brands in APAC territories.
- Molson Coors Brewing Company has rights to brew and/or distribute, under license, Beck's, Löwenbräu, Spaten and Stella Artois, in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovakia and Slovenia.
- The Budweiser, Corona Extra, Corona Ligera, Coronita Extra, Pacifico, Modelo Negra, Lowenbrau Original, Lowenbrau Oktoberfest, Hoegaarden, Spaten, Spaten Oktoberfest, Franziskaner Hefe-Weissbier Dunkel, Franziskaner Hefe-Weissbier, Leffe Blonde, Leffe Brune, Leffe Radieuse, Belle Vue Extra, Birra del Borgo and Goose Island brands are perpetually licensed to Carlton & United Breweries, a subsidiary of Asahi, in Australia.
- The Stella Artois, Beck's and Beck's 4.0 brands are perpetually licensed to a subsidiary of Heineken in Australia.
- In Europe, certain third parties have the right to brew and/or distribute some of our brands such as Mahou San Miguel in Spain (excluding the Canary Islands), C&C in Scotland and Ireland, and Molson Coors in certain countries in Eastern Europe.



We also manufacture and distribute Brahma, a brand owned by our Brazilian listed subsidiary, Ambev, in Peru and other third-party brands, such as Kirin in the United States. Compañía Cervecería de Canarias (in the Canary Islands) has an agreement to distribute Guinness in the Canary Islands. Ambev and some of our other subsidiaries have entered into manufacturing and distribution agreements with PepsiCo. Major brands that are distributed under this agreement are Pepsi-Cola, Lipton Ice Tea, H2OH! and Gatorade. See “—2. Principal Activities and Products—Non-Beer—Non-Alcohol Beverages” for further information in this respect. Ambev and some of our other subsidiaries also have license agreements with us which allow them to exclusively produce, distribute and market Beck’s and Stella Artois in Brazil, Panama, Costa Rica, Puerto Rico, Chile, Guatemala, Dominican Republic, Argentina, Uruguay, Paraguay, Antigua, Bolivia, Dominica and Saint Vincent, and Budweiser in Brazil, Argentina and Canada. Ambev also distributes Budweiser in Bolivia, Paraguay, Guatemala, the Dominican Republic, Panama, Uruguay and Chile and Corona in Argentina, Bolivia, Paraguay, Uruguay, Chile, Guatemala, Panama and Canada.

## 9. BRANDING AND MARKETING

Our brands are the foundation and cornerstone of our relationships with consumers and the key to our long-term success. Our brand portfolio – its enduring bonds with consumers and its partnerships with customers – are our most important assets. We invest in our brands to create a long-term sustainable competitive advantage by seeking to meet the beverage needs of consumers around the world and to develop leading brand positions in every market in which we operate.

Our brand portfolio consists of three global brands (Budweiser®, Corona® and Stella Artois®), our multi-country brands (Beck’s®, Hoegaarden®, Leffe® and Michelob Ultra®), and many “local champions” (Aguila®, Antarctica®, Bud Light®, Brahma®, Cass®, Castle®, Castle Lite®, Cristal®, Harbin®, Jupiler®, Modelo Especial®, Quilmes®, Victoria®, and Skol®). We believe this robust brand portfolio provides us with strong growth opportunities and positions us well to meet the needs of consumers for different occasions in each of the markets in which we compete. For further information about our brands, see “—2. Principal Activities and Products—Beer.”

We seek to constantly strengthen and develop our brand portfolio through enhancement of brand quality, marketing, and product innovation. Our marketing team therefore works together closely with our research and development team (see “—10. Intellectual Property; Innovation; Research and Development” for further information).

We continually assess consumer needs and values in each geographic market in which we operate with a view to identifying the key characteristics of consumers in each beer category (including different styles and price points – premium, core, and value). This allows us to position our existing brands (or to introduce new brands) to address consumer needs across price points, styles, and occasions.

Our marketing approach is based on a “value-based brands” proposition, with each brand able to articulate a single, clear, compelling value-based reason for consumer preference. The value-based brands approach involves, firstly, the determination of consumer portraits; secondly, the brand attributes and the brand archetype are defined; and, finally, a purpose statement is written that clearly articulates the role the brand will play in the lives of consumers. Once this link has been established, a particular brand can either be developed (brand innovation) or adapted (brand renovation or line extension from the existing brand portfolio) to meet evolving customer needs. We apply zero-based planning principles to yearly budget decisions and for ongoing investment reviews and reallocations. We invest in each brand in line with its local or global strategic priority and seeking to maximize profitable and sustainable growth.

For example, we focus our growth strategy for each of our brands based on a portfolio approach, which depends on the occasion in which our products are consumed (*e.g.*, relaxing at home with friends; or socializing in a bar). Our portfolio of brands will vary by market, but each leverage our global platforms and initiatives, incorporating the whole organization from supply, to operations, to sales and marketing, and then bringing our teams together to deliver end-to-end integrated consumer experiences.



We own the rights to our principal brand names and trademarks in perpetuity for the main countries where these brands are currently commercialized (with the exception of the Modelo beer brands, certain former SAB brands licensed in the United States and certain brands licensed in Australia as described under “—8. Licensing” above).

**10. INTELLECTUAL PROPERTY; INNOVATION; RESEARCH AND DEVELOPMENT**

Innovation is one of the key factors enabling us to achieve our strategy. We seek to combine technological know-how with market understanding to develop a healthy innovation pipeline in terms of production process, product and packaging features as well as branding strategy. In addition, as beer markets mature, innovation plays an increasingly important role by providing differentiated products with increased value to consumers.

**Intellectual Property**

Our intellectual property portfolio mainly consists of trademarks, patents, registered designs, copyrights, know-how and domain names. This intellectual property portfolio is managed by our internal legal department, in collaboration with a selected network of external intellectual property advisers. We place importance on achieving close cooperation between our intellectual property team and our marketing and research and development teams. An internal stage gate process promotes the protection of our intellectual property rights, the swift progress of our innovation projects and the development of products that can be launched and marketed without infringing any third party’s intellectual property rights. A project can only move on to the next step of its development after the necessary verifications (*e.g.*, availability of trademark, existence of prior technology/earlier patents and freedom to market) have been carried out. This internal process is designed to ensure that financial and other resources are not lost due to oversights in relation to intellectual property protection during the development process.

Our patent portfolio is carefully built to gain a competitive advantage and support our innovation and other intellectual assets. We currently have more than 250 pending and granted patent families, each of which covers one or more technological inventions. The extent of the protection differs between technologies, as some patents are protected in many jurisdictions, while others are only protected in one or a few jurisdictions. Our patents may relate, for example, to brewing processes, improvements in production of fermented malt-based beverages, treatments for improved beer flavor stability, non-alcoholic beer development, filtration processes, beverage-dispensing systems and devices, can manufacturing processes, beer packaging or novel uses for brewing materials and disruptive technologies.

We license in limited technology from third parties. We also license out certain of our intellectual property to third parties, for which we receive royalties.

**Innovation, Research and Development**

Given our focus on innovation, we place a high value on research and development (“**R&D**”). Our innovation strategy is translated into our R&D priorities, which consist of breakthrough innovation, incremental innovation and renovation (that is, updates and enhancements of existing products and packages). The main goal for the innovation process is to provide consumers with better products and experiences. This includes launching new liquids, new packaging and new dispensing systems that deliver better performance, both for the consumer and in terms of financial results, by increasing our competitiveness in the relevant markets. With consumers comparing products and experiences offered across very different beverage categories and the choice of beverages increasing, our R&D efforts also require an understanding of the strengths and weaknesses of other beverage categories, spotting opportunities for beer and malt beverages and developing consumer solutions (products) that better address consumer needs and deliver better experiences. This requires understanding consumer emotions and expectations. Sensory experience, premiumization, convenience, sustainability and design are all central to our R&D efforts.

R&D in process optimization is primarily aimed at quality improvement, capacity increase (plant debottlenecking and addressing volume issues, while minimizing capital expenditure) and improving efficiency. Newly developed processes, materials and/or equipment are documented in best practices and shared across business regions. Current projects range from malting to bottling of finished products.





Knowledge management and learning also make up an integral part of research and development. We seek to continuously increase our knowledge through collaborations with universities and other industries.

Our R&D team is regularly briefed (on at least an annual basis) on our priorities and our business regions' priorities and approves concepts and technologies which are subsequently prioritized for development. The R&D teams invest in both short- and long-term strategic projects for future growth, with the launch time depending on complexity and prioritization.

The Global Innovation and Technology Center, located in Leuven, Belgium, accommodates the Product, Packaging, Raw Material, Process and Dispense Development teams and has facilities such as Labs, Experimental Brewery and Sensory Analysis. In addition to the Global Innovation and Technology Center, we also have Product, Packaging and Process development teams located in each of our geographic regions focusing on the short- and medium-term development and implementation needs of such regions.

**11. REGULATIONS AFFECTING OUR BUSINESS**

Our worldwide operations are subject to extensive regulatory requirements regarding, among other things, production, distribution, importation, marketing, promotion, labeling, advertising, labor, pensions and public health, consumer protection and environmental issues. For example, in the United States, federal and state laws regulate most aspects of the brewing, sale, marketing, labeling and wholesaling of our products. At the federal level, the Alcohol and Tobacco Tax and Trade Bureau of the U.S. Treasury Department oversees the industry, and each state in which we sell or produce products, and some local authorities in jurisdictions in which we sell products, also have regulations that affect the business conducted by us and other brewers and wholesalers. It is our policy to abide by the laws and regulations around the world that apply to us or to our business. We rely on legal and operational compliance programs, as well as local in-house and external counsel, to guide our businesses in complying with applicable laws and regulations of the countries in which we operate.

See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Certain of our operations depend on independent distributors or wholesalers to sell our products, and we may be unable to replace distributors or acquire interests in wholesalers or distributors. In addition, we may be adversely impacted by the consolidation of retailers," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Negative publicity, perceived health risks, failure to provide safe working environments and associated government regulation may harm our business," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern our operations," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Climate change or other environmental concerns, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect our business or operations, including the availability of key production inputs," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Our subsidiary Ambev operates a joint venture in Cuba, in which the Government of Cuba is its joint venture partner. Cuba remains subject to comprehensive economic and trade sanctions by the United States and Ambev's operations in Cuba may adversely affect our reputation and the liquidity and value of our securities" and "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Governmental Regulations."

Production, advertising, marketing and sales of alcoholic beverages are subject to various restrictions around the world, often based on health considerations related to the misuse or harmful use of alcohol. These range from a complete prohibition of alcohol in certain countries and cultures through the prohibition of the import of alcohol, to restrictions on the advertising style, media and messages used. In a number of countries, television is a prohibited medium for advertising alcohol products, and in other countries, television advertising, while permitted, is carefully regulated. Media restrictions may constrain our brand-building and innovation potential. Labeling of our products is also regulated in certain markets, varying from health warning labels to importer identification, alcohol strength and other consumer information. Specific warning statements related to the risks of misusing alcohol products, including beer, have also become prevalent in recent years. Introduction of smoking bans in pubs and restaurants may have negative effects on on-trade consumption (that is, beer purchased for consumption in a pub or restaurant or similar retail establishment), as opposed to off-trade consumption (*i.e.*, beer purchased at a retail outlet for consumption at home or another location). We believe that the regulatory environment in most countries in which we operate is becoming increasingly stringent with respect to health issues and expect this trend to continue in the future.



The distribution of our beer and other alcoholic beverage products may also be regulated. In certain markets, alcohol may only be sold through licensed outlets, varying from government- or state-operated monopoly outlets (*e.g.*, in the off-trade channel of certain Canadian provinces) to the common system of licensed on-trade outlets (*e.g.*, licensed bars and restaurants) which prevails in many countries (*e.g.*, in much of the European Union). In the United States, states operate under a three-tier system of regulation for beer products from brewer to wholesaler to retailer, meaning that we usually work with licensed third-party distributors to distribute our products to the points of sale.

In the United States, both federal and state laws generally prohibit us from providing anything of value to retailers, including paying slotting fees or (subject to exceptions) holding ownership interests in retailers. Some states prohibit us from being licensed as a wholesaler for our products. State laws also regulate the interactions among us, our wholesalers and consumers by, for example, limiting merchandise that can be provided to consumers or limiting promotional activities that can be held at retail premises. If we violate applicable federal or state alcoholic beverage laws, we could be subject to a variety of sanctions, including fines, equitable relief and suspension or permanent revocation of our licenses to brew or sell our products.

Governments in most of the countries in which we operate also establish minimum legal drinking ages, which generally vary from 16 to 21 years of age or impose other restrictions on sales. Some governments have imposed or are considering imposing minimum pricing on alcohol products. Moreover, governments may seek to address harmful use of alcohol by raising the legal drinking age, further limiting the number, type or operating hours of retail outlets or expanding retail licensing requirements. We work both independently and together with other brewers and alcoholic beverage companies to tackle the harmful use of alcohol products and actively promote responsible sales and consumption.

Due to the emergence of the COVID-19 pandemic, some governments implemented restrictions on where and how people could gather, to reduce the speed of transmission. In some instances, this entailed the shortening of hours or temporary enforced closures of retail outlets, mostly limited to restrictions on on-trade outlets. The extent of restrictions fluctuated due to numerous factors, including the prevalence of the disease and the concerns of the government for public health.

Growing concern over the rise of obesity and obesity-related diseases, such as Type 2 diabetes, are accelerating global policy debates on reducing consumption of sugar in beverages and foods. This may have an impact on our soft drink business.

We are subject to antitrust and competition laws in the jurisdictions in which we operate and may be subject to regulatory scrutiny in certain of these jurisdictions. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws. In addition, in connection with our previous acquisitions, various regulatory authorities have previously imposed conditions with which we are required to comply.”

In many jurisdictions, excise and other indirect duties, including legislation regarding minimum alcohol pricing, make up a proportion of the cost of beer charged to customers. In the United States, for example, the brewing industry is subject to significant taxation. The United States federal government currently levies an excise tax of USD 16 per barrel (equivalent to approximately 117 liters) for the first 6 million barrels of beer sold for consumption in the United States and then USD 18 per barrel for every barrel thereafter. All states also levy excise taxes on alcoholic beverages. Proposals have been made to increase excise taxes in some states. In recent years, a number of countries have adopted proposals to increase beer excise taxes. Rising excise duties can drive up our pricing to the consumer, which in turn could have a negative impact on our results of operations. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We may be subject to adverse changes in taxation and other tax-related risks.”



Our products are generally sold in glass or PET bottles or aluminum or steel cans. Legal requirements apply in various jurisdictions in which we operate, requiring that deposits or certain eco-taxes or fees are charged for the sale, marketing and use of certain non-refillable beverage containers. The precise requirements imposed by these measures vary. Other types of beverage-container-related deposit, recycling, eco-tax and/or extended producer responsibility statutes and regulations also apply in various jurisdictions in which we operate.

We are subject to different environmental legislation and controls in each of the countries in which we operate. Environmental laws in the countries in which we operate mostly relate to (i) the conformity of our operating procedures with environmental standards regarding, among other things, the emission of gas and liquid effluents, (ii) the disposal of one-way (that is, non-returnable) packaging and (iii) noise levels. We believe that the regulatory climate in most countries in which we operate is becoming increasingly strict with respect to environmental issues and expect this trend to continue in the future. Achieving compliance with applicable environmental standards and legislation may require plant modifications and capital expenditures. Laws and regulations may also limit noise levels and the disposal of waste, as well as impose waste treatment and disposal requirements. Some of the jurisdictions in which we operate have laws and regulations that require polluters or site owners or occupants to clean up contamination.

The amount of dividends payable to us by our operating subsidiaries is, in certain countries, subject to exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. See also “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Transfers from Subsidiaries” and “Item 3. Key Information—D. Risk Factors—We are exposed to developing market risks, including the risks of devaluation, nationalization and inflation.”

**Iran-Related Required Disclosure**

The Iran Threat Reduction and Syria Human Rights Act of 2012 requires disclosure of certain activities relating to Iran by AB InBev or its affiliates that occurred during our 2020 fiscal year. Anadolu Efes, our affiliate, has a licensing agreement with an Iranian company for the production of non-alcoholic beer in Iran. Pursuant to that licensing agreement, Anadolu Efes will receive EUR 42,804 (USD 48,746) in gross revenue for 2020, from which it expects to record no net profit. Anadolu Efes plans to continue its licensing arrangement.

**12. INSURANCE**

We self-insure most of our insurable risk. However, we do purchase insurance for directors’ and officers’ liability and other coverage where required by law or contract or where considered to be in our best interest. Under the Co-operation Agreement (as defined herein), we have procured the provision of directors’ and officers’ liability insurance for former directors and officers of SAB for a period of six years following the completion of the combination with SAB. We maintain a comprehensive approach to insurable risk, which is mainly divided in two general categories:

- Assets: a combination of self-insurance and insurance is used to cover our physical properties and business interruption; and
- Liabilities: a combination of self-insurance and insurance is used to cover losses due to damages caused to third parties; for executive risks (risks related to our board and management); and automobile insurance (which is required by law in most jurisdictions).

We believe we have an adequate approach to insurable risk based on our market capitalization and our worldwide presence. We further believe that the types and level of insurance we maintain are appropriate for the risks of our business.



**13. SOCIAL AND COMMUNITY MATTERS**

Our Purpose is Bringing People Together for a Better World. In all we do, we strive to ensure that we produce the highest-quality products, provide the best consumer experience, and maximize shareholder value by building the strongest competitive and financial position.

Through our reach, resources and energy, we are addressing the needs of our communities through:

- COVID-19 Community Response and Recovery;
- Improving environmental resilience and promoting inclusive growth;
- Promoting smart drinking;
- Increasing workplace safety; and
- Business ethics.

**COVID-19 Community Response and Recovery**

The COVID-19 pandemic has caused all of us to reevaluate what it means to be together. For AB InBev, it means joining efforts to support our communities, our partners, and each other during these challenging times. Since the beginning of the outbreak, we have been delivering impact where it is needed, and we maintain our commitment to respect human rights and the principles of our Human Rights and Responsible Sourcing Policy. We are coming together to prioritize each other’s health and safety to help our communities where we can through initiatives such as:

- Producing and donating more than 3 million bottles of hand sanitizer and disinfectant to hospitals and front-line health workers in over 20 countries
- Channeling USD 10 million into the on-premise channel through our Save Pub Life voucher program and business support packages in Europe
- Supporting 500,000 neighborhood stores in 9 Latin American countries through our Tienda Cerca digital platform
- Redirecting USD 5 million from Anheuser-Busch’s sports marketing budget to the American Red Cross in donations

**Improving environmental resilience and promoting inclusive growth**

We depend on natural resources to brew our beers and strive to use resources responsibly and preserve them for the future. That is why we factor sustainability into how we do business, including how we source water, energy and raw materials. We develop innovative programs across our supply chain to improve our sustainability performance with our business partners. To promote inclusive growth and improve livelihoods in the communities we are part of, we also support the farmers and small retailers in our value chain to help them be more productive. To facilitate progress, we combined our sustainability and procurement activities under a single function led by a member of our senior leadership team.

**2025 Sustainability Goals**

We are contributing to the United Nations Sustainable Development Goals and broader global sustainable development agenda while building resilient supply chains, productive communities and a healthier environment. In March 2018, following the achievement of our 2017 Environmental Goals, we have announced 2025 Sustainability Goals, our most ambitious set of public commitments yet, which focus on four areas: smart agriculture, water stewardship, circular packaging and climate action.

- **Smart agriculture:** 100 percent of the company’s direct farmers will be skilled, connected and financially empowered;



- **Water stewardship:** 100 percent of communities in high-stress areas will have improved water availability and quality;
- **Circular packaging:** 100 percent of products will be in packaging that is returnable or made from mostly recyclable content; and
- **Climate action:** 100 percent of purchased electricity will be from renewable sources as well as a goal of 25 percent reduction in carbon dioxide emissions across our value chain.

In addition, we have launched the 100+ Sustainability Accelerator in August 2018 to identify and scale up innovative solutions to some of the world’s most pressing sustainability challenges. Through the 100+ Accelerator, we continue to identify partners who can deliver breakthrough advancements in water stewardship, farmer productivity, product upcycling, responsible sourcing, green logistics and more. Since launching, the 100+ Accelerator has worked with 36 startups across 16 countries. On 18 February 2021, we announced the successful signing of a new USD 10.1 billion Sustainable-Linked Revolving Credit Facility, which incorporates a pricing mechanism that incentivizes improvement in key performance areas that are aligned with and contribute to our 2025 Sustainability Goals. Please refer to “Item 10. Additional Information—Material Contracts—Sustainability Linked Revolving Credit Facility” for further details regarding the SLL Revolving Facility.

We are proud of the diverse range of startups and founders that our Accelerator has brought together. This year we announced our partnership with One Young World to begin the search for the most impactful women-led enterprises that are tackling sustainability challenges to join our third cohort in 2021.

***Helping entrepreneurial small businesses grow and thrive***

As part of our commitment to help communities thrive, we have a responsibility to help the small businesses in our supply chain. From the suppliers that help power our production to the retailers that connect with our consumers every day, small businesses play a vital role as an engine of economic growth and employment. They are critical to the success of our business operations.

We value our relationships with our small business partners and recognize the challenges many face in sustaining and growing their operations, such as limited business skills and the need for affordable financial services and infrastructure. As their business partner, we believe we can help them address these barriers to unlock their entrepreneurial potential and enable us to grow together.

Our Creciendo por un Sueño (“Growing for a Dream”) program aims to empower 80,000 women-run small retailers in Colombia, Peru and Ecuador by providing access to tools like business skills training and affordable financial services that aim to help improve their livelihoods and business operations.

Our business in South Africa has an ambitious goal to create 10,000 jobs. Working in partnership with non-governmental organizations (“NGOs”), the South African government and the private sector, the program supports entrepreneurs to develop and grow their businesses, and offers opportunities for them to become part of the South African Breweries’ supply chain. The initiative aims to contribute to South Africa’s national agenda of growing the economy through the provision of jobs and offers tailored support for youth and women.

***Creating resilient agricultural supply chains***

About half of our malt barley is locally sourced to reduce the risk of supply chain disruption and exposure to currency volatility, while boosting rural economies and strengthening agriculture. In 2020 we continued to build resilient agricultural systems, by working with over 20,000 farmers across 13 countries to support the growth of our six priority crops (barley, cassava, hops, maize, rice and sorghum). We have put in place programs and partnerships to ensure that our farmers have access to good seed varieties and technical training (skilled), improved insights and data (connected), and the ability to invest in and grow their business (financially empowered). SmartBarley has been



our primary agricultural technology program since 2013, currently live in 13 countries. In 2020 we worked to improve data and analytics across our global programs by integrating our internal platform SmartBarley with our technology partner Sentera to provide in-season weather and satellite data alongside farmer and crop management data, which we believe will help support the broader achievement of our 2025 Smart Agriculture Goal.

***Supporting Smallholder Farmers***

Agriculture is a critical source of income and livelihoods in a number of markets in Africa, where we have pioneered the use of under-commercialized local crops to create new affordable beer brands – like Eagle Lager, made with local sorghum in Uganda, and Impala, made with local cassava in Mozambique. This strategy allows us to reach new consumers while increasing incomes for local smallholder farmers. After an initial pilot in Zambia with positive results in 2018, in 2019 we partnered with a startup called BanQu to employ an SMS-based service backed by blockchain to record purchasing and sales data of our supply chain offering farmers a digital financial identity as well as sending digital payments and reducing cash transactions, and thereby lowering risk to our farmers. In 2020, we continued to grow our partnership with BanQu by scaling reach and increasing capabilities in markets like Zambia and Uganda where the platform has been operating for several crop seasons. We also rolled out the platform to our smallholder programs in Tanzania and Brazil. Through distributed ledger, the platform gives us better visibility of farmers in our supply chain and gives farmers greater security in the delivery and payment process while also creating an economic identity for them that will allow for greater access to formal financial services.

***Buy A Lady A Drink***

The Stella Artois Buy A Lady A Drink initiative, launched in 2015 in partnership with Water.org, challenges consumers to be the generation that ends the global water crisis. Each purchase of a limited-edition Stella Artois chalice helps provide one woman in the developing world with five years of clean water. Through its partnership with Water.org, Stella Artois is helping provide millions of people in the developing world with access to clean, safe water. Stella Artois supports the work of Water.org through direct donations and sale of special edition chalices, packs and pours.

***Watershed Protection***

We continue to scale our water stewardship efforts by engaging in watershed protection measures, in partnership with local stakeholders, in high-stress areas across Argentina, Bolivia, Brazil, China, Colombia, Dominican Republic, El Salvador, India, Mexico, Mozambique, Namibia, Peru, South Africa, Tanzania, Uganda, the United States and Zambia. Together with local authorities, other water users, and non-governmental organizations like the World Wildlife Fund and The Nature Conservancy, we have devoted financial and technical resources to green infrastructure initiatives, conservation and reforestation projects, habitat restoration efforts, and soil conservation techniques. To address the challenges specific to the local context, we have developed and implemented a comprehensive watershed management process at sites located in water-stressed areas. We are taking a results-based approach and have established baselines for measurement and tracking techniques based on pilot initiatives in a number of our high-risk communities. To date we have invested in long-term solutions across 28 sites where we seek to increase water security and improve water quality and availability for our communities and operations.

***Renewable Energy***

We are one of the world’s largest corporate buyers of electricity, a member of the RE100 and we are committed to sourcing 100% of our purchased electricity from renewables in order to reduce our carbon emissions and long-term energy cost, improve air quality and create jobs in the renewable energy industry. As members of the global corporate renewable energy initiative RE100, we follow the initiatives guidelines with our renewable electricity sources coming from solar, wind, biomass, biogas, geothermal and water. We also follow RE100 guidelines on energy generation, leveraging self-generated energy through either on-site installations or off-site PPAs. In 2016, we signed a contract to acquire 100% of our purchased electricity needs from wind power in our Mexico breweries and vertical operations by the second half of 2019. In September 2017, we announced an



agreement with Enel Green Power in the United States where we committed to purchasing as much renewable electricity as is used to brew more than 20 billion 12-ounce servings of beer. In December 2018, we signed a 100MW solar power purchase agreement with Lightsource BP to secure renewable electricity for our U.K. operations, representing the largest unsubsidized solar energy deal in the United Kingdom to date. In 2019 we signed new renewable electricity contracts in Brazil, Colombia, Dominican Republic, South Africa, Vietnam and the UK. In 2020 we signed new renewable electricity contracts in China, El Salvador, Guatemala, Panama, Peru and U.K. To date, we have decarbonized across our value chain (scopes 1, 2, 3) over 10% from the 2017 baseline and have contracted 70% of our renewable electricity volume.

**Recycling**

We are driving and protecting the circular economy of our industry by increasing the amount of reused or recycled materials in our packaging and recovering more post-consumer waste. We aim to work with partners, suppliers and retailers across our value chain in this effort. Packaging, such as returnable glass bottles, is an important component of this effort, and increasing recycling, recovery and reuse also helps avoid loss of value. Following the pilots in our agriculture programs, we also have introduced BanQu, the blockchain enabled technology platform, into our recycling collectors programs in Zambia and Colombia. The technology provides transparency into transactions, meaning we are able to ensure collectors receive a fair price for the bottles and materials they collect and to build our understanding of those working within our supply chain.

**Other Initiatives**

We routinely engage with stakeholders including NGOs, academic institutions and local communities to understand and benefit from their perspectives on sustainable development along brewing value chains. We recognize the critical role that companies can play in addressing some of the world’s most pressing sustainability challenges, such as climate change and water scarcity. We are a signatory to the CEO Water Mandate, a public/private initiative of the United Nations Global Compact, which focuses on developing corporate strategies to address global water issues. We actively work to better understand and manage climate change and water risks across our supply chain and publicly report our risks and opportunities to the Carbon Disclosure Project.

We take a multifaceted approach that includes applying a mix of operational changes and technological solutions, building effective partnerships and having a sustainability-focused mindset, underscored by strong teamwork, in order to help reduce the use of water in our direct operations, protect watersheds that serve our breweries and local communities and improve water management in our barley supply chain.

We are members of the Beverage Industry Environmental Roundtable, a technical coalition of leading global beverage companies working together to advance environmental sustainability within the beverage sector. We are members of the Sustainable Agriculture Initiative, a global food industry organization that supports the development of sustainable agriculture through the involvement of food chain stakeholders. In addition, we are active participants in the United Nations Environment Program’s annual World Environment Day, through which we engage annually with many community stakeholders around the world.

Energy conservation has been a strategic focus for us for many years, especially with the unpredictable cost of energy and evolving climate change regulations. Our continued progress is based on the importance we place on sharing best technical and management practices across our operations. We publicly report our risks and opportunities related to climate change to the Carbon Disclosure Project.

**Promoting smart drinking**

We want every experience with beer to be a positive one. We believe that the harmful use of alcohol is bad for consumers, society and our business. We established our Global Smart Drinking Goals in December 2015 to contribute to the World Health Organization’s target of reducing the harmful use of alcohol by at least 10% in every country by 2025 and the United Nations Sustainable Development Goal of strengthening the prevention of harmful use of alcohol globally.





**Smart Drinking**

We are a global company, brewing beers and building brands that will continue to bring people together for a better world for the next 100 years and beyond. This requires thriving communities across the globe where harmful use of alcohol no longer presents a social challenge. Our Smart Drinking commitments, and the beliefs that underpin them, will help make this vision a reality.

In 2014, we successfully met or exceeded all six of the original Global Responsible Drinking Goals we set for ourselves in 2011. This set of goals included collaborations with a wide range of partners, public education initiatives, retailer training and other activities that reinforced responsible drinking.

Our current Global Smart Drinking Goals are intended to serve as a laboratory to identify and test replicable programs, implement them in partnership with others and ensure they are independently and transparently evaluated. Our goals are also designed to be collaborative and evolving. Working in partnership with public health bodies, civil society and governments, we aim to implement evidence-based approaches, uncover new ways to reduce the harmful use of alcohol, and act upon them. Our intent is not only to use the knowledge generated by this work to improve our own efforts and business practices, but also to share what we learn with others.

Our four Global Smart Drinking Goals are:

- **City Pilots:** reduce the harmful use of alcohol by at least 10% in six cities by the end of 2020 and implement best practices for reducing the harmful use of alcohol globally by the end of 2025;
- **Social Norms:** influence social norms and individual behaviors to reduce harmful alcohol use by investing at least USD 1 billion across our markets in dedicated social marketing campaigns and related programs by the end of 2025;
- **No- and Low-Alcohol Beer:** ensure no-alcohol (by which we mean ABV 0.0%–0.5%) and low-alcohol (by which we mean ABV 0.51%–3.5%) beer products represent at least 20% of our global beer volume by the end of 2025; and
- **Alcohol Health Literacy:** place a guidance label on all of our beer products in all of our markets by the end of 2020 and increase alcohol health literacy by the end of 2025.

Our **City Pilots** initiative is the cornerstone of our efforts to identify, test and independently and rigorously measure and evaluate replicable evidence-based interventions that are implemented in partnership with others, to reduce harmful use of alcohol. The City Pilots serve as laboratories for identifying evidence-based initiatives worth scaling. The six City Pilots are: Brasilia, Brazil; Zacatecas, Mexico; Johannesburg, South Africa; Jiangshan, China; Leuven, Belgium and Columbus, Ohio. Local knowledge and leadership are critical to the City Pilot approach. In each region, a Steering Committee was formed with local community members, including government, universities, NGOs and other community-based organizations.

Due to the COVID-19 pandemic and the effects of lockdowns and behavioral changes in communities, many of our City Pilot interventions were paused as we pivoted to address more pressing challenges related to the pandemic.

While we have not met our goal to reduce the harmful use of alcohol by 10% in the six City Pilots, we identified and measured which of the implemented interventions were most effective. The best practices will be replicated in 2021 in other communities.

Our **Social Norms** initiative is not just about spending a specified amount, but rather spending with impact, which requires the development and implementation of campaigns and programs grounded in social norms and social marketing theory. We have partnered with experts in this field to gather and consolidate the latest social marketing knowledge and best practices and apply them to the promotion of smart drinking. In 2018 we produced a



Social Marketing Toolkit for our marketing teams around the world, working in close collaboration with public health and behavior change experts. This Toolkit is a practical guide that collates and distills information about our Global Smart Drinking Goals, behavior change theory, social norms and social marketing principles and includes a comprehensive library of AB InBev harmful consumption of alcohol prevention initiatives to date, so that all our business units can replicate best practices easily. In 2020, our brands leveraged their social norms marketing methodology to develop more than 20 smart drinking campaigns. Additionally, our brands launched more than 20 social norms campaigns to promote COVID-19 prevention behaviors.

Through our **No- and Low-Alcohol Beer** initiative, we are offering consumers more options, which we believe can be an important way to help reduce harmful use of alcohol. Our ambition is for existing drinkers to integrate no-alcohol beers and beer with 3.5% ABV or lower into their current drink choices, giving them a tool to enable them to control their alcohol intake. To make this ambition a reality, we are investing to make our no- and low-alcohol products an available and appealing choice for current consumers of beverage alcohol. We have applied the same robust sales tracking tools to our no- and low-alcohol beers to identify opportunities for growth and help us get closer to achieving our volume goal. In 2020, we launched 11 new No- and Low-Alcohol Beer brands for a total of more than 80 brands in our portfolio. In 2020, No- and Low-Alcohol Beer brands accounted for 6.58% of our global beer volume.

Notwithstanding this progress, we are not on track to meet our goal for no- and low-alcohol beers to represent 20% of our volume by 2025. However, we are incorporating our experience into our efforts going forward. These lessons include better understanding the opportunity and identifying alternative solutions such as:

- Liquid optimization in selected existing products when aligned with consumer preferences; and
- Product innovations that give consumers an option to migrate from higher alcohol content categories into lower alcohol content ones.

Our **Alcohol Health Literacy** initiative exemplifies our belief in helping consumers understand why and how alcohol should be consumed within limits. We are collaborating with partners to identify and implement evidence-based means of increasing alcohol literacy among consumers. The AB InBev Foundation supported public health researchers at Tufts University School of Medicine to develop a consumer guidance label for beer to promote alcohol health literacy and reflect the current evidence base for consumer labelling. The guidance label is being implemented in markets where there is not already government mandated labeling in place and where it is permissible by local regulation. By the end of 2020, we have implemented guidance labels on 81% of our beer volume in more than 20 countries where there is no existing regulation on the matter. The remaining 19% will be executed in 2021.

To further advance our Global Smart Drinking Goals, we established the AB InBev Foundation in 2017. The Foundation has established the following guiding principles: transparency—sharing what the Foundation does and what it learns with others; local leadership—demonstrating multi-sectorial, community collaborations, empowered by evidence-based interventions and external experts and academic integrity—advancing the knowledge base by supporting independent, technical experts to implement and evaluate programs and publish their own work and conclusions.

With an eye on the future, in July 2020 we decided to expand the Foundation’s mission and modify its structure. The Foundation will continue its commitment to the Global Smart Drinking Goals, while at the same time, actively work to advance a broader set of the UN SDGs, including those on clean water and social development. The Foundation’s new structure will provide it with access to greater resources and the benefit of technical skills from other parts of our business. In 2020, the Foundation launched the COVID Community Fund to fund multi-stakeholder initiatives to support COVID-19 response and recovery. Also, in partnership with HBSA, the third party evaluator of the Global Smart Drinking Goals (GSDG) initiative, the Foundation launched the GSDG Data Library—an independent, external warehouse designed to make all the outcome data sourced in pursuit of the Foundation’s programs available to the public.



***Investing in road safety***

As a major user of roads around the world and its largest brewer, we are committed to delivering safer roads for all, around the world, we invest in innovative programs to improve road safety and reduce injuries and fatalities from traffic collisions. This work is aligned with United Nations Sustainable Development Goal 3 (Good Health and Well-Being) and the ambitious target of halving the global number of deaths and injuries from road traffic crashes by 2020.

Safe roads are also a high priority for governments and advocacy groups, and we are strengthening the impact of our efforts through partnerships. These include our leadership in Together for Safer Roads (“TSR”), a private-sector coalition focused on improving road safety by facilitating innovation in safer fleets, data collection and modern management. Also, our partnership with the United Nations Institute for Training and Research (UNITAR) continued across 2020. In January 2020, we renewed our partnership with UNITAR for two more years at the annual meeting of the World Economic Forum (WEF) in Davos, Switzerland. Through our renewed partnership with UNITAR we translated the Safer Roads Toolkit into five languages to train over 1 000 people in more than 90 countries around the world and launched the Road Safety Toolkit app.

Internally in our business, we dedicate significant time and resources to researching, testing and implementing road safety technology and innovative techniques to increase the road safety of our fleet, which in turn improves community safety. Some of the techniques we have implemented are: monitoring the location and performance of vehicles, crash and near-miss analysis, and addressing and avoiding driver fatigue using tools like telemetry and artificial intelligence.

**Increasing workplace safety**

We are committed to doing everything possible to create a safe work environment. We encourage employees and contractors to follow safe practices and make healthy choices in our workplaces and local communities.

**Business ethics**

Our leaders set the tone for our company. We expect them to deliver results and to inspire our colleagues through passion for brewing and a sense of ownership. Most importantly, we never take shortcuts. Integrity, hard work, quality and responsibility are essential to our growth.

**Human Rights**

Respecting human rights is a non-negotiable commitment for our business. We have been a signatory to the United Nations Global Compact since 2005 and are committed to the principles and guidance contained in the UN Guiding Principles on Business and Human Rights. In 2019, we refreshed our Global Human Rights Policy and we continue to participate in industry and NGO initiatives that seek to improve business’ approach to respecting human rights. We understand that respecting human rights is fundamental to creating healthy, thriving communities, and that human rights must be respected. We recognize the role that business plays in respecting human rights in our operations, value chains and communities. As part of our commitment to respect human rights, we do not condone any form of human rights violations in our organization and in our value chains, and we have strong policies that guide how we monitor and work to address these issues.



## Our People

It takes great people to build a great company. That is why we focus on attracting and retaining the best talent. Our approach is to enhance our people’s skills and potential through education and training, competitive compensation and a culture of ownership that rewards people for taking responsibility and producing results. Our ownership culture unites our people, providing the necessary energy, commitment and alignment needed to pursue our Purpose of Bringing People Together for a Better World.

Having the right people in the right roles at the right time—aligned through a clear goal-setting and rewards process—improves productivity and enables us to continue to invest in our business and strengthen our social responsibility initiatives.

### *Acting in our communities*

Volunteering is one of the best ways to bring people together for a better world. In communities around the world—both large and small—our people are passionate about empowering communities. We encourage these efforts through regional and global volunteering initiatives that are often also open to our families, friends, partners and consumers.

Every year, we participate in the Global Be(er) Responsible Day (“GBRD”), a day we initiated and through which dozens of countries, hundreds of organizations and thousands of our colleagues join efforts to promote responsible alcohol consumption. The pandemic disruptions this past year gave us the opportunity to take GBRD to the digital world with activities across all our business units. One such activity was “Reinventing How We Drink: A GBRD Webcast,” which brought together our Chief Executive Officer, our senior leadership team and startup leaders who are disrupting and reinventing how we drink.

Our local teams also organized their own volunteering efforts. In Mexico, our volunteering program *Voluntarios Modelo* has mobilized around 700,000 people in volunteering activities in their communities since 2014, including many of our colleagues. In 2020, due to the COVID-19 pandemic, *Voluntarios Modelo* promoted digital volunteering and engaged more than 9,000 digital volunteers. In Brazil, our Volunteering Program VOA provided management training to 115 NGOs leveraging the management expertise of 554 of our colleagues, impacting over 5 million people indirectly. In Colombia, Peru and Ecuador, our volunteering program #MeUno engaged more than 67,000 volunteers in environmental and educational activities. In the United States, South Africa and Colombia, our Pro Bono Marathon leveraged the skills of 194 colleagues to help 13 non-profit partners solve organizational challenges.

### *Supporting disaster response*

In 2020, in addition to the COVID-19 pandemic, hurricanes, floods, earthquakes, wildfires and other natural disasters struck with great force and frequency in many communities. We supported disaster relief and recovery efforts, mainly through emergency drinking water donations and provision of funds. In the United States, we donated over 1.4 million cans of emergency drinking water, leveraging a long-standing partnership with the American Red Cross, and added the necessary equipment to produce canned drinking water out of our brewery in Fort Collins, Colorado, in September 2018. In South Africa, we provided emergency drinking water to people affected by the drought in Cape Town. In Brazil, we provided funds and in-kind donations to hundreds of people who were displaced by the urban fire that affected the city of Manaus. In India, after floods hit the state of Kerala, 1,500 volunteers dedicated 6,000 hours to supply 185,000 bottles of drinking water to 20,000 families in areas of need. We also developed a Global Disaster Preparedness Toolkit so more of our Business Units can play a role in improving the resilience of communities to prepare, respond to and recover from disasters.

In response to the COVID-19 pandemic, we are working closely with local governments and other stakeholders to leverage our scale, capabilities and resources to support the fight against the pandemic and to do our part in the economic recovery. We have leveraged our facilities to produce and donate millions of units of hand sanitizer, face shields and packaged water. To support and empower the 20,000 direct farmers in our global supply chain, we fulfilled commitments to purchase crops in markets such as Mexico and India, even when our production was shut down. We are also providing farmers with personal protective equipment and critical information on health, hygiene and safe cultivation of their crops.



**C. ORGANIZATIONAL STRUCTURE**

Anheuser-Busch InBev SA/NV is the parent company of the AB InBev Group. Our most significant subsidiaries (as of 31 December 2020) are:

Subsidiary Name	Jurisdiction of incorporation or residence	Proportion of ownership interest	Proportion of voting rights held
<b>Anheuser-Busch Companies, LLC</b> One Busch Place St. Louis, MO 63118	Delaware, U.S.A.	100%	100%
<b>Ambev S.A.</b> Rua Dr. Renato Paes de Barros 1017 3° Andar Itaim Bibi São Paulo, Brazil	Brazil	61.83%	61.83%
<b>Budweiser Brewing Company APAC Limited</b> 1823, 18/F Soundwill Plaza II – Mid Town 1-29 Tang Lung Street, Causeway Bay Hong Kong	Cayman Islands	87.22%	87.22%
<b>Cervecería Modelo de México, S. de R.L. de C.V.</b> Cerrada de Palomas 22, 6th Floor, Reforma Social Miguel Hidalgo 1650 Mexico City, Mexico	Mexico	100%	100%
<b>ABI SAB Group Holding Limited</b> Bureau, 90 Fetter Lane London EC4A 1EN, United Kingdom	United Kingdom	100%	100%

For a more comprehensive list of our most important financing and operating subsidiaries, see note 36 of our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

**D. PROPERTY, PLANTS AND EQUIPMENT**

For a further discussion of property, plants and equipment, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business — Climate change or other environmental concerns, or legal, regulatory or market measures to address climate change or other environmental concerns, may negatively affect our business or operations, including the availability of key production inputs,” “—B. Business Overview—6. Brewing Process; Raw Materials and Packaging; Production Facilities; Logistics—Capacity Expansion,” “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Capital Expenditures” and “Item 5. Operating and Financial Review—J. Outlook and Trend Information.”

**ITEM 4A. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 5. OPERATING AND FINANCIAL REVIEW**

The following is a review of our financial condition and results of operations as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, and of the key factors that have affected or are expected to be likely to affect our ongoing and future operations. You should read the following discussion and analysis in conjunction with our audited consolidated financial statements and the accompanying notes included elsewhere in this Form 20-F.



Some of the information contained in this discussion, including information with respect to our plans and strategies for our business and our expected sources of financing, contain forward-looking statements that involve risk and uncertainties. You should read “Forward-Looking Statements” for a discussion of the risks related to those statements. You should also read “Item 3. Key Information—D. Risk Factors” for a discussion of certain factors that may affect our business, financial condition and results of operations.

We have prepared our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The financial information and related discussion and analysis contained in this item are presented in U.S. dollars except as otherwise specified. Unless otherwise specified, the financial information analysis in this Form 20-F is based on our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

See “Presentation of Financial and Other Data” for further information on our presentation of financial information.

### A. KEY FACTORS AFFECTING RESULTS OF OPERATIONS

We consider acquisitions, divestitures and other structural changes, economic conditions and pricing, consumer preferences, our product mix, raw material and transport prices, the effect of our distribution arrangements, excise taxes, the effect of governmental regulations, foreign currency effects, weather and seasonality and widespread health emergencies to be the key factors influencing the results of our operations. The following sections discuss these key factors.

#### Widespread Health Emergencies

Our results of operations have been and may continue to be negatively impacted by widespread health emergencies (or concerns over the possibility of such an emergency), such as the COVID-19 pandemic and the actions taken in response to it, which can cause a decline in consumer demand for our products. See “Item 3. Key Information—D. Risk Factors” for further details regarding the effects of the COVID-19 pandemic on our business.

#### Acquisitions, Divestitures and Other Structural Changes

We regularly engage in acquisitions, divestitures and investments. We also engage in the start-up or termination of activities and may transfer activities between business segments. Such events have had and are expected to continue to have a significant effect on our results of operations and the comparability of period-to-period results. Significant acquisitions, divestitures, investments, transfers of activities between business segments and other structural changes in the years ended 31 December 2020 and 2019 are described below. See also note 6 and note 8 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.

#### *Completion of the disposal of CCBA*

In 2018, we completed the sale of our carbonated soft drink businesses in Zambia and Botswana to The Coca-Cola Company. In 2019, we completed the sale of all of our carbonated soft drink business in eSwatini (Swaziland) and certain non-alcoholic beverage brands in El Salvador and Honduras. In El Salvador and Honduras, we have executed long-term bottling agreements which became effective in 2019 upon the closing of the El Salvador and Honduras brand divestitures. In 2020, The Coca-Cola Company acquired our interest in the bottling operations of our business in Lesotho.



***Listing of Budweiser APAC on the Hong Kong Stock Exchange***

On 30 September 2019, we successfully completed the listing of a minority stake of our Asia Pacific subsidiary, Budweiser APAC, on the Hong Kong Stock Exchange for USD 5.0 billion. On 3 October 2019, an over-allotment option in connection with the initial public offering of a minority stake of Budweiser APAC was fully exercised, resulting in additional gross proceeds of USD 750 million. Following the full exercise of the over-allotment option, we control 87.22% of the issued share capital of Budweiser APAC.

***Divestiture of Australia Business to Asahi***

On 1 June 2020, we completed the sale of our Australia business (Carlton & United Breweries) to Asahi for AUD 16.0 billion, resulting in net proceeds of USD 10.8 billion. As part of this transaction, we granted Asahi rights to commercialize our portfolio of global and international brands in Australia.

Effective 30 September 2019, we classified the assets and liabilities associated with the Australian operations as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. In addition, since the results of the Australian operations represented a separate major line of business, these were accounted for as discontinued operations as required by IFRS 5 and presented in a separate line in the consolidated income statement (“profit from discontinued operations”) up to 31 May 2020.

***Acquisition of Craft Brew Alliance***

On 30 September 2020, we completed the acquisition of the remaining 68.8% stake in Craft Brew Alliance for net consideration of USD 0.2 billion and obtained 100% control over Craft Brew Alliance.

***Goodwill impairment***

The COVID-19 pandemic resulted in a sharp contraction of sales during the second quarter of 2020 in many countries in which we operate. The decline in performance resulting from the COVID-19 pandemic was viewed as a triggering event for impairment testing in accordance with IAS 36 *Impairment of Assets*. Consequently, we conducted an impairment test during the second quarter of 2020 for the cash-generating units showing the highest invested capital to EBITDA multiples: Colombia, Rest of Middle Americas, South Africa, Rest of Africa and Rest of Asia Pacific.

During our interim goodwill impairment testing, we considered several scenarios of the recovery of sales for the different cash-generating units being tested and ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate. These scenarios were based on our assumptions by 30 June 2020, on the recovery in a base case (which we deemed to be the most likely case at the time of the impairment test), a best case and a worst case scenario per cash generating unit following the common recovery shapes: L, U and V where the letters describe the trajectory of key assumptions tracking economic conditions. In view of the uncertainties, we assumed a 15 to 30% probability for the worst case scenario, dependent on the-cash generating units in this interim impairment testing.

Based upon the results of the impairment test, we concluded that no goodwill impairment was warranted under the base and best case scenarios. Nevertheless, under the worst case scenario ran with higher discount rates to factor the heightened business risk, we concluded that the recoverable amounts were below the carrying value for the South Africa and Rest of Africa cash-generating units. As a consequence, we concluded, based on the valuations performed, that it was prudent in view of the uncertainties to record an impairment of goodwill of USD 1.5 billion for the South Africa cash-generating unit and USD 1.0 billion for the Rest of Africa cash-generating unit applying a 30% probability of occurrence.





We did not recognize any additional impairment of goodwill based on the results of the annual impairment testing conducted in the fourth quarter of 2020. Please refer to note 14 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.

#### ***Issuance of Minority Stake in US-based Metal Container operations***

On 31 December 2020, we completed the issuance of a 49.9% minority stake in our US-based metal container operations to Apollo Global Management, Inc. for net proceeds of USD 3.0 billion. This transaction allowed us to create additional shareholder value by optimizing the business at an attractive price and generate proceeds to repay debt, in line with our deleveraging commitments. We retained operational control of our US-based metal container operations. As required by IFRS 10 *Consolidated Financial Statements*, the transaction was reported in our consolidated statement of changes in equity, resulting in recognition of USD 1.9 billion in Non-controlling interest and USD 1.1 billion in Reserves.

#### ***Brazilian Tax Credits***

In the fourth quarter of 2020, our subsidiary Ambev concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). The decision refers to the period between November 2009 and April 2015. As a result of this judicial decision and other tax credit adjustments, Ambev recognized USD 481 million income in Other operating income and USD 315 million of interest income in Finance income for the year ended 31 December 2020. In 2019 and 2018, such credits were reported in Revenue. We have not revised the prior periods for the new accounting policy based on our assessment of materiality of such tax credits in 2019 and 2018.

#### ***Other Acquisitions, Divestitures and Structural Changes***

Following the combination with SAB in 2016, we decided to maintain the SAB Zenzele share-scheme (“Zenzele Scheme”), the broad-based black economic empowerment (B-BBEE) scheme which provided opportunities for black South Africans, including employees (through The SAB Zenzele Employee Trust), SAB retailers (through SAB Zenzele Holdings Limited) and The SAB Foundation, to participate as shareholders of our indirect subsidiary, The South African Breweries Pty Ltd (SAB). The Zenzele Scheme, originally implemented by SAB in 2010 as a 10-year scheme, was amended at the time of the combination with SAB and matured on 31 March 2020.

Obligations to the SAB Foundation and the employees as beneficiaries of The SAB Zenzele Employee Share Trust were settled in full on 15 April 2020. The obligations to SAB retailers, who participate in the Zenzele Scheme through SAB Zenzele Holdings, were partially settled (77.4%) on 15 April 2020. As a direct consequence of the COVID-19 pandemic the remaining settlement was postponed, and it is now intended that the SAB retailers will receive the balance of their entitlement (22.6%) on or before 31 May 2021, at which time we and SAB will implement the new B-BBEE scheme as described below.

In total, 10.8 million of our Treasury shares (out of which 1.3 million shares were delivered to SAB Foundation, which is consolidated by us) with a total value of USD 491 million were used in 2020 to settle the obligations to the participants of the Zenzele Scheme. The total value delivered to the participants of the Zenzele Scheme amounted to ZAR 8.6 billion.

As part of the combination with SAB in 2016, we made a commitment to the South African Government and Competition Authorities to create a new B-BBEE scheme upon maturity of the Zenzele Scheme in 2020. In order to create the new B-BBEE scheme, the following steps will be undertaken:

- The new scheme will be implemented through the listing of a special purpose company, which will be called Zenzele Kabili Holdings Limited (Zenzele Kabili) on the segment of the Johannesburg Stock Exchange’s Main Board on which an issuer may list its B-BBEE shares;
- Zenzele Kabili will hold unencumbered our shares;
- Existing Zenzele participants (SAB retailers and The SAB Foundation) will be given an option to reinvest a portion of their Zenzele payout into Zenzele Kabili;
- A new Employee Share Plan, funded by us, will subscribe for shares in Zenzele Kabili.



The settlement of the balance of the SAB Retailers entitlement and the new B-BBEE scheme is estimated to require approximately ZAR 5.5 billion (USD 0.4 billion<sup>2</sup>) in facilitation and notional vendor funding. The settlement would be equivalent to 5.4 million of our shares based on the share price and the ZAR Euro exchange rate as at 31 December 2020<sup>3</sup>. It is the intention that our Treasury shares will be used for the settlement of the new B-BBEE scheme. This scheme arrangement meets the criteria under IFRS 2 to be classified as equity settled.

During 2019 and 2020, we undertook a series of additional acquisitions and disposals with no significant impact to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.

In addition to the acquisitions and divestitures described above, we may acquire, purchase or dispose of further assets or businesses in our normal course of operations. Accordingly, the financial information presented in this Form 20-F may not reflect the scope of our business as it will be conducted in the future.

### Economic Conditions and Pricing

General economic conditions in the geographic regions in which we sell our products, such as the level of disposable income, the level of inflation, the rate of economic growth, the rate of unemployment, exchange rates and currency devaluation or revaluation, influence consumer confidence and consumer purchasing power. These factors, in turn, influence the demand for our products in terms of total volumes sold and the price that can be charged. This is particularly true for developing countries in our Middle Americas, South America and Asia Pacific regions, as well as certain countries in our EMEA region, which tend to have lower disposable income per capita and may be subject to greater economic volatility than our markets in North America and developed countries in EMEA. The level of inflation has been particularly significant in our South America region and in certain countries within the EMEA region. In May 2018, the Argentinean peso underwent a severe devaluation resulting in the three-year cumulative inflation of Argentina to exceed 100% in 2018, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 *Financial Reporting in Hyperinflationary Economies* as of 1 January 2018 (see “—Foreign Currency”). As measured by the Instituto Nacional de Estadística y Censos, Argentine inflation was approximately 36.1% in 2020. Consequently, a central element of our strategy for achieving sustained profitable volume growth is our ability to anticipate changes in local economic conditions and their impact on consumer demand in order to achieve the optimal combination of pricing and sales volume.

In addition to affecting demand for our products, the general economic conditions described above may cause consumer preferences to shift between on-trade consumption channels, such as restaurants and cafés, bars, sports and leisure venues and hotels, and off-trade consumption channels, such as traditional grocery stores, supermarkets, hypermarkets and discount stores. Products sold in off-trade consumption channels typically generate higher volumes and lower margins per retail outlet than those sold in on-trade consumption channels, although on-trade consumption channels typically require higher levels of investment. The relative profitability of on-trade and off-trade consumption channels varies depending on various factors, including costs of invested capital and the distribution arrangements in the different countries in which we operate. A shift in consumer preferences towards lower-margin products may adversely affect our price realization and profit margins. In addition, the implementation of social distancing and lockdown measures in many of our major markets as a result of the COVID-19 pandemic has caused, and may continue to cause, consumer preferences to shift from the on-trade consumption channel to the off-trade consumption channel, further impacting our performance.

### Consumer Preferences

We are a consumer products company, and our results of operations largely depend on our ability to respond effectively to shifting consumer preferences. Consumer preferences may shift due to a variety of factors, including changes in demographics, changes in social trends, such as consumer health concerns, product attributes and ingredients, changes in travel, vacation or leisure activity patterns, weather or negative publicity resulting from regulatory action or litigation.

<sup>2</sup> Converted at the 31 December 2020 closing rate.

<sup>3</sup> Calculated assuming our closing share price of EUR 57.01 per share and an exchange rate of ZAR 18.021914 to EUR 1.00 as at 31 December 2020.



### Product Mix

The results of our operations are substantially affected by our ability to build on our strong family of brands by relaunching or reinvigorating existing brands in current markets, launching existing brands in new markets and introducing brand extensions and packaging alternatives for our existing brands, as well as our ability to both acquire and develop innovative local products to respond to changing consumer preferences. Strong, well-recognized brands that attract and retain consumers, for which consumers are willing to pay a premium, are critical to our efforts to maintain and increase market share and benefit from high margins. See “Item 4. Information on the Company—B. Business Overview—2. Principal Activities and Products—Beer” for further information regarding our brands.

### Raw Material and Transport Prices

We have significant exposure to fluctuations in the prices of raw materials, packaging materials, energy and transport services, each of which may significantly impact our cost of sales or distribution expenses. Increased costs or distribution expenses will reduce our profit margins if we are unable to recover these additional costs from our customers through higher prices (see “—Economic Conditions and Pricing” above).

The main raw materials used in our beer and other alcoholic malt beverage production are malted barley, corn grits, corn syrup, rice, hops, yeast and water, while those used in our non-beer production are flavored concentrate, fruit concentrate, sugar, sweetener and water. In some of our regions, such as in Africa, locally-sourced agricultural products, such as sorghum or cassava, are used in place of malted barley. In addition to these inputs into our products, delivery of our products to consumers requires extensive use of packaging materials, such as glass, PET and aluminum bottles, aluminum or steel cans and kegs, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

The price of the raw and packaging materials that we use in our operations is determined by, among other factors, the level of crop production (both in the countries in which we are active and elsewhere in the world), weather conditions, supplier’s capacity utilization, end-user demand, governmental regulations including tariffs, and legislation affecting agriculture and trade. In particular, the price of the cans and bottles in which our products are packaged may be affected by the demand for such materials among other companies in the fast-moving consumer goods sector. We are also exposed to increases in fuel and other energy prices through our own and third-party distribution networks and production operations. Furthermore, we are exposed to increases in raw material transport costs charged by suppliers. Increases in the prices of our products could affect demand among consumers, and, thus, our sales volumes and revenue. Even though we seek to minimize the impact of such fluctuations through financial and physical hedging, the results of our hedging activities may vary across time.

As further discussed under “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments,” we use both fixed-price purchasing contracts and commodity derivatives to minimize our exposure to commodity price volatility when practicable. Fixed-price contracts generally have a term of one to two years, although a small number of contracts have a term up to five years. See “Item 4. Information on the Company—B. Business Overview—6. Brewing Process; Raw Materials and Packaging; Production Facilities; Logistics—Raw Materials and Packaging” for further details regarding our arrangements for sourcing of raw and packaging materials.

### Distribution Arrangements

We depend on effective distribution networks to deliver our products to our customers. Generally, we distribute our products through (i) our own distribution, in which we deliver to points of sale directly, and (ii) third-party distribution networks, in which delivery to points of sale occurs through wholesalers and independent distributors. Third-party distribution networks may be exclusive or non-exclusive and may, in certain business



segments, involve use of third-party distribution while we retain the sales function through an agency framework. We use different distribution networks in the markets in which we operate, as appropriate, based on the structure of the local retail sectors, local geographic considerations, scale considerations, regulatory requirements, market share and the expected added-value and capital returns.

Although specific results may vary depending on the relevant distribution arrangement and market, in general, the use of own distribution or third-party distribution networks will have the following effects on our results of operations:

- Revenue. Revenue per hectoliter derived from sales through own distribution tends to be higher than revenue derived from sales through third parties. In general, under own distribution, we receive a higher price for our products since we are selling directly to points of sale, capturing the margin that would otherwise be retained by intermediaries;
- Transportation costs. In our own distribution networks, we sell our products to the point of sale and incur additional freight costs in transporting those products between our plant and such points of sale. Such costs are included in our distribution expenses under IFRS. In most of our own distribution networks, we use third-party transporters and incur costs through payments to these transporters, which are also included in our distribution expenses under IFRS. In third-party distribution networks, our distribution expenses are generally limited to expenses incurred in delivering our products to relevant wholesalers or independent distributors in those circumstances in which we make deliveries; and
- Sales expenses. Under fully third-party distribution systems, the salesperson is generally an employee of the distributor, while under our own distribution and indirect agency networks, the salesperson is generally our employee. To the extent that we deliver our products to points of sale through direct or indirect agency distribution networks, we will incur additional sales expenses from the hiring of additional employees (which may offset to a certain extent increased revenue gained as a result of own distribution).

In addition, in certain countries, we enter into exclusive importer arrangements and depend on our counterparties to these arrangements to market and distribute our products to points of sale. To the extent that we rely on counterparties to distribution agreements to distribute our products in particular countries or regions, the results of our operations in those countries and regions will, in turn, be substantially dependent on our counterparties' own distribution networks operating effectively.

### Excise Taxes

Taxation on our beer, other alcoholic beverage and non-beer products in the countries in which we operate is comprised of different taxes specific to each jurisdiction, such as excise and other indirect taxes. In many jurisdictions, excise and other indirect duties, including legislation regarding minimum alcohol pricing, make up a large proportion of the cost of beer charged to customers. Increases in excise and other indirect taxes applicable to our products either on an absolute basis or relative to the levels applicable to other beverages tend to adversely affect our revenue or margins, both by reducing overall consumption and by encouraging consumers to switch to lower-taxed categories of beverages. These increases also adversely affect the affordability of our products and our ability to raise prices. For further discussion of excise taxes and the risk of increased tax rates as a result of the COVID-19 pandemic, please see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We may be subject to adverse changes in taxation and other tax-related risks" and "—Financial Risks —Our business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the COVID-19 pandemic."

### Governmental Regulations

Governmental restrictions on beer consumption in the markets in which we operate vary from one country to another, and, in some instances, within countries. The most relevant restrictions are:

- Legal drinking ages;



- Global and national alcohol policy reviews and the implementation of policies aimed at preventing the harmful effects of alcohol misuse (including, among others, relating to underage drinking, drunk driving, drinking while pregnant and excessive or abusive drinking);
- Restrictions on sales of alcohol generally or beer specifically, including restrictions on distribution networks, restrictions on certain retail venues, requirements that retail stores hold special licenses for the sale of alcohol, restrictions on times or days of sale and minimum alcohol pricing requirements;
- Advertising restrictions, which affect, among other things, the media channels employed, the content of advertising campaigns for our products and the times and places where our products can be advertised, including, in some instances, sporting events;
- Restrictions imposed by antitrust or competition laws;
- Deposit laws (including those for bottles, crates and kegs);
- Heightened environmental regulations and standards, including regulations addressing emissions of gas and liquid effluents and the disposal of waste and one-way packaging, compliance with which imposes costs; and
- Litigation associated with any of the above.

Please refer to “Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business” for a fuller description of the key laws and regulations to which our operations are subject.

### Foreign Currency

Our financial statements presentation and reporting currency is the U.S. dollar. A number of our operating companies have functional currencies (that is, in most cases, the local currency of the respective operating company) other than our reporting currency. Consequently, foreign currency exchange rates have a significant impact on our consolidated financial statements. In particular:

- Changes in the value of our operating companies’ functional currencies against other currencies in which their costs and expenses are priced may affect those operating companies’ cost of sales and operating expenses, and, thus, negatively impact their operating margins in functional currency terms. Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions, while monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date. Except for exchange differences on transactions entered into in order to hedge certain foreign currency risk and exchange rate differences on monetary items that form part of the net investment in the foreign operations, gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities in currencies other than an operating company’s functional currency are recognized in the income statement. Historically, we have been able to raise prices and implement cost-saving initiatives to partly offset cost and expense increases due to exchange rate volatility. We also have hedge policies designed to manage commodity price and foreign currency risks to protect our exposure to currencies other than our operating companies’ respective functional currencies. Please refer to “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments” for further detail on our approach to hedging commodity price and foreign currency risk.

Any change in the exchange rates between our operating companies’ functional currencies and our reporting currency affects our consolidated income statement and consolidated statement of financial position when the results of those operating companies are translated into the reporting currency for reporting purposes as translational exposures are not hedged. Assets and liabilities of foreign operations are translated to the reporting currency at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations, excluding foreign entities in hyperinflation economies, are translated to the reporting currency at exchange rates for



the year approximating the foreign exchange rates prevailing at the dates of transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity into the reporting currency at year-end are taken to other comprehensive income (that is, in a translation reserve). In May 2018, the Argentinean peso underwent a severe devaluation resulting in Argentina's three-year cumulative inflation exceeding 100% in 2018, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 *Financial Reporting in Hyperinflationary Economies* as of 1 January 2018. Under IAS 29, the non-monetary assets and liabilities are stated at historical cost and the equity and income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index. Monetary items that are already stated at the measuring unit at the end of the reporting period are not restated. These re-measured accounts are used for conversion into U.S. dollars at the period closing exchange rate. As a result, the balance sheet and net results of subsidiaries operating in hyperinflationary economies are stated in terms of the measuring unit current at the end of the reporting period.

Decreases in the value of our operating companies' functional currencies against the reporting currency tend to reduce their contribution to, among other things, our consolidated revenue and profit. During 2020, several currencies, such as the Brazilian real, the Colombian pesos, the Mexican pesos, the Peruvian sol and the South African rand, depreciated against the U.S. dollar while the Euro strengthened against the U.S. dollar. Our total consolidated revenue was USD 46.9 billion for the year ended 31 December 2020, a decrease of USD 5.4 billion compared to the year ended 31 December 2019. The negative impact of unfavorable currency translation effects, including hyperinflation accounting impact, on our consolidated revenue in the year ended 31 December 2020 was USD 3.4 billion, primarily as a result of the impact of the currencies listed above.

For further details regarding the currencies in which our revenue is realized and the effect of foreign currency fluctuations on our results of operations, see "—F. Impact of Changes in Foreign Exchange Rates" below.

See also "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Fluctuations in foreign currency exchange rates may lead to volatility in our results of operations." and "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We are exposed to developing market risks, including the risks of devaluation, nationalization and inflation."

### Weather and Seasonality

Weather conditions directly affect consumption of our products. High temperatures and prolonged periods of warm weather favor increased consumption of our products, while unseasonably cool or wet weather, especially during the spring and summer months, adversely affects our sales volumes and, consequently, our revenue. Accordingly, product sales in all of our business segments are generally higher during the warmer months of the year (which also tend to be periods of increased tourist activity) as well as during major holiday periods.

Consequently, for many countries in EMEA and most countries in the South America region (particularly Argentina and most of Brazil), volumes are usually stronger in the first and fourth quarters due to year-end festivities and the summer season in the Southern Hemisphere, while for some countries in Middle Americas and EMEA and the countries in the North America and Asia Pacific regions, volumes tend to be stronger during the spring and summer seasons in the second and third quarters of each year.

2020 consumption patterns were significantly impacted by the COVID-19 pandemic and the implementation of social distancing and lockdown measures in most of our markets, including the closure of bars, clubs and restaurants and restrictions on sporting events, music festivals and similar events, which affected normal seasonality of consumption of our products.

### B. SIGNIFICANT ACCOUNTING POLICIES

For a summary of all of our significant accounting policies, see note 3 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.





We believe that the following are our critical accounting policies. We consider an accounting policy to be critical if it is important to our financial condition and results of operations and requires significant or complex judgments and estimates on the part of our management. Although each of our significant accounting policies reflects judgments, assessments or estimates, we believe that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to our business operations and the understanding of its results: revenue recognition; accounting for business combinations and impairment of goodwill and intangible assets; pension and other post-retirement benefits; share-based compensation; contingencies; deferred and current income taxes; and accounting for derivatives. Although we believe that our judgments, assumptions and estimates are appropriate, actual results, under different assumptions or conditions, may differ from these estimates.

### Summary of Changes in Accounting Policies

In March 2020, the SEC amended its regulations regarding financial information of guarantors and issuers of guaranteed securities registered or being registered. We adopted these amendments for the year ended 31 December 2020, which included replacing guarantor condensed consolidating financial information with summarized financial information for the combined obligor group (Parent, Issuer and Guarantor Subsidiaries) in accordance with the amended regulations and no longer requiring guarantor cash flow information, financial information for non-guarantor subsidiaries, or a reconciliation to the consolidated results. The location of the required disclosures has been removed from the Notes to the Consolidated Financial Statements and moved to “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Guarantor Financial Information”.

In the fourth quarter of 2020, our subsidiary Ambev concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). The decision refers to the period between November 2009 and April 2015. As a result of this judicial decision, Ambev recognized USD 481 million of income in Other operating income and USD 315 million of interest income in Finance income for the year ended 31 December 2020. In 2019 and 2018, such credits were reported in Revenue. We have not revised the prior periods for the new accounting policy based on our assessment of materiality of such tax credits in 2019 and 2018.

Effective 1 January 2019, we reorganized our regional reporting structure. As of that date, our results are reported under the following five regions: North America, Middle Americas, South America, EMEA and Asia Pacific. We continue to separately report the results of Global Export and Holding Companies.

To the extent that new IFRS requirements are expected to be applicable in the future, they have not been applied in preparing our consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020. A number of amendments to standards effective for annual periods beginning after 1 January 2020 have not been discussed either because of their non-applicability or immateriality to our consolidated financial statements.

The following standards and interpretations issued by the International Accounting Standards Board became effective for annual periods beginning on 1 January 2019:

- IFRS 16 *Leases* replaces the prior lease accounting requirements and introduces significant changes to lessee accounting as it removes the distinction between operating and finance leases under IAS 17 *Leases* and related interpretations and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement date. IFRS 16 also requires to recognize a depreciation charge related to the right-of-use assets and an interest expense on the lease liabilities, as compared to the recognition of operating lease expense or rental cost on a straight-line basis over the lease term under prior requirements. In addition, we have amended the consolidated cash flow statement presentation in order to segregate the payment of leases into a principal portion presented within financing activities and an interest component presented within operating activities. For short-term leases and leases of low value assets, we continue to recognize a lease expense on a straight-line basis as permitted by IFRS 16. Where we are the lessor, we continue to classify leases as either finance leases or operating leases and account for those two types of leases differently. In addition, we have applied the practical expedient available on transition to IFRS 16 to not reassess whether a contract is or contains a lease. Accordingly, the definition of a lease under IAS 17 and related interpretations will continue to apply to the leases entered or modified before 1 January 2019. Upon transition to IFRS 16, lease liabilities are measured at the present value of future lease payments discounted using the incremental borrowing rates at the date of initial application.
- Effective 1 January 2019, we adopted IFRIC 23 *Uncertainty over Income Tax Treatments* and have elected to apply IFRIC 23 retrospectively. The cumulative effect of the interpretation was recognized at the date of initial application and we have not restated comparative periods in the year of initial application. We reviewed the income tax treatments in order to determine whether the interpretation could have an impact on our consolidated financial statements. In that respect, as of 31 December 2019, we reclassified USD 573 million of our existing income tax provisions into income tax liabilities, consistent with the discussions held at the IFRS Interpretation Committee, which concluded that an entity is required to present assets and liabilities for uncertain tax treatments as current tax assets/liabilities or deferred tax assets/liabilities.





For additional information, see note 3 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

### Revenue Recognition

Revenue is measured based on the consideration to which we expect to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. We recognize revenue when performance obligations are satisfied, meaning when we transfer control of a product to a customer.

Specifically, revenue recognition follows the following five-step approach:

- Identification of the contracts with a customer;
- Identification of the performance obligations in the contracts;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contracts; and
- Revenue recognition when performance obligations are satisfied.

Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to be received in exchange for those goods. Contracts can include significant variable elements, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses and penalties. Such trade incentives are treated as variable consideration. If the consideration includes a variable amount, we estimate the amount of consideration to which we will be entitled in exchange for transferring the promised goods or services to the customer. Variable consideration is only included in the transaction price if it is highly probable that the amount of revenue recognized would not be subject to significant future reversals when the uncertainty is resolved.

In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers. The aggregate deduction from revenue recorded by us in relation to these taxes was approximately USD 11.6 billion and USD 13.4 billion for the years ended 31 December 2020 and 2019, respectively.

### Accounting for Business Combinations and Impairment of Goodwill and Intangible Assets

We have made acquisitions that include a significant amount of goodwill and other intangible assets, including the acquisitions of Anheuser-Busch Companies, Grupo Modelo and SAB.

As of 31 December 2020, our total goodwill amounted to USD 121.0 billion, and our intangible assets with indefinite useful lives amounted to USD 39.4 billion.

During the second quarter of 2020, we reported a USD 2.5 billion non-cash goodwill impairment charge. The COVID-19 pandemic resulted in a sharp contraction of sales during the second quarter of 2020 in many countries in which we operate. By 30 June 2020, we concluded that a triggering event occurred which required us to perform an impairment test. The impairment test considered three scenarios for recovery of sales for the tested cash-generating units: a base case (which we deemed to be the most likely case at the time of the interim impairment test), a best case and a worst case. Based on the results of the interim impairment test, we concluded that no goodwill impairment was warranted under the base and best case scenarios. Nevertheless, under the worst case scenario ran with higher discounts rates to factor the heightened business risk, we concluded that the estimated recoverable amounts were below their carrying value for the South Africa and Rest of Africa cash-generating units.



As a consequence, we determined that it was prudent, in view of the uncertainties, to record an impairment charge of USD 1.5 billion for the South Africa cash-generating unit and USD 1.0 billion for the Rest of Africa cash-generating unit applying a 30% probability of occurrence of the worst case scenario. Based on the annual goodwill impairment testing reperformed by us during the fourth quarter of 2020, no additional impairment charge was warranted. See note 14 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.

We apply the acquisition method of accounting to account for acquisition of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of the cost of the acquisition over our interest in the fair value of the identifiable net assets acquired is recorded as goodwill. If the business combination is achieved in stages, the acquisition date carrying value of our previously held interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognized in profit or loss. We exercise significant judgment in the process of identifying tangible and intangible assets and liabilities, valuing such assets and liabilities and in determining their remaining useful lives. We generally engage third-party valuation firms to assist in valuing the acquired assets and liabilities. The valuation of these assets and liabilities is based on assumptions and criteria that include, in some cases, estimates of future cash flows discounted at the appropriate rates. The use of different assumptions used for valuation purposes, including estimates of future cash flows or discount rates, may have resulted in different estimates of value of assets acquired and liabilities assumed. Although we believe that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts, and the difference could be material.

We test our goodwill and other long-lived assets for impairment annually in the fourth quarter or whenever events and circumstances indicate that the recoverable amount, determined as the higher of the asset's fair value less cost to sell and value in use, of those assets is less than their carrying amount. The testing methodology consists of applying a discounted cash flow approach based on acquisition valuation models for the cash-generating units showing an invested capital to EBITDA, as defined, multiple above 9x, and valuation multiples for our other cash-generating units. Our cash flow estimates are based on historical results adjusted to reflect our best estimate of future market and operating conditions. Our estimates of fair values used to determine the resulting impairment loss, if any, represent our best estimate based on forecasted cash flows, industry trends and reference to market rates and transactions. If our current assumptions and estimates, including projected revenues growth rates, competitive and consumer trends, weighted average cost of capital, terminal growth rates, and other market factors, are not met, or if valuation factors outside of our control, change unfavorably, the estimated fair value of the goodwill could be adversely affected, leading to a potential impairment in the future. Impairments can also occur when we decide to dispose of assets.

The key judgments, estimates and assumptions used in the discounted cash flow calculations are generally as follows:

- In the first three years of the model, cash flows are based on our one-year plan as approved by key management and management assumptions for the following two years. The three-year plan model is prepared per cash-generating unit and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions. For the interim goodwill impairment testing, we assumed a base case, best case and worst case scenario for each cash-generating unit being tested and ran sensitivities. For the annual impairment testing, we considered a single scenario;
- For the subsequent seven years of the model, data from the strategic plan is extrapolated generally using simplified assumptions such as macro-economic and industry assumptions, variable cost per hectoliter and fixed cost linked to inflation, as obtained from external sources;



- Cash flows after the first ten-year period are extrapolated generally using expected annual long-term gross domestic product, growth rates, based on external sources, in order to calculate the terminal value, considering sensitivities on this metric;
- Projections are discounted at the unit’s weighted average cost of capital (“WACC”), considering sensitivities on this metric with more conservative assumptions in the worst case scenario interim impairment testing to factor the heightened business risk; and
- Cost to sell is assumed to reach 2% of the entity value based on historical precedents.

For the main cash generating units, the terminal growth rate applied generally ranged between 2% and 5%.

For the cash generating units subject to a discounted cash flow approach, the WACC applied in US dollar nominal terms were as follows:

	Year ended 31 December 2020	6 months ended 30 June 2020 <sup>(1)</sup>	Year ended 31 December 2019
Colombia	6%	6% - 7%	6%
Rest of Middle Americas	9%	10% - 11%	9%
South Africa	7%	7% - 8%	7%
Rest of Africa	10%	10% - 12%	10%
Rest of Asia Pacific	6%	8%	—

Notes:

(1) The higher WACC was applied in the worst case scenario in the interim impairment testing.

In the sensitivity analyses carried out as at 30 June 2020, based on the worst case discounted cash flow calculations, an adverse change of 1% in the WACC applied would lead to a reduction of the recoverable amount below the carrying amount for the South Africa, Rest of Africa, Columbia and Rest of Middle Americas cash-generating units and would give rise to an additional impairment of USD 0.6 billion for the South Africa and Rest of Africa cash-generating units, applying a 30% probability of occurrence.

These calculations were based on management’s assessment of reasonably possible adverse changes in key assumptions at the time of the interim impairment testing, yet they are hypothetical and should not be viewed as an indication that these factors are likely to change. The sensitivity analyses should therefore be interpreted with caution.

In the sensitivity analysis performed by management during the annual impairment testing in 2020 and 2019, an adverse change of 1% in WACC would not cause a cash-generating unit’s carrying amount to exceed its recoverable amount.

The above calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators (*i.e.*, recent market transactions from peers).

Impairment testing of intangible assets with an indefinite useful life is based on the same methodology and assumptions as described above.

For additional information on goodwill, intangible assets, tangible assets and impairments, see notes 8, 13, 14 and 15 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.



### **Pension and Other Post-Retirement Benefits**

We sponsor various post-employment benefit plans worldwide. These include pension plans, both defined contribution plans and defined benefit plans, and other post-employment benefits. Usually, pension plans are funded by payments made both by us and our employees, taking into account the recommendations of independent actuaries. We maintain funded and unfunded plans.

#### ***Defined Contribution Plans***

Contributions to these plans are recognized as expenses in the period in which they are incurred.

#### ***Defined Benefit Plans***

For defined benefit plans, liabilities and expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method takes into account each period of service as giving rise to an additional unit of benefit to measure each unit separately. Under this method, the cost of providing pensions is charged to the income statement during the period of service of the employee. The amounts charged to the income statement consist of current service cost, net interest cost/(income), past service costs and the effect of any settlements and curtailments. Past service costs are recognized at the earlier of when the amendment/curtailment occurs or when we recognize related restructuring or termination costs.

The net defined benefit plan liability recognized in the statement of financial position is measured as the current value of the estimated future cash outflows using a discount rate equivalent to high-quality corporate bond yields with maturity terms similar to those of the obligation, less the fair value of any plan assets. Where the calculated amount of a defined benefit plan liability is negative (an asset), we recognize such asset to the extent that economic benefits are available to us either from refunds or reductions in future contributions.

Assumptions used to value defined benefit liabilities are based on actual historical experience, plan demographics, external data regarding compensation and economic trends. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our pension obligation and our future expense. Remeasurements, comprising actuarial gains and losses, the effect of asset ceilings (excluding net interest) and the return on plan assets (excluding net interest) are recognized in full in the period in which they occur in the statement of comprehensive income. For further information on how changes in these assumptions could change the amounts recognized, see the sensitivity analysis within note 25 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

A significant portion of our plan assets is invested in equity and debt securities. The equity and debt markets have experienced volatility in the recent past, which has affected the value of our pension plan assets. This volatility may impact the long-term rate of return on plan assets. Actual asset returns that differ from the interest income recognized in our income statement are fully recognized in other comprehensive income.

#### ***Other Post-Employment Obligations***

We and our subsidiaries provide health care benefits and other benefits to certain retirees. The expected costs of these benefits are recognized over the period of employment, using an accounting methodology similar to that used for defined benefit plans.

### **Share-Based Compensation**

We have various types of equity-settled share-based compensation schemes for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments as of the date of grant. Fair value of stock options is estimated by using the binomial Hull model on the date of grant based on certain assumptions. Those assumptions are described in note 26 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in



this Form 20-F and include, among others, the dividend yield, expected volatility and expected life of the stock options. The binomial Hull model assumes that all employees would immediately exercise their options if our share price were 2.5 times above the option exercise price. As a consequence, no single expected option life applies, whereas the assumption of the expected volatility has been set by reference to the implied volatility of our shares in the open market and in light of historical patterns of volatility. Expected volatility is based on historical volatility calculated over a 10-year period.

### Contingencies

The preparation of our financial statements requires management to make estimates and assumptions regarding contingencies which affect the valuation of assets and liabilities at the date of the financial statements and the revenue and expenses during the reported period.

We disclose material contingent liabilities unless the possibility of any loss arising is considered remote, and material contingent assets where the inflow of economic benefits is probable. We discuss our material contingencies in note 32 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

Under IFRS, we record a provision for a loss contingency when it is probable that a future event will confirm that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur, and typically those events will occur over a number of years in the future. The valuations of the provisions are adjusted as further information becomes available.

As discussed in “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings” and in note 32 to our audited consolidated financial statements as of 31 December 2020 and 2019 and for the three years ended 31 December 2020, legal proceedings covering a wide range of matters are pending or threatened in various jurisdictions against us. We record provisions for pending litigation when we determine that an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates.

### Deferred and Current Income Taxes

We recognize deferred tax effects of tax loss carry-forwards and temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities. We estimate our income taxes based on regulations in the various jurisdictions where we conduct business. This requires us to estimate our actual current tax exposure and to assess temporary differences that result from different treatment of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which we record on our consolidated balance sheet. We regularly review the deferred tax assets for recoverability and will only recognize these if we believe that it is probable that there will be sufficient taxable profit against any temporary differences that can be utilized, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. We reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. If the final outcome of these matters differs from the amounts initially recorded, differences may positively or negatively impact the income tax and deferred tax provisions in the period in which such determination is made.

We are subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some of our subsidiaries are involved in tax audits and local enquiries, usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the



balance sheet date and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax provisions to be recognized in the financial statements, estimation is made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period such determination is made.

**Accounting for Derivatives**

Our risk management strategy includes the use of derivatives. The main derivative instruments we use are foreign currency rate agreements, exchange-traded foreign currency futures, interest rate swaps and options, cross-currency interest rate swaps and forwards, exchange-traded interest rate futures, commodity swaps, exchange-traded commodity futures and equity swaps. Our policy prohibits the use of derivatives in the context of speculative trading.

Derivative financial instruments are recognized initially at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition, derivative financial instruments are remeasured to fair value at the balance sheet date. For derivative financial instruments that qualify for hedge accounting, we apply the following policy: for fair value hedges, changes in fair value are recorded in the income statement and for cash flow and net investment hedges, changes in fair value are recognized in the other comprehensive income and/or in the income statement for the effective and/or ineffective portion of the hedge relationship, respectively.

The estimated fair value amounts have been determined by us using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. The fair values of financial instruments that are not traded in an active market (for example, unlisted equities, currency options, embedded derivatives and over-the-counter derivatives) are determined using valuation techniques. We use judgment to select an appropriate valuation methodology and underlying assumptions based principally on existing market conditions. Changes in these assumptions may cause us to recognize impairments or losses in future periods.

Although our intention is to maintain these instruments through maturity, they may be realized at our discretion. Should these instruments be settled only on their respective maturity dates, any effect between the market value and estimated yield curve of the instruments would be eliminated.

**C. BUSINESS SEGMENTS**

Both from an accounting and managerial perspective, we are organized according to business segments, which, with the exception of Global Export and Holding Companies, correspond to a combination of geographic regions in which our operations are based. The Global Export and Holding Companies segment includes our headquarters and the countries in which our products are sold only on an export basis and in which we generally do not otherwise have any operations or production activities.

Effective 1 January 2019, we reorganized our regional reporting structure. As of that date, our results are reported under the following five regions: North America, Middle Americas, South America, EMEA and Asia Pacific. We continue to separately report the results of Global Export and Holding Companies.

Following the announcement on 19 July 2019 of the agreement to divest CUB to Asahi, we classified the assets and liabilities associated with the Australian operations as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. In addition, since the results of the Australian operations represented a separate major line of business, these were accounted for as discontinued operations as required by IFRS 5 and presented in a separate line in the consolidated income statement (“profit from discontinued operations”) up to 31 May 2020. The transaction closed on 1 June 2020.



The financial performance of each business segment, including its sales volume and revenue, is measured based on our product sales within the countries that comprise that business segment rather than based on products manufactured within that business segment but sold elsewhere.

In 2020, Middle Americas accounted for 22.8% of our consolidated volumes; North America for 20.1%; Asia Pacific for 15.4%; EMEA for 14.4%; South America for 27.2%; and Global Export and Holding Companies for 0.2%. A substantial portion of our operations is carried out through our four largest subsidiaries: Anheuser-Busch Companies (wholly owned); Ambev (61.83% owned as of 31 December 2020); Grupo Modelo (wholly owned); Budweiser APAC (87.22% owned as of 31 December 2020); and their respective subsidiaries.

Throughout the world, we are primarily active in the beer business. However, during 2020, we also had non-beer activities (primarily consisting of soft drinks) within Middle Americas, particularly in the Dominican Republic, El Salvador, Honduras, Colombia and Peru; within South America, particularly in Argentina, Brazil, Bolivia and Uruguay; and in North America, particularly with the Hiball and Teavana business in the United States. Both the beer and non-beer volumes comprise sales of brands that we own or license, third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network.

#### D. EQUITY INVESTMENTS

See note 16 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for more information.

#### E. RESULTS OF OPERATIONS

##### Year Ended 31 December 2020 Compared to the Year Ended 31 December 2019

The table below presents our condensed consolidated results of operations for the years ended 31 December 2020 and 2019.

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	(USD million, except volumes)		
Volumes (thousand hectoliters)	530,644	561,427	(5.5)
Revenue	46,881	52,329	(10.4)
Cost of sales	(19,634)	(20,362)	3.6
Gross profit	27,247	31,967	(14.8)
Selling, General and Administrative expenses	(15,368)	(16,421)	6.4
Other operating income/(expenses)	845	875	(3.4)
Exceptional items	(3,103)	(323)	—
Profit from operations (EBIT)	9,620	16,098	(40.2)
EBITDA, as defined <sup>(2)</sup>	16,951	20,755	(18.3)

Note:

- (1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.
- (2) For a discussion of how we use EBITDA, as defined, and its limitations, and a table showing the calculation of our EBITDA, as defined, for the periods shown, see “—EBITDA, as defined” below.

#### Volumes

Our reported volumes include both beer and beyond beer and non-beer (primarily carbonated soft drinks) volumes. In addition, volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Europe. Volumes sold by the Global Export and Holding Companies businesses are shown separately.





The table below summarizes the volume evolution by business segment.

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	(thousand hectoliters)		
North America	106,846	108,133	(1.2)
Middle Americas	120,800	133,538	(9.5)
South America	144,209	139,664	3.3
EMEA	76,207	85,888	(11.3)
Asia Pacific	81,649	93,168	(12.4)
Global Export and Holding Companies	933	1,036	(9.9)
<b>Total</b>	<b>530,644</b>	<b>561,427</b>	<b>(5.5)</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated volumes were 530,644 million hectoliters for the year ended 31 December 2020. This represented a decrease of 30.8 million hectoliters, or 5.5% compared to our consolidated volumes for the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2019 and 2020.

- On 1 June 2020, we completed the sale of our Australia business (Carlton & United Breweries) to Asahi for AUD 16.0 billion, resulting in net proceeds of USD 10.8 billion. As part of this transaction, we granted Asahi rights to commercialize our portfolio of global and international brands in Australia. Effective 30 September 2019, we classified the assets and liabilities associated with the Australian operations as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. In addition, since the results of the Australian operations represented a separate major line of business, these were accounted for as discontinued operations as required by IFRS 5 and presented in a separate line in the consolidated income statement (“profit from discontinued operations”) up to 31 May 2020. In addition, on 30 September 2020, we completed the acquisition of the remaining 68.8% stake in Craft Brew Alliance for net consideration of USD 0.2 billion and obtained 100% control over Craft Brew Alliance (collectively, the “**2020 acquisitions and disposals**”).
- During 2019 we undertook a series of acquisitions and disposals with no significant individual impact in our consolidated financial statements (the “**2019 acquisitions and disposals**” and, together with the 2020 acquisitions and disposals, the “**2019 and 2020 acquisitions and disposals**”). The 2019 and 2020 acquisitions and disposals positively impacted our volumes by 1.2 million hectoliters (net) for the year ended 31 December 2020 compared to the year ended 31 December 2019.

For further details of these acquisitions and disposals, see “—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes.” See also note 6 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20 F.

Excluding volume changes attributable to the acquisitions and disposals described above, total volumes decreased 5.7% in the year ended 31 December 2020 compared to our volumes for the year ended 31 December 2019. Our own beer volumes decreased 5.8% in the year ended 31 December 2020 compared to the year ended 31 December 2019. On the same basis, in the year ended 31 December 2020, our non-beer volumes decreased 3.8% compared to the same period in 2019. The decline was primarily driven by impact of the COVID-19 pandemic.



**North America**

In the year ended 31 December 2020, our volumes in North America decreased by 1.3 million hectoliters, or 1.2%, compared to the year ended 31 December 2019.

Excluding volume changes attributable to the 2019 and 2020 acquisitions and disposals described above, our total volumes decreased by 1.4% in the year ended 31 December 2020 compared to the year ended 31 December 2019.

In response to the COVID-19 pandemic, “stay-at-home” orders and other social distancing measures were implemented in the United States beginning in the middle of March 2020. We have since observed a gradual reopening of the on-premise channel, though the pace has been varied and there have been additional restrictions enforced as the year progressed. In the fourth quarter of 2020, the industry was impacted by the second wave of the COVID-19 pandemic and corresponding restrictions to the on-premise channel. Our advanced planning and analytic capabilities and global supply chain enabled us to effectively serve customers and consumers even with continued industry pressure and volatility caused by the COVID-19 pandemic. Our sales-to-retailers (“STRs”) declined by 0.2% in 2020, slightly below an industry that declined by 0.1%. This resulted in an estimated market share loss of 5 bps, as our above core portfolio gained an estimated 110 bps and our mainstream brands lost an estimated 115 bps. Our sales-to-wholesalers (“STWs”) declined by 1.7%. Our above core portfolio continued to outperform, driven by the ongoing momentum of Michelob Ultra and successful innovations such as Bud Light Seltzer. Michelob Ultra was once again the second-highest selling beer by value in the United States, after Bud Light, and was the number one share gainer in beer excluding flavored malt beverages in 2020, according to IRI. In addition, our portfolio of seltzers grew at double the rate of the industry, driven by a successful launch of Bud Light Seltzer. Continued execution of our commercial strategy has also resulted in flat share of mainstream segment in 2020.

In Canada, the COVID-19 pandemic resulted in a shift from the on-premise to the off-premise channel: as government restrictions came into place in the middle of March 2020, the on-premise channel was effectively shut down. In the fourth quarter of 2020, a second wave of the COVID-19 pandemic resulted in renewed restrictions. Our business in Canada grew volumes by low single digits in 2020, ahead of the industry, due to the consistent execution of our commercial strategy. This was driven by the outperformance of our above core brands, led by Corona and Michelob Ultra. Corona grew by high single digits and Michelob Ultra was the fastest growing beer brand for the second year in a row. Our beyond beer portfolio grew by over 25%, driven by successful innovations in the Mike’s Hard brand family and the expansion of the hard seltzer category.

**Middle Americas**

In the year ended 31 December 2020, our volumes in Middle Americas decreased by 12.7 million hectoliters, or 9.5%, compared to the year ended 31 December 2019.

Excluding volume changes attributable to the 2019 and 2020 acquisitions and disposals described above, our total volumes decreased by 10.3% in the year ended 31 December 2020 compared to the year ended 31 December 2019.

In 2020, our business in Mexico delivered a very healthy performance in the context of a volatile external environment. Our volumes in Mexico declined by high single digits due to a two-month government-mandated shutdown of our operations in the second quarter of 2020. We rapidly resumed operations and outperformed the industry in the year, resulting in continued market share gains. We remain focused on developing our portfolio in line with the category expansion framework. We continue to strengthen our core brands, with the growth of Corona and Victoria combined outperforming the industry in 2020. Our above core portfolio is growing at a rapid pace, with the Modelo family of brands contributing the largest absolute volume growth in the beer category. Michelob Ultra also demonstrated strong results. Leveraging the brand’s consumer proposition and equity, we recently launched pilots of Michelob Ultra Hard Seltzer as we drive our focus on industry growth, by leading the way in new segments. We continue to support our customers through trade reactivation programs and digital solutions, such as the rollout of BEES, which more than doubled in size throughout 2020. Our proprietary chain of retail stores, Modelorama, expanded its footprint with over 600 new locations to reach a total of approximately 9,500 outlets across the country. We also successfully completed the third and fourth waves of our expansion into the country’s largest convenience store, OXXO, making our brands available in over 7,700 stores. In line with our plan, we launched the next phase of the rollout into an approximately 1,100 more stores in January 2021. We remain excited about the long-term growth potential of these opportunities.



In Colombia, the first half of 2020 was significantly impacted by social distancing measures put in place in the middle of March 2020 including a national quarantine. The on-premise channel, which comprises slightly more than 50% of our volumes, was closed across the country, although sales were permitted for home delivery. The restrictions began to ease throughout the second quarter of 2020 and in June, a gradual re-opening of certain sectors of the economy led to improving consumer confidence and disposable income. In 2020, our total volumes declined by high-single digits, with volume declines in both beer and non-beer. Our teams continue to work closely with local governments to support the safe recovery of the on-premise channel. We continue to successfully expand the premium segment, led by our global brand portfolio, which grew by high teens in 2020. As part of our digital transformation journey, we accelerated the rollout of BEES which is now utilized by hundreds of thousands of our customers and converting the majority of our revenue digitally by the end of 2020.

In Peru, volume declined by double-digits due to a government-mandated shutdown in March and April 2020 and stay-at-home restrictions in the following months. However, our performance improved progressively as restrictions were lifted. We remain focused on implementing our category expansion framework. Our global brands finished the year with a strong performance, growing by high double-digits. Our smart affordability innovation, Golden, which provides consumers with a unique combination of maize and barley at affordable prices, continues to deliver good results. We also announced that we are sourcing all of our maize for Golden from local farmers to continue supporting the country's economic recovery.

In Ecuador, our volumes declined by double-digits in 2020, impacted by the COVID-19 pandemic and associated government restrictions. Our performance was significantly impacted by government measures starting in March 2020, that shut down the on-premise channel across the country, as well as some local measures that shut down full regions. The restrictions were gradually lifted as of September 2020, although we remain cautious as government restrictions were re-implemented across the country in the last two months of 2020. We continue to focus on expanding the beer category and are seeing success from our premiumization initiatives. Our global brands finished the year strong, led by the expansion of Corona and Stella Artois, and we recently enhanced our premium brand portfolio with the launch of Beck's. Additionally, we are focused on bringing more consumers into the category through attractive price points with high quality products such as our local crop innovation, Nuestra Siembra, which continues to deliver strong results.

**South America**

In the year ended 31 December 2020, our volumes in South America increased by 4.5 million hectoliters, or 3.3%, compared to the year ended 31 December 2019, with our beer volumes increasing 4.9% and soft drinks decreasing 1.8%.

Excluding volume changes attributable to the 2019 and 2020 acquisitions and disposals described above, our volumes increased by 3.2%.

In Brazil, our volumes increased by 4.2%. In March 2020, restrictive measures were implemented across Brazilian states in response to the COVID-19 pandemic, including the lockdown of the on-premise channel impacting our volumes in the first half of 2020. However, our beer business in Brazil delivered a strong performance this year in a challenging environment. We grew beer volumes by 5.6% in 2020, outperforming the industry, through the successful execution of our customer- and consumer-centric strategy and by driving operational excellence. Our premium portfolio outperformed the industry, we stabilized the performance of our core brands and we delivered highly successful innovations such as Brahma Duplo Malte, a brand that has greatly expanded the previously under-developed core plus segment. We continue to advance the digital transformation of our business, with our online B2B marketplace and direct-to-consumer initiatives growing at an exponential rate and rapidly expanding across the country. Almost half of our active customers are currently utilizing BEES. Our main direct-to-consumer initiative, Zé Delivery, is now in all 27 Brazilian states significantly accelerated with more than 27 million orders fulfilled in 2020. Our performance was also positively impacted by government subsidies from April to December that increased consumer disposable income, leading to increased consumer demand. Our non-beer volumes were flattish in 2020.



In Argentina, as of the middle of March 2020, a full national lockdown was implemented in response to the COVID-19 pandemic. The on-premise channel was effectively shut down and there were restrictions on hours of operation in the off-premise channel, which represents approximately 90% of our volume. We delivered slight volume growth this year and outperformed the industry, even in the context of a challenging consumer environment. This was a result of leveraging our diverse brand portfolio, led by the double-digit growth of our premium and core plus brands, coupled with our unparalleled scale, operational excellence and the digital transformation of our business with direct-to-consumer initiatives.

### EMEA

In EMEA, our volumes, including subcontracted volumes, for the year ended 31 December 2020 decreased by 9.7 million hectoliters, or 11.3%, compared to the year ended 31 December 2019.

Excluding volume changes attributable to the 2019 and 2020 acquisitions and disposals described above, our beer volumes for the year ended 31 December 2020 decreased 10.8% compared to the year ended 31 December 2019.

In Europe, we observed a widespread shut down of the on-premise channel beginning in March 2020, which represented approximately 30% of our business in the region. In June 2020, we saw the gradual re-opening of the on-premise channel in most of our markets, resulting in improved volume trends. In the fourth quarter of 2020, our performance was significantly impacted by renewed on-premise shutdowns and mobility restrictions. As a result, our volume in Europe declined by high single digits in 2020. We estimate we gained market share on a full year basis in the majority of our key markets, with particularly strong gains in France, Germany and the Netherlands.

Our business in South Africa was significantly impacted by three outright government-mandated bans on the sale of alcohol over the course of 2020, which resulted in double-digit volume decline. The first ban began in late March 2020 and lasted until the end of May 2020, which included a complete ban on the sale of alcohol beverages. Our brewery and distribution operations were severely restricted by the government mandates in place during this time. We fully resumed our operations at the beginning of June 2020, however, our business in South Africa was significantly impacted by a second outright ban on the sale of alcohol beverages implemented from mid-July to mid-August 2020. We observed robust consumer demand once the government lifted the ban with volume growth resuming in September 2020. On 29 December 2020, the government instituted a third alcohol ban, affecting a key selling week for beer. Outside of these bans, we saw solid underlying consumer demand for our portfolio throughout 2020, resulting in estimated market share gains in both beer and total alcohol. We saw consumers shifting to more affordable brands and bulk returnable packages, particularly benefitting our core brands, such as Carling Black Label. Our flavored alcohol beverages, Brutal Fruit and Flying Fish, outperformed this year, reinforcing the advantages of a diverse brand portfolio to meet consumer needs across styles and price points. The third alcohol ban was lifted on 1 February 2021 and we were able to resume our operations on 2 February 2021.

In Africa excluding South Africa, measures taken to combat the COVID-19 pandemic varied by country, but implementation generally began in late March and early April 2020 to shut down the on-premise channel in most markets. Our breweries mostly remained operational and we were servicing the market, primarily the off-premise channel, in compliance with government regulations. Our business was negatively impacted by the COVID-19 pandemic, but we saw resilient consumer demand in many of our markets as restrictions began to ease. We delivered healthy volume growth in Mozambique and Zambia this year. Volumes declined in Tanzania and Uganda, as both markets were impacted by an ongoing challenging economic environment. In Nigeria, we delivered low-single digit volume growth in 2020, driven by successful investments in developing our brand portfolio and enhancing our route-to-market capabilities.



**Asia Pacific**

For the year ended 31 December 2020, our volumes decreased by 11.5 million hectoliters, or 12.4%, compared to the year ended 31 December 2019.

Excluding volume changes attributable to the 2019 and 2020 acquisitions and disposals described above, our total volumes decreased by 12.3% in the year ended 31 December 2020 compared to the year ended 31 December 2019.

In 2020, our volumes in China declined by 10.0%. COVID-19 struck China in late January 2020, just before the start of the Chinese New Year celebrations, one of the largest consumption occasions of the year. Most provinces implemented significant lockdown measures to combat the virus, lasting from late January through at least the end of February 2020. During this period, we observed virtually no activity in the nightlife channel, very limited activity in the restaurant channel and a meaningful decline in the in-home channel. In March 2020, we observed a steady recovery in the in-home and restaurant channels, though the nightlife channel was recovering at a slower pace due to ongoing social distancing measures. By the end of March 2020, we had re-opened all our breweries in China and almost all our wholesalers had resumed operations. Our business in China continued to recover throughout the course of the year, including in the on-premise channel. While we lost substantial market share between February and April 2020 due to the COVID-19 impact on the on-premise channel, we recovered through our effective commercial actions and resource allocation. We consistently gained market share in each subsequent quarter, especially in the fourth quarter of 2020, with an estimated market share gain of 140 bps. As a result, we significantly reduced the 2020 market share loss to an estimated 55 bps. Premiumization continues to be a key driver of growth, led by our premium and super premium portfolios, with brands such as Budweiser. We estimate that we continue to lead the beer category in the e-commerce channel with a market share twice that of the next brewer and leveraging this growing channel to launch our innovation products.

South Korea faced a significant outbreak of the virus in late February 2020, though businesses largely remained open across most of the country. In the third quarter of 2020, we faced a challenging operating environment, due to another COVID-19 outbreak that severely impacted consumer confidence and resulted in significant restrictions on the on-premise channel. In the fourth quarter of 2020, South Korea faced its most serious outbreak of the COVID-19 pandemic and consequently the toughest level of restrictions yet. We estimate that our total market share declined by approximately 220 bps in 2020, more than half of which was driven by channel mix shift mainly resulting from the COVID-19 pandemic. In the growing in-home channel, we grew market share in 2020, according to Nielsen. In the on-premise channel, while we estimate that we lost market share in 2020, the trend improved throughout the year with gains in the fourth quarter of 2020 driven by the increasing momentum of Cass. We continued to lead the Premium space and estimate that we outperformed the industry in this segment.

**Global Export and Holding Companies**

For the year ended 31 December 2020, Global Export and Holding Companies volumes remained flat compared to the same period last year.

**Revenue**

Revenue refers to turnover less excise taxes and discounts. See “—A. Key Factors Affecting Results of Operations—Excise Taxes.”



The following table reflects changes in revenue across our business segments for the year ended 31 December 2020 as compared to our revenue for the year ended 31 December 2019.

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	<i>(USD million)</i>		
North America	15,622	15,488	0.9
Middle Americas	10,032	11,912	(15.8)
South America	8,092	9,790	(17.3)
EMEA	6,835	7,911	(13.6)
Asia Pacific	5,648	6,544	(13.7)
Global Export and Holding Companies	652	685	(4.8)
<b>Total</b>	<b>46,881</b>	<b>52,329</b>	<b>(10.4)</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated revenue was USD 46,881 million for the year ended 31 December 2020. This represented a decrease of USD 5,448 million, or 10.4%, as compared to our consolidated revenue for the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect (i) the performance of our business after the completion of certain acquisitions and disposals we undertook in 2019 and 2020, (ii) change in the presentation of the Brazilian tax credits (see “— B. Significant Account Policies —Summary of Changes in Accounting Policies” above) and (iii) currency translation effects.

- The 2019 and 2020 acquisitions and disposals and change in the presentation of the Brazilian tax credits negatively impacted our consolidated revenue by USD 81 million for the year ended 31 December 2020 compared to the year ended 31 December 2019.
- Our consolidated revenue for the year ended 31 December 2020 also reflects a negative currency translation impact of USD 3,410 million mainly arising from currency translation effects in South America and Middle Americas.

Excluding the effects of the 2019 and 2020 acquisitions and disposals, change in the presentation of the Brazilian tax credits and currency translation effects, our revenue decreased 3.7% and increased by 2.1% on a per hectoliter basis in the year ended 31 December 2020 compared to the year ended 31 December 2019. Our consolidated revenue for the year ended 31 December 2020 was partially impacted by the developments in volumes discussed above. On the same basis, our revenue per hectoliter for the year ended 31 December 2020 increased compared to the year ended 31 December 2019, mainly driven by revenue management initiatives.

The increase in our revenue per hectoliter in the year ended 31 December 2020 was most significant in North America, driven by revenue management initiatives and favorable brand mix, and South America, primarily driven by double-digit revenue per hectoliter growth in Argentina in line with inflation.

Combined revenues of our global brands decreased by 5.0% in 2020, with global revenues for Budweiser decreasing by 6.0%, for Stella Artois by 0.2% and Corona by 5.4%.



### Cost of Sales

The following table reflects changes in the cost of sales across our business segments for the year ended 31 December 2020 as compared to the year ended 31 December 2019:

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	<i>(USD million)</i>		
North America	(5,870)	(5,789)	(1.4)
Middle Americas	(3,331)	(3,549)	6.1
South America	(3,786)	(4,009)	5.6
EMEA	(3,394)	(3,506)	3.2
Asia Pacific	(2,605)	(2,919)	10.8
Global Export and Holding Companies	(648)	(590)	(9.8)
<b>Total</b>	<b>(19,634)</b>	<b>(20,362)</b>	<b>3.6</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated cost of sales was USD 19,634 million for the year ended 31 December 2020. This represented a decrease of USD 728 million, or 3.6% compared to our consolidated cost of sales for the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect (i) the performance of our business after the completion of certain acquisitions and disposals we undertook in 2019 and 2020 and (ii) currency translation effects.

- The 2019 and 2020 acquisitions and disposals negatively impacted our consolidated cost of sales by USD 121 million for the year ended 31 December 2020 compared to the year ended 31 December 2019.
- Our consolidated cost of sales for the year ended 31 December 2020 also reflects a positive currency translation impact of USD 1,488 million mainly arising from currency translation effects in South America.

Excluding the effects of the 2019 and 2020 acquisitions and disposals described above and currency translation effects, our consolidated cost of sales increased by 3.1%, primarily driven by operational deleveraging resulting from the impact of the COVID-19 pandemic on our volumes and by supply chain adjustments implemented to meet evolving demand. As such, on the same basis, our consolidated cost of sales per hectoliter increased by 9.8%.

### Operating Expenses

The discussion below relates to our operating expenses, which equal the sum of our distribution, sales and marketing expenses, administrative expenses and other operating income and expenses (net), for the year ended 31 December 2020 as compared to the year ended 31 December 2019. Our operating expenses do not include exceptional charges, which are reported separately.

Our operating expenses for the year ended 31 December 2020 were USD 14,523 million, representing a decrease of USD 1,023 million, or 6.6%, compared to our operating expenses for 2019.

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	<i>(USD million)</i>		
Selling, General and Administrative Expenses	(15,368)	(16,421)	6.4
Other Operating Income/(Expenses)	845	875	(3.4)
<b>Total Operating Expenses</b>	<b>(14,523)</b>	<b>(15,546)</b>	<b>6.6</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.



**Selling, General and Administrative Expenses**

The following table reflects changes in our distribution expenses, sales and marketing expenses and administrative expenses (our “selling, general and administrative expenses”) across our business segments for the year ended 31 December 2020 as compared to the year ended 31 December 2019:

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	<i>(USD million)</i>		
North America	(4,369)	(4,372)	0.1
Middle Americas	(2,710)	(3,049)	11.1
South America	(2,417)	(2,791)	13.4
EMEA	(2,696)	(2,862)	5.8
Asia Pacific	(2,097)	(2,216)	5.4
Global Export and Holding Companies	(1,079)	(1,131)	4.6
<b>Total</b>	<b>(15,368)</b>	<b>(16,421)</b>	<b>6.4</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated selling, general and administrative expenses were USD 15,368 million for the year ended 31 December 2020. This represented a decrease of USD 1,053 million, or 6.4%, as compared to the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect (i) the performance of our business after the completion of certain acquisitions and disposals we undertook in 2019 and 2020 and (ii) currency translation effects.

- The 2019 and 2020 acquisitions and disposals described above positively impacted our consolidated selling, general and administrative expenses by USD 26 million on a net basis for the year ended 31 December 2020 compared to the year ended 31 December 2019.
- Our consolidated selling, general and administrative expenses for the year ended 31 December 2020 also reflects a positive currency translation impact of USD 1,008 million mainly arising from currency translation effects in South America.

Excluding the effects of the business acquisitions and disposals described above and currency translation effects, our consolidated selling, general and administrative expenses in the year ended 31 December 2020 decreased by 0.1% compared to the year ended 31 December 2019.

**Other Operating Income/(Expenses)**

The following table reflects changes in other operating income and expenses across our business segments for the year ended 31 December 2020 as compared to the year ended 31 December 2019:

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	<i>(USD million)</i>		
North America	(14)	26	—
Middle Americas	6	121	—
South America	522	201	—
EMEA	163	264	(38.3)
Asia Pacific	146	230	(36.5)
Global Export and Holding Companies	22	35	(37.1)
<b>Total</b>	<b>845</b>	<b>875</b>	<b>(3.4)</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.



The net positive effect of our consolidated other operating income and expenses for the year ended 31 December 2020 was USD 845 million. This represented a decrease of USD 30 million, or 3.4%, as compared to the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect (i) the performance of our business after the completion of certain acquisitions and disposals we undertook in 2019 and 2020, (ii) change in the presentation of the Brazilian tax credits and (iii) currency translation effects.

- The 2019 and 2020 acquisitions and disposals and change in the presentation of the Brazilian tax credits described above positively impacted our net consolidated other operating income and expenses by USD 407 million for the year ended 31 December 2020 compared to the year ended 31 December 2019.
- Our net consolidated other operating income and expenses for the year ended 31 December 2020 also reflect a negative currency translation impact of USD 36 million.

Excluding the effects of the business acquisitions and disposals, change in the presentation of the Brazilian tax credits and currency translation effects described above, our net consolidated other operating income and expenses would have decreased by 46.2% for the year ended 31 December 2020 as compared to the year ended 31 December 2019, primarily driven by lower other operating income in 2020 as a result of the COVID-19 pandemic and one-off gains in 2019 that were not repeated in 2020.

**Exceptional Items**

Exceptional items are items which, in our management’s judgment, need to be disclosed separately by virtue of their size and incidence in order to obtain a proper understanding of our financial information. We consider these items to be significant in nature, and accordingly, our management has excluded these items from their segment measure of performance.

For the year ended 31 December 2020, exceptional items included in profit from operations consisted of impairment of goodwill, COVID-19 costs, restructuring charges, business and asset disposals (including impairment losses), acquisition costs of business combinations, and gain on divestiture of Australia. Exceptional items were as follows for the years ended 31 December 2020 and 2019:

	Year ended 31 December 2020	Year ended 31 December 2019
	<i>(USD million)</i>	
Impairment of Goodwill	(2,500)	—
COVID-19 costs	(182)	—
Restructuring	(157)	(170)
Business and asset disposal (including impairment losses)	(239)	(50)
Acquisition costs/Business combinations	(25)	(23)
Gain on divestiture of Australia (in discontinued operations)	1,919	—
Brazil State tax regularization program	—	(74)
Cost related to public offering of minority stake in Budweiser APAC	—	(6)
<b>Total</b>	<b>(1,184)</b>	<b>(323)</b>



### ***Goodwill impairment***

During the second quarter of 2020, we reported a USD 2.5 billion non-cash goodwill impairment charge. The COVID-19 pandemic resulted in a sharp contraction of sales during the second quarter of 2020 in many countries in which we operate. We concluded that a triggering event occurred which required us to perform an impairment test. The impairment test considered three scenarios for recovery of sales for the tested cash-generating units: a base case, which we deemed to be the most likely case, a best case and a worst case. Based on the results of the impairment test, we concluded that no impairment was warranted under the base and best case scenarios.

Nevertheless, under the worst case scenario ran with higher discounts rates to factor the heightened business risk, we concluded that the estimated recoverable amounts of the South Africa and Rest of Africa cash-generating units were below their carrying value. Accordingly, we determined that it was prudent, in view of the uncertainties to record an impairment charge at 30 June 2020 of USD 2.5 billion applying a 30% probability of occurrence of the worst case scenario.

### ***COVID-19 costs***

Cost associated with the COVID-19 pandemic amounted to USD 182 million for the year ended 31 December 2020. These expenses are mainly comprised of costs related to personal protective equipment for our colleagues, charitable donations and other costs incurred as a direct consequence of the COVID-19 pandemic.

### ***Restructuring***

Exceptional restructuring charges amounted to a net cost of USD 157 million for the year ended 31 December 2020 as compared to a net cost of USD 170 million for the year ended 31 December 2019. These charges primarily relate to organizational alignments and aim to eliminate overlapping organizations or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These expenses provide us with a lower cost base in addition to a stronger focus on our core activities, quicker decision-making and improvements to efficiency, service and quality.

### ***Business and asset disposal***

Business and asset disposals amounted to a net cost of USD 239 million for the year ended 31 December 2020 mainly comprising impairment of tangible assets classified as held for sale as of 31 December 2020, intangible assets sold in 2020 and other intangibles. Business and asset disposals amounted to a net cost of USD 50 million for the year ended 31 December 2019 mainly comprising costs incurred in relation to the completion of 2018 disposals.

### ***Acquisitions costs of business combinations***

The acquisition costs of business combinations amounted to a net cost of USD 25 million for the year ended 31 December 2020 and mainly related to the acquisition of the remaining stake in Craft Brew Alliance. The acquisition costs of business combinations amounted to a net cost of USD 23 million for the year ended 31 December 2019 and primarily related to costs incurred to facilitate the combination with SAB.

### ***Gain on divestiture of Australia***

On 1 June 2020, we completed the previously announced sale of CUB to Asahi resulting in a net exceptional gain of USD 1.9 billion reported in discontinued operations.

### ***Brazil State tax regularization program***

In 2019, Ambev made a payment of USD 74 million to the State of Mato Grosso in relation to the Special Value-added Tax (ICMS) Amnesty Program in Brazil in accordance with the Brazilian State Tax Regularization Program.



**Cost related to public offering of minority stake in Budweiser APAC**

In 2019, we incurred USD 117 million of fees in relation to the initial public offering of a minority stake of Budweiser APAC, our Asia Pacific subsidiary, of which USD 6 million were reported in the income statement and USD 111 million were capitalized in equity. In addition, we have reported USD 58 million of stamp duties in equity that are directly attributable to the public offering of Budweiser APAC.

**Profit from Operations**

The following table reflects changes in profit from operations across our business segments for the year ended 31 December 2020 as compared to the year ended 31 December 2019:

	Year ended 31 December 2020	Year ended 31 December 2019	Change
	<i>(USD million)</i>		<i>(%)<sup>(1)</sup></i>
North America	5,147	5,341	(3.6)
Middle Americas	3,885	5,384	(27.8)
South America	2,350	3,094	(24.0)
EMEA	(1,722)	1,746	—
Asia Pacific	1,062	1,598	(33.5)
Global Export and Holding Companies	(1,103)	(1,064)	(3.6)
<b>Total</b>	<b>9,620</b>	<b>16,098</b>	<b>(40.2)</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our profit from operations amounted to USD 9,620 million for the year ended 31 December 2020. This represented a decrease of USD 6,478 million, or 40.2%, as compared to our profit from operations for the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect (i) the performance of our business after the completion of certain acquisitions and disposals we undertook in 2019 and 2020, (ii) currency translation effects and (iii) the effects of certain exceptional items as described above.

- The 2019 and 2020 acquisitions and disposals described above positively impacted our consolidated profit from operations by USD 227 million for the year ended 31 December 2020 compared to the year ended 31 December 2019.
- Our consolidated profit from operations for the year ended 31 December 2020 also reflects a negative currency translation impact of USD 593 million.
- Our profit from operations for the year ended 31 December 2020 was negatively impacted by USD 3,103 million of certain exceptional items reported in continuing operations, as compared to a negative impact of USD 323 million for the year ended 31 December 2019. See “Exceptional Items” above for a description of the exceptional items during the years ended 31 December 2020 and 2019.

Excluding the effects of the business acquisitions and disposals described above and currency translation effects, our profit from operations decreased by 37.7%. This decrease was most significant in Middle Americas, South America, EMEA and Asia Pacific as a result of the COVID-19 pandemic.

**EBITDA, as defined**

The following table reflects changes in our EBITDA, as defined, for the year ended 31 December 2020 as compared to the year ended 31 December 2019:

	Year ended 31 December 2020	Year ended 31 December 2019	Change (%) <sup>(1)</sup>
	<i>(USD million)</i>		
Profit attributable to equity holders of AB InBev	1,405	9,171	(84.7)
Profit attributable to non-controlling interests	797	1,243	(35.9)
<b>Profit of the period</b>	<b>2,202</b>	<b>10,414</b>	<b>(78.9)</b>
Profit from discontinued operations	(2,055)	(424)	(384.7)
<b>Profit from continuing operations</b>	<b>147</b>	<b>9,990</b>	<b>(98.5)</b>
Net finance cost	7,697	3,473	—
Income tax expense	1,932	2,786	(30.7)
Share of result of associates and joint ventures	(156)	(152)	(2.6)
<b>Profit from operations</b>	<b>9,620</b>	<b>16,098</b>	<b>(40.2)</b>
Depreciation, amortization and impairment	4,598	4,657	(1.3)
Exceptional impairment	2,733	—	—
<b>EBITDA, as defined</b>	<b>16,951</b>	<b>20,755</b>	<b>(18.3)</b>

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

A performance measure such as EBITDA, as defined, is a non-IFRS measure. The financial measure most directly comparable to EBITDA, as defined, and presented in accordance with IFRS in our consolidated financial statements, is profit of the year. EBITDA, as defined, is a measure used by our management to evaluate our business performance and is defined as profit from operations before depreciation, amortization and impairment. EBITDA, as defined, is a key component of the measures that are provided to senior management on a monthly basis at the group level, the business segment level and lower levels. We believe EBITDA, as defined, is useful to investors for the following reasons.

We believe EBITDA, as defined, facilitates comparisons of our operating performance across our business segments from period to period. In comparison to profit of the year, EBITDA, as defined, excludes items which do not impact the day-to-day operation of our primary business (that is, the selling of beer and other operational businesses) and over which management has little control. Items excluded from EBITDA, as defined, are our share of results of associates and joint ventures, profit from discontinued operations, depreciation and amortization, impairment, financial charges and corporate income taxes, which management does not consider to be items that drive our underlying business performance. Because EBITDA, as defined, includes only items management can directly control or influence, it forms part of the basis for many of our performance targets. For example, certain options under our share-based compensation plan were granted such that they vest only when certain targets derived from EBITDA, as defined, were met.

We further believe that EBITDA, as defined, and measures derived from it, are frequently used by securities analysts, investors and other interested parties in their evaluation of us and in comparison to other companies, many of which present an EBITDA performance measure when reporting their results.

EBITDA, as defined, does, however, have limitations as an analytical tool. It is not a recognized term under IFRS and does not purport to be an alternative to profit as a measure of operating performance, or to cash flows from operating activities as a measure of liquidity. As a result, you should not consider EBITDA, as defined, in isolation from, or as a substitute analysis for, our results of operations. Some limitations of EBITDA, as defined, are:

- EBITDA, as defined, does not reflect the impact of financing costs on our operating performance. Such costs are significant in light of our increased debt subsequent to the combination with SAB;



- EBITDA, as defined, does not reflect depreciation and amortization, but the assets being depreciated and amortized will often have to be replaced in the future;
- EBITDA, as defined, does not reflect the impact of charges for existing capital assets or their replacements;
- EBITDA, as defined, does not reflect our tax expense; and
- EBITDA, as defined, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

Additionally, EBITDA, as defined, is not intended to be a measure of free cash flow for management's discretionary use, as it is not adjusted for all non-cash income or expense items that are reflected in our consolidated statement of cash flows.

We compensate for these limitations, in addition to using EBITDA, as defined, by relying on our results calculated in accordance with IFRS.

Our EBITDA, as defined, amounted to USD 16,951 million for the year ended 31 December 2020. This represented a decrease of USD 3,804 million, or 18.3%, as compared to our EBITDA, as defined, for the year ended 31 December 2019. The results for the year ended 31 December 2020 reflect (i) the performance of our business after the completion of the acquisitions and disposals we undertook in 2019 and 2020 discussed above and (ii) currency translation effects. Furthermore, our EBITDA, as defined, was negatively impacted by USD 370 million (before impairment losses) of certain exceptional items reported in continuing operations in the year ended 31 December 2020, as compared to a negative impact of USD 323 million (before impairment losses) during the year ended 31 December 2019. See "Exceptional Items" above for a description of the exceptional items during the years ended 31 December 2020 and 2019.

#### ***Net Finance Income / (Cost)***

Our net finance income / (cost) items were as follows for the years ended 31 December 2020 and 2019:

	<u>Year ended</u> <u>31 December 2020</u>	<u>Year ended</u> <u>31 December 2019</u>	<u>Change</u> <u>(%)<sup>(1)</sup></u>
	<i>(USD million)</i>		
Net interest expense	(3,854)	(3,857)	0.1
Net interest on net defined benefit liabilities	(82)	(95)	13.7
Accretion expense	(564)	(650)	13.2
Mark-to-market (hedging of our share-based payment programs)	(1,211)	898	—
Interest income on Brazilian tax credits	315	118	—
Other financial results	(563)	(769)	26.8
<b>Net finance cost before exceptional finance results</b>	<b>(5,959)</b>	<b>(4,355)</b>	<b>—</b>
Other mark-to-market	(1,008)	878	—
Other	(730)	4	—
<b>Exceptional net finance income/(cost)</b>	<b>(1,738)</b>	<b>882</b>	<b>—</b>
<b>Net finance income/(cost)</b>	<b>(7,697)</b>	<b>(3,473)</b>	<b>—</b>

Note:

- (1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.



Our net finance cost for the year ended 31 December 2020 was USD 7,697 million, as compared to a net finance cost of USD 3,473 million for the year ended 31 December 2019, representing a cost increase of USD 4,224 million.

In the fourth quarter of 2020, our subsidiary Ambev concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). The decision refers to the period between November 2009 and April 2015. As a result of this judicial decision and other tax credit adjustments, Ambev recognized USD 481 million income in Other operating income and USD 315 million of interest income in Finance income for the year ended 31 December 2020.

The increase in net finance costs before exceptional financial items from USD 4,355 million for the year ended 31 December 2019 to USD 5,959 million for the year ended 31 December 2020 is driven primarily by a negative mark-to-market adjustment of USD 1,211 million in the year ended 31 December 2020, linked to the hedging of our share-based payment program, compared to a positive mark-to-market adjustment of USD 898 million in the year ended 31 December 2019.

The number of shares covered by the hedging of our share-based payment programs, together with the opening and closing share prices, are shown below:

	Year ended 31 December 2020	Year ended 31 December 2019
Share price at the start of the twelve-month period ( <i>in euro</i> )	72.71	57.70
Share price at the end of the twelve-month period ( <i>in euro</i> )	57.01	72.71
Number of derivative equity instruments at the end of the period ( <i>in millions</i> )	55.0	54.0

Exceptional net finance income/(cost) includes a negative mark-to-market adjustment of USD 1,008 million on derivative instruments entered into to hedge the shares issued in relation to the combination with Grupo Modelo and SAB, compared to a positive mark-to-market adjustment of USD 878 million for the year ended 31 December 2019. The number of shares covered by the hedging of the deferred share instrument and the restricted shares, together with the opening and closing share prices, are shown below:

	Year ended 31 December 2020	Year ended 31 December 2019
Share price at the start of the twelve-month period ( <i>in euro</i> )	72.71	57.70
Share price at the end of the twelve-month period ( <i>in euro</i> )	57.01	72.71
Number of derivative equity instruments at the end of the period ( <i>in millions</i> )	45.5	45.5

Other exceptional net finance costs were further impacted by losses resulting from the early termination of certain bonds, gain related to remeasurement of deferred considerations on prior year acquisitions and loss in relation to the write-off on our investment in Delta Corporation Ltd following the entry of Zimbabwe into a hyperinflation economy.

#### ***Share of Results of Associates and Joint Ventures***

Our share of results of associates and joint ventures for the year ended 31 December 2020 was USD 156 million as compared to USD 152 million for the year ended 31 December 2019.





***Income Tax Expense***

Our total income tax expense for the year ended 31 December 2020 amounted to USD 1,932 million, with an effective tax rate of 100.4%, as compared to an income tax expense of USD 2,786 million and an effective tax rate of 22.1% for the year ended 31 December 2019.

The 2020 effective tax rate was negatively impacted by the non-deductible, non-cash goodwill impairment loss and the non-deductible losses from derivatives. These derivatives relate to the hedging of share-based payment programs and the hedging of the shares issued in a transaction related to the combination with Grupo Modelo and SAB. The 2019 effective tax rate was positively impacted by non-taxable gains from these derivatives.

We benefit from tax-exempted income and tax credits which are expected to continue in the future. We do not have significant benefits coming from low tax rates in any particular jurisdiction.

***Profit Attributable to Non-Controlling Interests***

Profit attributable to non-controlling interests was USD 797 million for the year ended 31 December 2020, a decrease of USD 446 million from USD 1,243 million for the year ended 31 December 2019.

***Profit Attributable to Our Equity Holders***

Profit attributable to our equity holders for the year ended 31 December 2020 was USD 1,405 million compared to USD 9,171 million for the year ended 31 December 2019. Basic earnings per share of USD 0.70 is based on 1,998 million shares outstanding, representing the weighted average number of ordinary and restricted shares outstanding during the year ended 31 December 2020. For the definition of the weighted average number of shares outstanding, see footnote 2 of the table in “Item 3. Key Information—A. Selected Financial Data.”

Excluding the after-tax impact of exceptional items discussed above, profit attributable to our equity holders from continuing operations for the year ended 31 December 2020 would have been a gain of USD 3,807 million, and basic earnings per share would have been USD 1.91.

Underlying EPS for the year ended 31 December 2020 was USD 2.51. Underlying EPS is basic earnings per share excluding the after-tax exceptional items discussed above, the mark-to-market of the hedging of our share-based payment programs, the impact of hyperinflation accounting and the impact of discontinued operations. Underlying EPS was positively impacted by USD by 325 million USD after tax and non-controlling interest related to Ambev’s tax credits. The decrease in profit attributable to our equity holders for the year ended 31 December 2020 was primarily due to a negative mark-to-market adjustment linked to the hedging of our share-based payment programs and losses on the hedging of the shares issued in transactions related to the combination with Grupo Modelo and SAB, compared to a positive mark-to-market adjustment linked to these hedges for the year ended 31 December 2019, and due to a USD 2.5 billion non-cash goodwill impairment charge that was partially offset by a USD 1.9 billion gain on the disposal of the Australian operations.



	Year ended 31 December 2020	Year ended 31 December 2019
	<i>(USD per share)</i>	
Profit from continuing operations excluding exceptional items and hyperinflation	6.41	8.34
Hyperinflation accounting impacts	(0.04)	(0.06)
<b>Profit from continuing operations excluding exceptional items</b>	<b>6.37</b>	<b>8.28</b>
Mark-to-market (hedging of our share-based payment programs)	(0.61)	0.45
Net finance cost (excluding mark-to-market related to the hedging of our share-based payment programs)	(2.38)	(2.65)
Income tax expense	(1.04)	(1.40)
Associates & non-controlling interest	(0.43)	(0.60)
<b>Earnings per share excluding exceptional items and discontinued operations</b>	<b>1.91</b>	<b>4.08</b>
Mark-to-market (hedging of our share-based payment programs)	0.61	(0.45)
Hyperinflation accounting impacts in EPS	—	—
<b>Underlying EPS</b>	<b>2.51</b>	<b>3.63</b>
<b>Earnings per share excluding exceptional items and discontinued operations</b>	<b>1.91</b>	<b>4.08</b>
Exceptional items, before taxes, attributable to equity holders of AB InBev	(1.55)	(0.16)
Exceptional net finance cost, before taxes, attributable to equity holders of AB InBev	(0.87)	0.44
Exceptional taxes attributable to equity holders of AB InBev	0.08	—
Exceptional non-controlling interest	0.11	0.05
Profit from discontinued operations attributable to equity holders of AB InBev	1.03	0.21
<b>Basic earnings per share</b>	<b>0.70</b>	<b>4.62</b>

A performance measure such as Underlying EPS is a non-IFRS measure. The measure most directly comparable to Underlying EPS and presented in accordance with IFRS in our consolidated financial statements is basic earnings per share. We believe Underlying EPS is useful to investors because it facilitates comparisons of our earnings per share from period to period. In comparison with basic earnings per share, Underlying EPS excludes items which are exceptional and over which management has no control, such as the effects of hyperinflation of Argentina. Items excluded from Underlying EPS are the after-tax exceptional items discussed above, the impact of discontinued operations, the mark-to-market of the hedging of our share-based payment programs and the impacts of hyperinflation.

Underlying EPS, however, has limitations as an analytical tool. It is not a recognized term under IFRS and does not purport to be an alternative to earnings per share as a measure of operating performance on a per share basis. As a result, you should not consider Underlying EPS in isolation from, or as a substitute analysis for, our basic and diluted earnings per share. Some limitations of Underlying EPS are:

- Underlying EPS does not reflect items which are exceptional and over which management has no control, such as the effects of hyperinflation in Argentina;
- Underlying EPS does not reflect the impact of discontinued operations;
- Underlying EPS does not reflect the mark-to-market adjustment of the hedging of our share-based payment programs;



- Underlying EPS may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations; and
- the adjustments made in calculating Underlying EPS are those that management consider are not representative of the underlying operations of the company and therefore are subjective in nature.

We compensate for these limitations, in addition to using Underlying EPS, by relying on our measures of earnings per share calculated in accordance with IFRS.

#### ***Adoption of hyperinflation accounting in Argentina***

In May 2018, the Argentinean peso underwent a severe devaluation resulting in the three-year cumulative inflation of Argentina exceeding 100% in 2018, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 *Financial Reporting in Hyperinflationary Economies* as of 1 January 2018. Consequently, we applied hyperinflation accounting for our Argentinean subsidiaries for the first time in the year-to-date September 2018 unaudited interim report, with effect as of 1 January 2018.

IAS 29 requires us to report the results of our operations in hyperinflationary economies as if these were highly inflationary as of 1 January 2018, and to restate the results for the twelve-month period ended 31 December for the change in the general purchasing power of the local currency, using official indices before converting the local amounts at the closing rate of the period, namely 31 December closing rate for our results in the twelve-month period ended 31 December 2020.

In the twelve-month period ended 31 December 2020, we reported USD 80 million negative impact of hyperinflation accounting on our consolidated revenue and USD 45 million negative impact on our EBITDA, as defined, before exceptional items. The hyperinflation accounting in the twelve-month period ended 31 December 2020 results from the combined effect of the indexation to reflect changes in purchasing power on the results for the twelve-month period ended 31 December 2020 and the translation of those results at the closing rate of the period, rather than the average year-to-date rate applied to the results of the full year 2020.

In the twelve-month period ended 31 December 2019, we reported USD 73 million negative impact of hyperinflation accounting on our consolidated revenue and USD 43 million negative impact on our EBITDA, as defined, before exceptional items. The hyperinflation accounting in the twelve-month period ended 31 December 2019 results from the combined effect of the indexation to reflect changes in purchasing power on the results for the twelve-month period ended 31 December 2019 and the translation of those results at the closing rate of the period, rather than the average year-to-date rate applied to the results of the full year 2019.

The hyperinflation accounting adjustments on our consolidated revenue are as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	(USD million)	
Indexation	146	211
Closing rate	(227)	(284)
<b>Total</b>	<b>(80)</b>	<b>(73)</b>

The hyperinflation accounting adjustments on our EBITDA, as defined, before exceptional items, are as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	(USD million)	
Indexation	43	89
Closing rate	(87)	(131)
<b>Total</b>	<b>(45)</b>	<b>(43)</b>



Non-monetary assets and liabilities stated at historical cost (e.g. property, plant and equipment, intangible assets, goodwill, etc.) and equity of Argentina were restated using an inflation index. The impacts of changes in the general purchasing power from 1 January 2018 are reported through the income statement on a dedicated account for hyperinflation monetary adjustments in the finance line. See also note 11 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.

Our income statement is also adjusted at the end of each reporting period using the change in the general price index and is converted at the closing exchange rate of each period (rather than the year-to-date average rate for non-hyperinflationary economies), thereby restating the year-to-date income statement account both for inflation index and currency conversion.

In the year ended 31 December 2020, the hyperinflation accounting in accordance with IFRS rules resulted in a positive USD 76 million monetary adjustment reported in the finance line compared to a positive USD 86 million monetary adjustment for the year ended 31 December 2019, and a negative impact on the Profit attributable to our equity holders of USD 10 million compared to a negative impact of USD 11 million for the year ended 31 December 2019.

#### Year Ended 31 December 2019 Compared to the Year Ended 31 December 2018

For a discussion of our consolidated results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2018, please see our Annual Report on Form 20-F for the fiscal year ended 31 December 2019.

#### F. IMPACT OF CHANGES IN FOREIGN EXCHANGE RATES

Foreign exchange rates have a significant impact on our consolidated financial statements. The following table sets forth the percentage of our revenue realized by currency for the years ended 31 December 2020 and 2019:

	Year ended 31 December,	
	2020	2019
U.S. dollar	31.9%	30.2%
Brazilian real	12.7%	14.1%
Chinese yuan	9.1%	9.1%
Mexican peso	8.9%	9.0%
Euro	6.9%	6.1%
Colombian peso	3.8%	4.2%
South African rand	3.3%	4.1%
Canadian dollar	3.9%	3.4%
Peruvian peso	2.5%	3.1%
South Korean won	2.3%	2.5%
Argentinean peso <sup>(1)</sup>	2.4%	2.3%
Pound sterling	2.7%	2.3%
Dominican peso	1.9%	1.9%
Other	7.6%	7.7%

Note:

(1) Hyperinflation accounting was adopted in 2018 to report the company's Argentinean operations.

As a result of the fluctuation of foreign exchange rates for the years ended 31 December 2020 and 2019:

- We recorded a negative translation impact, including hyperinflation accounting impact of USD 3,410 million on our revenue for the year ended 31 December 2020 (as compared to a negative translation impact of USD 2,664 million in 2019) and a negative translation impact, including hyperinflation accounting impact, of USD 593 million on our profit from operations for the year ended 31 December 2020 (as compared to a negative translation impact on our profit from operations of USD 820 million in 2019).



- Our reported profit of the year was negatively affected by a USD 297 million translation impact, including hyperinflation accounting impact, for the year ended 31 December 2020 (as compared to a negative translation impact of USD 632 million in 2019), while the negative translation impact, including hyperinflation accounting impact, on our basic earnings per share base for the year ended 31 December 2020 was USD 174 million, or USD 0.09 per share (as compared to a negative impact of USD 527 million, or USD 0.27 per share in 2019).
- Our net debt increased by USD 3,426 million in the year ended 31 December 2020 as a result of translation impacts (as compared to a decrease of USD 444 million in 2019).
- Equity attributable to our equity holders decreased by USD 9,943 million in the year ended 31 December 2020 as a result of translation impacts (as compared to an increase of USD 1,143 million in 2019).

See note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the foreign currency risks to which we are subject and our policies with respect to managing those risks.

## G. LIQUIDITY AND CAPITAL RESOURCES

### General

Our primary sources of cash flow have historically been cash flows from operating activities, the issuance of debt, bank borrowings and the issuance of equity securities. Our material cash requirements have included the following:

- Debt service;
- Capital expenditures;
- Investments in companies participating in the brewing, carbonated soft drink and malting industries;
- Increases in ownership of our subsidiaries or companies in which we hold equity investments;
- Share buyback programs; and
- Payments of dividends and interest on shareholders' equity.

We are of the opinion that our working capital, as an indicator of our ability to satisfy our short-term liabilities is, based on our expected cash flow from operations for the coming 12 months, sufficient for the 12 months following the date of this Form 20-F. Over the longer term, we believe that our cash flows from operating activities, available cash and cash equivalents and short-term investments, along with our derivative instruments and our access to borrowing facilities, will be sufficient to fund our capital expenditures, debt service and dividend payments going forward. As part of our cash flow management, we manage capital expenditures by optimizing use of our existing brewery capacity and standardizing operational processes to make our capital investments more efficient. We are also attempting to improve operating cash flow through procurement initiatives designed to leverage economies of scale and improve terms of payment to suppliers.



Equity attributable to our equity holders and non-controlling interests amounted to USD 78.4 billion as of 31 December 2020 (USD 84.6 billion as of 31 December 2019) and our net debt amounted to USD 82.7 billion as of 31 December 2020 (USD 95.5 billion as of 31 December 2019). Our overriding objectives when managing capital resources are to safeguard the business as a going concern and to optimize our capital structure so as to maximize shareholder value while keeping the desired financial flexibility to execute strategic projects.

We expect the portion of our consolidated balance sheet represented by debt to remain significantly higher as compared to our historical position. Our level of debt could have significant consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities or to otherwise realize the value of our assets and opportunities fully;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- impairing our ability to obtain additional financing in the future, or requiring us to obtain financing involving restrictive covenants;
- requiring us to issue additional equity (possibly under unfavorable conditions), which could dilute our existing shareholders' equity; and
- placing us at a competitive disadvantage compared to our competitors that have less debt.

In March 2020, we drew the full USD 9.0 billion commitment under the Revolving Facility (as defined below), in order to proactively safeguard our liquidity position by holding cash on our balance sheet through the period of significant financial market volatility and uncertainty as a result of the COVID-19 virus pandemic. As of 31 December 2020, the Revolving Facility was fully repaid. On 18 February 2021, we announced the successful signing of a new USD 10.1 billion Sustainable-Linked Loan Revolving Credit Facility, replacing our existing USD 9.0 billion Revolving Facility. The facility has an initial five-year term and incorporates a pricing mechanism that incentivizes improvement in key performance areas that are aligned with and contribute to our 2025 Sustainability Goals.

Our ability to manage the maturity profile of our debt and repay our outstanding indebtedness in line with management plans will nevertheless depend upon market conditions. If such uncertain market conditions as experienced in the period between late 2007 and early 2009 and again in 2011 continue in the future, our financing costs could increase beyond what is currently anticipated. Such costs could have a material adverse impact on our cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of our debt obligations when they become due would have a material adverse effect on our financial condition and results of operations. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We may not be able to obtain the necessary funding for our future capital or refinancing needs and may face financial risks due to our level of debt, uncertain market conditions and as a result of the potential downgrading of our credit ratings."

Our cash, cash equivalents and short-term investments in debt securities, less bank overdrafts, as of 31 December 2020 amounted to USD 15.3 billion.

As of 31 December 2020, we had total liquidity of USD 24.3 billion, which consisted of USD 9.0 billion available under committed long-term credit facilities and USD 15.3 billion of cash, cash equivalents and short-term investments in debt securities, less bank overdrafts. Although we may borrow such amounts to meet our liquidity needs, we principally rely on cash flows from operating activities to fund our continuing operations.

**Cash Flow**

The following table sets forth our consolidated cash flows for the years ended 31 December 2020 and 2019:

	Year ended 31 December (audited)	
	2020	2019 <sup>(1)</sup>
	<i>(USD million)</i>	
Cash flow from operating activities	10,891	14,036
Cash flow from (used in) investing activities	6,336	(4,931)
Cash flow from (used in) financing activities	(8,475)	(8,755)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,752</b>	<b>350</b>

Note:

- (1) The financial information for 2020 has been presented to include operating, investing and financing activities from discontinued operations separately. The financial information for 2019 has been restated to reflect this change in presentation. In addition, the cash flow used in investing activities for 2019 has been restated to reflect reclassification of the cash flow hedges in relation to the Australia divestiture reported in the cash flow used in financing activities in 2019 and recycled to profit or loss upon the completion of the transaction.

**Cash Flow from Operating Activities**

Our cash flows from operating activities for the years ended 31 December 2020 and 2019 were as follows:

	Year ended 31 December (audited)	
	2020	2019 <sup>(2)</sup>
	<i>(USD million)</i>	
Profit from continuing operations	147	9,990
Interest, taxes and non-cash items included in profit	17,024	11,029
<b>Cash flow from operating activities before changes in working capital and provisions</b>	<b>17,171</b>	<b>21,019</b>
Change in working capital <sup>(1)</sup>	592	(5)
Pension contributions and use of provisions	(616)	(715)
Interest and taxes (paid)/received	(6,391)	(7,063)
Dividends received	51	160
Cash flow from operating activities on Australia discontinued operations	84	640
<b>Cash flow from operating activities</b>	<b>10,891</b>	<b>14,036</b>

Note:

- (1) For purposes of the table above, working capital includes inventories, trade and other receivables and trade and other payables, both current and non-current.
- (2) The financial information for 2020 has been presented to include operating activities from discontinued operations separately. The financial information for 2019 has been restated to reflect this change in presentation.

Non-cash items included in profit of the year include: depreciation, amortization and impairments, including impairment losses on goodwill, receivables and inventories; additions and reversals in provisions and employee benefits; losses and gains on sales of property, plant and equipment, intangible assets, subsidiaries and assets held for sale; equity share-based payment expenses; share of results of associates and joint ventures; net finance cost; income tax expense and other non-cash items included in profit. Please refer to our consolidated cash flow statement in our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for a more comprehensive overview of our cash flow from operating activities.





Our primary source of cash flow for our ongoing activities and operations is our cash flow from operating activities. For extraordinary transactions (such as the 2008 Anheuser-Busch Companies acquisition, the 2013 Grupo Modelo combination and the combination with SAB), we may, from time to time, also rely on cash flows from other sources. See “—Cash Flow used in Investing Activities” and “—Cash Flow from/(used in) Financing Activities” below.

Cash flow from operating activities in 2020 decreased by USD 3,145 million, or 22.4%, from USD 14,036 million in 2019 to USD 10,891 million in 2020, mainly due to the negative impact of the COVID-19 pandemic on our results in 2020 and the negative foreign currency translation impact compared to prior year.

We devote substantial efforts to the efficient use of our working capital, especially those elements of working capital that are perceived as “core” (including trade receivables, inventories and trade payables). The initiatives to improve our working capital include the implementation of best practices on collection of receivables and inventory management, such as optimizing our inventory levels per stock taking unit, improving the batch sizes in our production process and optimizing the duration of overhauls. Similarly, we aim to efficiently manage our payables by reviewing our standard terms and conditions on payments and resolving, where appropriate, the terms of payment within 120 days upon receipt of invoice. Changes in working capital increased our operational cash flow in 2020 by USD 592 million. This increase includes USD 158 million cash inflow from derivatives.

### **Cash Flow used in Investing Activities**

Our cash flows used in investing activities for the years ended 31 December 2020 and 2019 were as follows:

	Year ended 31 December (audited)	
	2020	2019 <sup>(2)</sup>
	<i>(USD million)</i>	
Net capital expenditure <sup>(1)</sup>	(3,687)	(4,854)
Acquisition and sale of subsidiaries and associates, net of cash acquired / disposed of	(510)	(252)
Proceeds from Australia divestiture (discontinued operations)	10,838	219
Net proceeds from the sale / (acquisition) of other assets	(292)	33
Cash flow from investing activities on Australia discontinued operations	(13)	(77)
<b>Cash flow from (used in) investing activities</b>	<b>6,336</b>	<b>(4,931)</b>

Note:

- (1) Net capital expenditure consists of acquisitions of plant, property and equipment and of intangible assets, minus proceeds from sale.
- (2) The financial information for 2020 has been presented to include investing activities from discontinued operations separately. The financial information for 2019 has been restated to reflect this change in presentation.

Our cash inflow from investing activities was USD 6,336 million in 2020 as compared to USD 4,931 million cash outflow from investing activities in 2019. The increase in the cash flow from investing activities in 2020 was mainly due to USD 10.8 billion proceeds from the divestiture of the Australian business.

Our net capital expenditures amounted to USD 3,687 million in 2020 and USD 4,854 million in 2019. Out of the total 2020 capital expenditures approximately 41% was used to improve the company’s production facilities while 44% was used for logistics and commercial investments and 15 % was used for improving administrative capabilities and for the purchase of hardware and software.



**Cash Flow from/(used in) Financing Activities**

Our cash flows from/(used in) financing activities for the years ended 31 December 2020 and 2019 were as follows:

	Year ended 31 December (audited)	
	2020	2019 <sup>(2)</sup>
	<i>(USD million)</i>	
Dividends paid <sup>(1)</sup>	(1,800)	(5,015)
Net (payments on) / proceeds from borrowings	(8,294)	(8,008)
Payments of lease liabilities	(461)	(441)
Proceeds from public offering of minority stake in Budweiser APAC	—	5,575
Other (including purchase of non-controlling interests)	2,086	(842)
Cash flow from financing activities on Australia discontinued operations	(6)	(24)
<b>Cash flow from (used in) financing activities</b>	<b>(8,475)</b>	<b>(8,755)</b>

Note:

- (1) Dividends paid in 2020 consisted primarily of USD 1.1 billion paid by Anheuser-Busch InBev SA/NV and USD 0.5 billion paid by Ambev. Dividends paid in 2019 consisted primarily of USD 4.0 billion paid by Anheuser-Busch InBev SA/NV and USD 0.7 billion paid by Ambev.
- (2) The financial information for 2020 has been presented to include financing activities from discontinued operations separately. The financial information for 2019 has been restated to reflect this change in presentation.

Cash flow used in financing activities amounted to USD 8,474 million in 2020, as compared to a cash flow used in financing activities of USD 8,755 million in 2019. The cash flow used in financing activities in 2019 reflects dividends paid and payments on borrowings. On 31 December 2020, we completed the issuance of a 49.9% minority stake in our US-based metal container operations to Apollo Global Management, Inc. for net proceeds of USD 3.0 billion.

In March 2020, we drew the full USD 9.0 billion commitment under the Revolving Facility and as of 31 December 2020, the amount has been repaid in full. In addition, on 2 April 2020 and 3 April 2020, Anheuser-Busch InBev SA/NV and Anheuser-Busch InBev Worldwide Inc. completed the issuance of seven series of EUR and USD bonds for a total amount of approximately USD 11.0 billion. Throughout 2020, we undertook a series of liability management initiatives to further de-risk our balance sheet while creating value. We applied the USD 10.8 billion proceeds from the sale of our Australian subsidiary and approximately USD 11.0 billion proceeds from the issuance of bonds to reduce gross debt with maturities over the next five years by approximately USD 18.0 billion. These proactive actions extended our weighted average maturity from 14 years in 2019 to over 16 years in 2020.

For more information on the financing activities related to long-term debt issuances in 2019 and 2020, see “—Funding Sources—Borrowings” below. Please also refer to note 24 of our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

**Transfers from Subsidiaries**

The amount of dividends payable by our operating subsidiaries to us is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. For example, in Brazil, which accounted for 19.4% of our profit from operations for the year ended 31 December 2020, current legislation permits the Brazilian government to impose temporary restrictions on remittances of foreign capital abroad in the event of a serious imbalance or an anticipated serious imbalance in Brazil’s balance of payments. For approximately six months in 1989 and early 1990, the Brazilian government froze all dividend and capital repatriations held by the



Brazilian Central Bank that were owed to foreign equity investors in order to conserve Brazil’s foreign currency reserves. Capital transfer restrictions are also common in certain developing countries, and may affect our flexibility in implementing a capital structure we believe to be efficient. For example, China has very specific approval regulations for all capital transfers to or from the country. As at 31 December 2020, the restrictions above mentioned were not deemed significant on the company’s ability to access or use the assets or settle the liabilities of the operating subsidiaries.

Dividends paid to us by certain of our subsidiaries are also subject to withholding taxes. Withholding tax, if applicable, generally does not exceed 15%.

## Funding Sources

### Funding Policies

We aim to secure committed credit lines with financial institutions to cover our liquidity risk on a 12-month and 24-month basis. Liquidity risk is identified using both the budget and strategic planning process input of the group on a consolidated basis. Depending on market circumstances and the availability of local debt capital markets, we may decide, based on liquidity forecasts, to secure funding on a medium- and long-term basis.

We also seek to continuously optimize our capital structure targeting to maximizing shareholder value while keeping desired financial flexibility to execute strategic projects. Our capital structure policy and framework aims to optimize shareholder value through cash flow distribution to us from our subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below our weighted average cost of capital.

### Cash and Cash Equivalents and Short-Term Investments

Our cash and cash equivalents and short-term investments, less bank overdrafts, at each of 31 December 2020 and 2019 were as follows:

	Year ended 31 December (derived from audited financial statements)	
	2020	2019
	<i>(USD million)</i>	
Cash and cash equivalents	5,132	5,002
Bank overdrafts	(5)	(68)
Investment in short-term debt securities	10,119	2,236
<b>Cash and Cash Equivalents and Short-Term Investments</b>	<b>15,247</b>	<b>7,169</b>

### Borrowings

During 2020, Anheuser-Busch InBev Worldwide Inc. (“ABIWW”) and Anheuser-Busch InBev SA/NV (“ABISA”) completed the issuance of the following series of bonds:

Issue date	Issuer (Abbreviated)	Maturity Date	Currency	Aggregate principal amount (in millions)	Interest rate
2 April 2020	ABISA	2 December 2027	EUR	1,000	2.125%
2 April 2020	ABISA	2 April 2032	EUR	1,750	2.875%
2 April 2020	ABISA	2 April 2040	EUR	1,750	3.700%
3 April 2020	ABIWW	1 June 2030	USD	1,750	3.500%
3 April 2020	ABIWW	1 June 2040	USD	1,000	4.350%
3 April 2020	ABIWW	1 June 2050	USD	2,250	4.500%
3 April 2020	ABIWW	1 June 2060	USD	1,000	4.600%



During 2020, we completed the tender offers of 13 series of notes issued by ABISA, ABIWW and Anheuser-Busch InBev Finance Inc. (“**ABIFI**”) and repurchased approximately USD 5.1 billion aggregate principal amount of these notes. The total principal amount accepted in the tender offers is set out in the table below.

<u>Date of redemption</u>	<u>Issuer (abbreviated)</u>	<u>Title of series of notes issued exchanged</u>	<u>Currency</u>	<u>Original principal amount outstanding (in millions)</u>	<u>Principal amount redeemed (in millions)</u>
7 July 2020	ABIFI	Floating Rate Notes due 2021	USD	311	130
7 July 2020	ABIFI	2.625% Notes due 2023	USD	643	167
7 July 2020	ABIFI	3.300% Notes due 2023	USD	2,799	1,467
7 July 2020	ABISA	4.00% Notes due 2021	EUR	750	231
7 July 2020	ABISA	1.95% Notes due 2021	EUR	650	123
7 July 2020	ABISA	0.875% Notes due 2022	EUR	2,000	356
7 July 2020	ABISA	0.800% Notes due 2023	EUR	1,000	356
17 September 2020	ABIWW	Floating Rate Notes due 2024	USD	229	113
17 September 2020	ABIWW	3.500% Notes due 2024	USD	654	404
17 September 2020	ABIFI	3.700% Notes due 2024	USD	865	376
17 September 2020	ABISA	Floating Rate Notes due 2024	EUR	1,500	517
17 September 2020	ABISA	2.875% Notes due 2024	EUR	750	195
17 September 2020	ABISA	1.500% Notes due 2025	EUR	2,500	353

Furthermore, in 2020, we redeemed the outstanding principal amounts indicated in the table below of the following series of notes issued by ABISA, ABIFI, ABIWW and Anheuser-Busch North American Holding Corporation (“**ABNA**”):

<u>Date of redemption</u>	<u>Issuer (abbreviated)</u>	<u>Title of series of notes issued exchanged</u>	<u>Currency</u>	<u>Aggregate principal amount outstanding (in millions)</u>	<u>Principal amount redeemed (in millions)</u>
29 July 2020	ABIWW	3.250% Notes due 2022	AUD	550	550
12 August 2020	ABIWW	2.500% Notes due 2022	USD	454	454
12 August 2020	ABIWW	4.375% Notes due 2021	USD	285	285
12 August 2020	ABIFI	3.375% Notes due 2023	CAD	600	600
12 August 2020	ABNA	3.750% Notes due 2022	USD	150	150
25 September 2020	ABISA	1.750% Notes due 2025	GBP	650	650
8 October 2020		2.600% Senior			
	ABIFI	Unsecured Notes due 2024	CAD	1,300	1,300
8 October 2020	ABISA	1.950% Notes due 2021	EUR	527	527
8 October 2020	ABISA	0.875% Notes due 2022	EUR	1,644	1,644
3 December 2020	ABISA	4.000% Notes due 2021	EUR	519	519
3 December 2020	ABISA	0.800% Notes due 2023	EUR	644	644
16 December 2020	ABIFI	2.625% Notes due 2023	USD	476	476
16 December 2020	ABIFI	3.300% Notes due 2023	USD	1,332	1,332
16 December 2020	ABIFI	3.700% Notes due 2024	USD	489	489
16 December 2020	ABIWW	3.500% Notes due 2024	USD	250	250



At the beginning of 2020, we had a USD 9.0 billion multi-currency revolving credit facility maturing in August 2022 (the “**Revolving Facility**”) under a senior facilities agreement (the “**2010 Senior Facilities Agreement**”). In March 2020, we drew the full USD 9.0 billion commitment under the Revolving Facility and as of 31 December 2020, the amount has been repaid in full. On 18 February 2021, we announced the successful signing of a new USD 10.1 billion Sustainable-Linked Loan Revolving Credit Facility (“**SLL Revolving Facility**”), replacing our existing USD 9.0 billion Revolving Facility. The facility has an initial five-year term and incorporates a pricing mechanism that incentivizes improvement in key performance areas that are aligned with and contribute to our 2025 Sustainability Goals.

The terms of the SLL Revolving Facility are described under “Item 10. Additional Information—C. Material Contracts.”

We expect the portion of our consolidated balance sheet represented by debt to remain significantly higher as compared to our historical position. Our continued increased level of debt could have significant consequences, as described under “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We may not be able to obtain the necessary funding for our future capital or refinancing needs and may face financial risks due to our level of debt, uncertain market conditions and as a result of the potential downgrading of our credit ratings.”

Most of our other interest-bearing loans and borrowings are for general corporate purposes, based upon strategic capital structure concerns, although certain borrowings are incurred to fund significant acquisitions of subsidiaries, such as the borrowings to fund the combination with Grupo Modelo and SAB. Although seasonal factors affect the business, they have little effect on our borrowing requirements.

We have a Euro Medium-Term Note Programme under which Anheuser-Busch InBev SA/NV may periodically issue and have outstanding debt denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, outside the U.S. to non-U.S. persons in reliance on Regulation S. The guarantors of payments of all amounts due in respect of notes issued under the EMTN Programme are Cobrew NV, Brandbrew SA, Brandbev S.à.R.L., Anheuser-Busch InBev Worldwide Inc., ABIFI and Anheuser-Busch Companies, LLC (subject to certain terms and conditions). Under the EMTN Programme, we may issue notes on a continuing basis up to a maximum aggregate principal amount of EUR 40.0 billion (USD 49.0 billion) or its equivalent in other currencies. Such notes may be fixed, floating, zero coupon or a combination of these. The proceeds from the issuance of any such notes may be used to repay short-term and/or long-term debt and to fund general corporate purposes of the AB InBev Group. If in respect of any particular issue of notes there is a particular identified use of proceeds, this will be stated in the applicable final terms relating to the notes. As of 31 December 2020, the total outstanding debt under the EMTN Programme amounted to EUR 25.0 billion (USD 31.0 billion). Our ability to issue additional notes under the EMTN Programme is subject to market conditions.

We have a Belgian commercial paper program under which Anheuser-Busch InBev SA/NV and Cobrew NV may issue and have outstanding at any time commercial paper notes up to a maximum aggregate amount of EUR 3.0 billion (USD 3.7 billion) or its equivalent in alternative currencies. The proceeds from the issuance of any such notes may be used for general corporate purposes. The notes may be issued in two tranches: Tranche A has a maturity of not less than seven and not more than 364 days from and including the day of issue; Tranche B has a maturity of not less than one year. We also have established a U.S. commercial paper program for an aggregate outstanding amount not exceeding USD 5.0 billion. As of 31 December 2020, the total outstanding commercial paper under these programs amounted to USD 1.5 billion. Our ability to borrow additional amounts under the programs is subject to investor demand. If we are ever unable to refinance under these commercial programs as they become due, we have access to funding through the use of our committed lines of credit.



Our borrowings are linked to different interest rates, both variable and fixed. As of 31 December 2020, after certain hedging and fair value adjustments, USD 6.5 billion, or 6.6%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate, while USD 92.1 billion, or 93.4%, bore a fixed interest rate. Our net debt is denominated in various currencies, though primarily in the U.S. dollar and the euro. Our policy is to proactively address and manage the relationship between our various borrowing currency liabilities and our functional currency cash flows, through long-term or short-term borrowing arrangements, either directly in their functional currencies or indirectly through hedging arrangements.

The currency of borrowing is driven by various factors in the different countries of operation, including a need to hedge against functional currency inflation, currency convertibility constraints, or restrictions imposed by exchange control or other regulations. In accordance with our policy aimed at achieving an optimal balance between cost of funding and volatility of financial results, we seek to proactively address and manage the relationship between borrowing liabilities and functional currency cash flows, and we may enter into certain financial instruments in order to mitigate currency risk.

We use a hybrid currency matching model pursuant to which we may (i) match net debt currency exposure to cash flows in such currency, measured on the basis of EBITDA, as defined, adjusted for exceptional items, by swapping a significant portion of U.S. dollar debt to other currencies, such as Brazilian real (with a higher coupon), although this would negatively impact our profit and earnings due to the higher Brazilian real interest coupon, and (ii) use U.S. dollar cash flows to service interest payments under our debt obligations. For our definition of EBITDA, as defined, see “—E. Results of Operations—Year Ended 31 December 2020 Compared to the Year Ended 31 December 2019 —EBITDA, as defined.”

We have also entered into certain financial instruments in order to mitigate interest rate risks.

Please refer to note 29 of our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments.”

The 2010 Senior Facilities Agreement does not include restrictive financial covenants. For further details regarding our total current and non-current liabilities, please refer to note 24 of our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

The following table sets forth the level of our current and non-current interest-bearing loans and borrowings as of 31 December 2020 and 2019:

	<b>Year ended 31 December (audited)</b>	
	<b>2020</b>	<b>2019</b>
	<i>(USD million)</i>	
Secured bank loans	702	861
Commercial papers	1,522	1,599
Unsecured bank loans	294	185
Unsecured bond issues	93,725	98,206
Unsecured other loans	83	97
Lease liabilities	2,234	2,026
<b>Total</b>	<b>98,559</b>	<b>102,974</b>



The following table sets forth the contractual maturities of our interest-bearing liabilities as of 31 December 2020:

	Carrying Amount <sup>(1)</sup>	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
	<i>(USD million)</i>					
Secured bank loans	702	656	11	9	6	19
Commercial papers	1,522	1,522	—	—	—	—
Unsecured bank loans	294	294	—	—	—	—
Unsecured bond issues	93,725	202	54	—	8,803	84,666
Unsecured other loans	83	10	7	4	55	7
Lease liabilities	2,234	397	375	279	381	802
<b>Total</b>	<b>98,559</b>	<b>3,081</b>	<b>447</b>	<b>292</b>	<b>9,245</b>	<b>85,494</b>

Note:

(1) “Carrying Amount” refers to net book value as recognized on the balance sheet at 31 December 2020.

Please refer to note 29 of our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for a description of the currencies of our financial liabilities and a description of the financial instruments we use to hedge our liabilities.

### Credit Rating

As of the date of this Form 20-F, our credit rating from S&P was BBB+ for long-term obligations and A-2 for short-term obligations, with a negative outlook, and our credit rating from Moody’s Investors Service was Baa1 for long-term obligations and P-2 for short-term obligations, with a stable outlook. Credit ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any of our or our subsidiaries’ securities. Any change in our credit ratings could have a significant impact on the cost of debt capital to us and/or our ability to raise capital in the debt markets.

### Capital Expenditures

We spent USD 3,687 million during 2020 on acquiring capital assets (net of proceeds from the sale of property, plant, equipment and intangible assets). Out of the total capital expenditures of 2020, approximately 41% was used to improve our production facilities while 44% was used for logistics and commercial investments. Approximately 15% was used for improving administrative capabilities and purchase of hardware and software.

We spent USD 4,854 million during 2019 on acquiring capital assets (net of proceeds from the sale of property, plant, equipment and intangible assets). Out of the total capital expenditures of 2019, approximately 42% was used to improve our production facilities while 43% was used for logistics and commercial investments. Approximately 15% was used for improving administrative capabilities and purchase of hardware and software.

The above information relates to capital expenditures with respect to continuing operations only, and excludes the Australian operations accounted for as discontinued operations.

Our capital expenditures are primarily funded through cash from operating activities.

### Investments and Disposals

We regularly engage in acquisitions, divestitures and investments. We also engage in start-up or termination of activities and may transfer activities between business segments. Such events have had, and are expected to continue to have, a significant effect on our results of operations and the comparability of period-to-period results. See “—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other





Structural Changes” for further information on significant acquisitions, divestitures, investments, transfers of activities between business segments and other structural changes in the years ended 31 December 2020 and 2019. See also note 6 and note 8 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 included in this Form 20-F.

**Net Debt and Equity**

We define net debt as non-current and current interest-bearing loans and borrowings plus bank overdrafts and minus cash and cash equivalents, interest-bearing loans granted and debt securities. Net debt is a financial performance indicator that is used by our management to highlight changes in our overall liquidity position. We believe that net debt is meaningful for investors as it is one of the primary measures our management uses when evaluating our progress towards deleveraging.

The following table provides a reconciliation of our net debt to the sum of current and non-current interest bearing loans and borrowings as of the dates indicated:

	Year ended	
	31 December (audited)	
	2020	2019
	(USD million)	
Non-current interest bearing loans and borrowings	95,478	97,564
Current interest bearing loans and borrowings	3,081	5,410
<b>Total</b>	<b>98,559</b>	<b>102,974</b>
Bank overdrafts	5	68
Cash and cash equivalents	(15,252)	(7,238)
Interest-bearing loans granted (included within Trade and other receivables)	(173)	(146)
Non-current and current debt securities (included within Investment securities) <sup>(1)</sup>	(418)	(117)
<b>Net debt</b>	<b>82,722</b>	<b>95,541</b>

Note:

(1) See note 24 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

Net debt as of 31 December 2020 was USD 82.7 billion, a decrease of USD 12.8 billion as compared to 31 December 2019. Apart from operating results net of capital expenditures, the net debt is impacted mainly by the payment of interests and taxes (USD 6.4 billion), settlement of derivatives (USD 0.7 billion increase of net debt), dividend payments to shareholders of AB InBev and Ambev (USD 1.8 billion), foreign exchange impact on net debt (USD 3.4 billion increase of net debt), the proceeds from the divestiture of the Australian business (USD 10.8 billion decrease of net debt) and the proceeds related to the issuance of a 49.9% minority stake in the company’s US-based metal container operations (USD 3.0 billion decrease of net debt).

Net debt as of 31 December 2019 was USD 95.5 billion. Apart from operating results net of capital expenditures, the net debt is impacted mainly by the payment of interests and taxes (USD 7.1 billion increase of net debt), the settlement of derivatives (USD 0.8 billion increase of net debt), dividend payments to shareholders of AB InBev and Ambev (USD 5.0 billion increase of net debt) and the net proceeds of the IPO of Budweiser APAC (USD 5.6 billion decrease of net debt).

Consolidated equity attributable to equity holders of AB InBev as of 31 December 2020 was USD 68,024 million, compared to USD 75,722 million as of 31 December 2019. The decrease in equity is primarily related to the combined effect of the weakening of the closing rates of the Mexican pesos, the South African rand, the Colombian pesos, the Brazilian real and the Peruvian sol, and the strengthening of the Euro, which resulted in a foreign exchange translation adjustment of USD 9,943 million as of 31 December 2020 (decrease of equity).



Consolidated equity attributable to equity holders of AB InBev as of 31 December 2019 was USD 75,722 million. The increase in equity is primarily related to the combined effect of the strengthening of mainly the closing rates of the Mexican pesos, the South African rand, the Canadian dollar and the weakening of the euro, and the Brazilian real, which resulted in a foreign exchange translation adjustment of USD 1,143 million as of 31 December 2019 (increase of equity).

Further details on equity movements can be found in our consolidated statement of changes in equity in our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

Our optimal capital structure remains a net debt to EBITDA, as defined (adjusted for exceptional items), ratio of around 2x.

See “—Funding Sources—Borrowings” above for details of long-term debt we entered into during 2020.

### Guarantor Financial Information

The debt securities issued by (i) Anheuser-Busch InBev Finance Inc. (“**ABIFI**”) under Indentures dated as of January 17, 2013, January 25, 2016 and May 15, 2017, in each case among ABIFI, Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), the subsidiary guarantors listed therein and the Bank of New York Mellon Trust Company, N.A., as trustee (ii) Anheuser-Busch InBev Worldwide Inc. (“**ABIWW**”) under Indentures dated as of October 16, 2009, December 16, 2016 and April 4, 2018, in each case among ABIWW, the Parent Guarantor, the subsidiary guarantors listed therein and the Bank of New York Mellon Trust Company, N.A., as trustee and (iii) Anheuser-Busch Companies, LLC (“**ABC**”) and ABIWW, as co-issuers, under the Indenture dated as of November 13, 2018, among ABC, ABIWW, the subsidiary guarantors listed therein and the Bank of New York Mellon Trust Company, N.A., as trustee, are, in each case, fully and unconditionally guaranteed by the Parent Guarantor and jointly and severally guaranteed by Brandbrew S.A., Brandbev S.à r.l. and Cobrew NV, and by ABC (in respect of debt issued by ABIFI and/or ABIWW (as sole issuer)), ABIWW (in respect of debt issued by ABIFI) and by ABIFI (in respect of debt issued by ABIWW and/or ABC) on a full and unconditional basis. The Parent Guarantor owns, directly or indirectly, 100% of each of ABIFI, ABIWW, ABC, Brandbrew S.A., Brandbev S.à r.l. and Cobrew NV.

Each guarantee provided under the aforementioned indentures is referred to as a “**Guarantee**” and collectively, the “**Guarantees**,” the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the “**Subsidiary Guarantors**” and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the “**Guarantors**”. ABIWW, ABIFI and ABC are collectively referred to as the “**Issuers**”.

Under the terms of the Guarantees, the Guarantors guarantee to each holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, as such term is defined in the applicable indenture, if any) due under the debt securities in accordance with each indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees are the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors.

The Guarantees of a Subsidiary Guarantor will be terminated (and any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee) at substantially the same time that (i) the relevant Subsidiary Guarantor is released from its guarantee of both the SLL Revolving Facility (as defined below and as it may be amended from time to time) or is no longer a guarantor under such facility and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Subsidiary Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. If the Guarantees by the Subsidiary Guarantors are released, the relevant issuers and the Parent Guarantor are not required to replace them, and the debt securities will have the benefit of fewer or no Subsidiary guarantees for the remaining maturity of the debt securities.

Pursuant to restrictions imposed by Luxembourg law, for the purposes of any Guarantees provided by Brandbrew S.A. or Brandbev S.à r.l. (each, a “**Luxembourg Guarantor**”), the maximum aggregate liability of such Luxembourg Guarantor under its Guarantee (including any actual or contingent liabilities as a guarantor of Other Guaranteed Facilities (as such term is defined in the applicable indenture)) shall not exceed an amount equal to the aggregate of (without double counting): (A) the aggregate amount of all moneys received by such Luxembourg Guarantor and its subsidiaries as a borrower or issuer under the Other Guaranteed Facilities; (B) the aggregate amount of all outstanding intercompany loans made to such Luxembourg Guarantor and its Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the debt securities issued under the indentures and the Other Guaranteed Facilities; and (C) an amount equal to 100% of the greater of (I) the sum of (x) such Luxembourg Guarantor’s own capital (capitaux propres) (as referred to in the Luxembourg law dated 19 December 2002 on the commercial register and annual accounts, as amended (the “**Luxembourg Law of 2002**”), and as implemented by the Grand-Ducal regulation dated 18 December 2015 setting out the form and content of the presentation of the balance sheet and profit and loss account (the “**Luxembourg Regulation**”)) as reflected in such Luxembourg Guarantor’s then most recent annual accounts approved by the competent organ of such Luxembourg Guarantor (as audited by its statutory auditor (réviseur d’entreprises agréé), if required by law) at the date of an enforcement of such Luxembourg Guarantor’s Guarantee and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indentures or the Other Guaranteed Facilities (as defined below) and (II) the sum of (x) such Luxembourg Guarantor’s own capital (capitaux propres) (as referred to by article 34 of the Luxembourg Law of 2002 and as implemented by the Luxembourg Regulation) as reflected in its most recent annual accounts available as of the date of the applicable Indenture and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indentures or the Other Guaranteed Facilities.

Furthermore, the obligations and liabilities of such Luxembourg Guarantor under its Guarantee and under any of the Other Guaranteed Facilities shall not include:



- (i) in the case of Brandbrev S.A., any obligation which, if incurred, would constitute a breach of the provisions on unlawful financial assistance as contained in article 430-19 (formerly article 49-6) of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended; and
- (ii) in the case of Brandbev S.à r.l., the guarantee of any amount if and to the extent the granting of such guarantee for such amounts would constitute unlawful financial assistance in violation of article 1500-7 (formerly article 168) of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended.

ABIFI is a finance subsidiary, and its principal source of income consists of payments on intra-group receivables from the Parent Guarantor. Furthermore, as holding companies, the ability of ABIWW and the Parent Guarantor to meet their financial obligations is dependent upon the availability of cash flows from their domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments. Claims of the creditors of Parent Guarantor's subsidiaries who are not guarantors will have priority as to the assets of such subsidiaries over the claims of creditors of ABIFI, ABIWW or the Parent Guarantor. For further discussion, please see "Item 3. Key Information — D. Risk Factors — The ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations".

If the Guarantors default on their Guarantees, their ability to pay any debts existing at the time of the insolvency may be adversely affected by the insolvency laws of the jurisdiction of organization of the defaulting Guarantors. Such insolvency laws may vary as to treatment of unsecured creditors and may contain prohibitions on the Guarantors' ability to pay any debts existing at the time of the insolvency. In addition, enforcement of each guarantee will be subject to certain generally available defenses under local law. Furthermore, the Parent Guarantor and Cobrew NV are Belgian companies and Belgian insolvency laws may adversely affect a recovery by the holders of the debt securities of amounts payable under the debt securities.

Summarized financial information is presented below for Anheuser-Busch InBev SA/NV, the Issuers and the Subsidiary Guarantors on a combined basis after elimination of intercompany transactions and balances among them and does not include investments in and equity in the earnings of non-guarantor subsidiaries. The intercompany balances with Non-Guarantor Subsidiaries have been presented separately. This summarized financial information is not intended to present the financial position or results of operations of Anheuser-Busch InBev SA/NV, the Issuers and the Subsidiary Guarantors in accordance with IFRS.

	<u>Year ended 31 December</u> <u>2020</u> <i>(USD million)</i>
<b>Statement of Income Data</b>	
Revenue <sup>(1)</sup>	14,260
Gross profit <sup>(1)</sup>	8,193
Profit from continuing operations <sup>(1)</sup>	859
Profit from discontinued operations	368
Profit for the period <sup>(1)</sup>	1,227
<b>Balance Sheet Data</b>	
Due from non-guarantor subsidiaries	43,420
Other non-current assets	61,602
<b>Non-current assets</b>	<b>105,022</b>
Due from non-guarantor subsidiaries	22,881
Other current assets	23,323
<b>Current assets</b>	<b>46,204</b>
Due to non-guarantor subsidiaries	36,364
Other non-current liabilities	103,874
<b>Non-current liabilities</b>	<b>140,238</b>
Due to non-guarantor subsidiaries	15,963
Other current liabilities	33,290
<b>Current liabilities</b>	<b>49,253</b>

Note:

- (1) For the year ended 31 December 2020, revenue, gross profit, profit from continuing operations and profit for the period includes USD 365 million, USD (524) million, USD 2,758 million and USD 2,758 million of intercompany transactions with non-guarantor subsidiaries and related parties, respectively.

## H. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

### Contractual Obligations

The following table reflects certain of our financial contractual obligations, and the effect such obligations are expected to have on our liquidity and cash flows in future periods, as of 31 December 2020:

<u>Contractual Obligations</u>	<u>Contractual cash flows</u> <sup>(2)</sup>	<u>Less than 1 year</u>	<u>Payment Due By Period</u>			
			<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
			<i>(USD million)</i>			



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Secured bank loans	(735)	(675)	(14)	(12)	(10)	(24)
Commercial papers	(1,522)	(1,522)	—	—	—	—
Unsecured bank loans	(299)	(299)	—	—	—	—
Unsecured bond issues	(165,812)	(3,582)	(4,057)	(3,823)	(16,557)	(137,793)
Unsecured other loans	(115)	(13)	(8)	(6)	(57)	(31)
Lease liabilities	(2,455)	(460)	(425)	(315)	(424)	(831)
Bank overdraft	(5)	(5)	—	—	—	—
Trade and other payables	(24,688)	(22,906)	(1,103)	(135)	(197)	(347)
<b>Total<sup>(1)</sup></b>	<b>(195,631)</b>	<b>(29,462)</b>	<b>(5,607)</b>	<b>(4,291)</b>	<b>(17,245)</b>	<b>(139,026)</b>

Note:

- (1) "Total" amounts refer to non-derivative financial liabilities including interest payments.
- (2) The loan and bond issue contractual cash flow amounts presented above differ from the carrying amounts for these items in our financial statements in that they include our best estimates of future interest payable (not yet accrued) in order to better reflect our future cash flow position.

Please refer to "—G. Liquidity and Capital Resources—Funding Sources—Borrowings" for further information regarding our short-term borrowings and long-term debt.

Please refer to note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020, and in particular to the discussions therein on "Liquidity Risk," for more information regarding the maturity of our contractual obligations, including interest payments and derivative financial assets and liabilities.

Information regarding our pension commitments and funding arrangements is described in our Significant Accounting Policies and in note 25 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020. The level of contributions to funded pension plans is determined according to the relevant legislation in each jurisdiction in which we operate. In some countries there are statutory minimum funding requirements while in others we have developed our own policies, sometimes in agreement with the local trustee bodies. The size and timing of contributions will usually depend upon the



performance of investment markets. Depending on the country and plan in question, the funding level will be monitored periodically and the contribution amount amended appropriately. Consequently, it is not possible to predict with any certainty the amounts that might become payable from 2021 onwards. In 2020, our employer contributions to defined benefit and defined contribution pension plans amounted to USD 485 million. Contributions to defined benefit pension plans for 2021 are estimated to be approximately USD 289 million for our funded defined benefit plans, and USD 74 million in benefit payments to our unfunded defined benefit plans and post-retirement medical plans. Please refer to note 25 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for further information on our employee benefit obligations.

### Collateral and Contractual Commitments

The following table reflects our collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other commitments, as of 31 December 2020 and 2019:

	Year ended 31 December (audited)	
	2020	2019
	<i>(USD million)</i>	
Collateral given for own liabilities	391	372
Contractual commitments to purchase property, plant and equipment	528	457
Contractual commitments to acquire loans to customers	150	151
Other commitments	1,953	1,911

As at 31 December 2020, the following M&A related commitments existed:

- As part of the 2012 shareholders agreement between our subsidiary Ambev and E. León Jimenes S.A. (“ELJ”), following the acquisition of Cervecería Nacional Dominicana S.A. (“CND”), a put and call option is in place which may result in Ambev acquiring additional shares in CND. In January 2018 Ambev increased its participation in CND from 55% to 85%. As at 31 December 2020, the put option for the remaining shares held by ELJ was valued USD 0.7 billion (2019: USD 0.7 billion). The corresponding liability is presented as a current liability and recognized as a deferred consideration on acquisitions at fair value in “Level 3” category.
- Following the combination with SAB in 2016, we decided to maintain the SAB Zenzele share-scheme (Zenzele Scheme), the broad-based black economic empowerment (B-BBEE) scheme which provided opportunities for black South Africans, including employees (through The SAB Zenzele Employee Trust), SAB retailers (through SAB Zenzele Holdings Limited) and The SAB Foundation, to participate as shareholders of our indirect subsidiary, The South African Breweries Pty Ltd (SAB). The Zenzele Scheme, originally implemented by SAB in 2010 as a 10-year scheme, was amended at the time of the combination with SAB and matured on 31 March 2020.

Obligations to the SAB Foundation and the employees as beneficiaries of The SAB Zenzele Employee Share Trust were settled in full on 15 April 2020. The obligations to SAB retailers, who participate in the Zenzele Scheme through SAB Zenzele Holdings, were partially settled (77.4%) on 15 April 2020. As a direct consequence of the COVID-19 pandemic the remaining settlement was postponed, and it is now intended that the SAB retailers will receive the balance of their entitlement (22.6%) on or before 31 May 2021, at which time we and SAB will implement the new B-BBEE scheme as described below.

In total, 10.8 million of our Treasury shares (Out of which, 1.3 million shares were delivered to SAB Foundation, which is consolidated by AB InBev) with a total value of USD 491 million were used in 2020 to settle the obligations to the participants of the Zenzele Scheme. The total value delivered to the participants of the Zenzele Scheme amounted to ZAR 8.6 billion.



As part of the combination with SAB in 2016, we made a commitment to the South African Government and Competition Authorities to create a new B-BBEE scheme upon maturity of the Zenzele Scheme in 2020. In order to create the new B-BBEE scheme, the following steps will be undertaken:

- The new scheme will be implemented through the listing of a special purpose company, which will be called SAB Zenzele Kabili Holdings Limited (Zenzele Kabili) on the segment of the Johannesburg Stock Exchange's Main Board on which an issuer may list its B-BBEE shares;
- Zenzele Kabili will hold unencumbered our shares;
- Existing Zenzele participants (SAB retailers and The SAB Foundation) will be given an option to reinvest a portion of their Zenzele payout into Zenzele Kabili;
- A new Employee Share Plan, funded by us, will subscribe for shares in Zenzele Kabili.

The settlement of the balance of the SAB Retailers entitlement and the new B-BBEE scheme is estimated to require approximately ZAR 5.5 billion (USD 0.4 billion<sup>4</sup>) in facilitation and notional vendor funding. The settlement would be equivalent to 5.4 million of our shares based on the share price and the ZAR Euro exchange rate as at 31 December 2020<sup>5</sup>. It is the intention that our Treasury shares will be used for the settlement of the new B-BBEE scheme. This scheme arrangement meets the criteria under IFRS 2 to be classified as equity settled.

Please refer to note 31 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for more information regarding collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and others.

### Contingencies

We are subject to various contingencies with respect to tax, labor, distributors and other claims. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. To the extent that we believe these contingencies will probably be realized, a provision has been recorded in our balance sheet.

To the extent that we believe that the realization of a contingency is possible (but not probable) and is above certain materiality thresholds, we have disclosed those items in note 32 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

<sup>4</sup> Converted at the closing rate as at 31 December 2020.

<sup>5</sup> Calculated assuming our closing share price of EUR 57.01 per share and an exchange rate of ZAR 18.021914 to EUR 1.00 as at 31 December 2020.

**I. OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. Please refer to “—H. Contractual Obligations and Contingencies—Collateral and Contractual Commitments” for a description of certain collateral and contractual commitments to which we are subject. Please also refer to note 31 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

In order to fulfill our commitments under various outstanding stock option plans, we entered into stock lending arrangements for up to 30 million of our own Ordinary Shares. We shall pay the lenders any dividend equivalent, after tax, in respect of the loaned securities. This payment will be reported through equity as dividend. As of 31 December 2020, 30 million loaned securities were used to fulfill our stock option plan commitments. Please also refer to note 26 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

**J. OUTLOOK AND TREND INFORMATION**

While the ongoing disruption caused by the COVID-19 pandemic continues to create uncertainty, we expect our top and bottom line results to improve meaningfully in 2021 compared to 2020. We expect top-line growth from a healthy combination of volume and price, translating to bottom line growth. We will continue to efficiently utilize our resources while fueling investments behind our brands. However, adverse channel and packaging mix, coupled with transactional foreign exchange and commodity headwinds, will pressure our 2021 EBITDA, as defined (adjusted for exceptional items), margin. The outlook for 2021 reflects our current assessment of the scale and magnitude of the COVID-19 pandemic, which is subject to change as we continue to monitor ongoing developments.

We expect the average gross debt coupon in 2021 to be approximately 4.0%. Net pension interest expenses and accretion expenses including IFRS 16 Lease adjustments are expected to be in the range of USD 150 million to USD 170 million per quarter, depending on currency fluctuations. Net finance costs will continue to be impacted by any gains and losses related to the hedging of our share-based payment programs.

We expect net capital expenditure of between USD 4.5 billion and USD 5.0 billion in 2021 as we are increasing investments in innovation and other consumer-centric initiatives to fuel our momentum.

Approximately 44% of our gross debt is denominated in currencies other than the US dollar, primarily the Euro. Our optimal capital structure remains a net debt to EBITDA, as defined (adjusted for exceptional items), ratio of around 2x.

**ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****A. DIRECTORS AND SENIOR MANAGEMENT****Administrative, Management, Supervisory Bodies and Senior Management Structure**

Our management structure is a “one-tier” governance structure composed of our Board, a Chief Executive Officer responsible for our day-to-day management and an executive committee (the “**Executive Committee**”). The Executive Committee is led by our Chief Executive Officer and comprises the Chief Executive Officer, the Chief Financial Officer, the Chief Strategy and Technology Officer and the Chief Legal and Corporate Affairs Officer and Corporate Secretary. Our Board is assisted by four main committees: the Audit Committee, the Finance Committee, the Remuneration Committee and the Nomination Committee. See “—C. Board Practices—Information About Our Committees.”





## Board of Directors

### *Role and Responsibilities, Composition, Structure and Organization*

The role and responsibilities of our Board of Directors and its composition, structure and organization are described in detail in our corporate governance charter ("**Corporate Governance Charter**"), which is available on our website: <https://www.ab-inbev.com/investors/corporate-governance.html>.

Our Board may be composed of a maximum of 15 directors. There are currently 15 directors, all of whom are non-executives. Under our articles of association, the directors are appointed as follows:

- three independent directors will be appointed by our shareholders' meeting upon proposal by our Board of Directors;
- so long as the Stichting and/or any of its affiliates, any of their respective successors and/or successors' affiliates own, in aggregate, more than 30% of the shares with voting rights in our share capital, nine directors will be appointed by our shareholders' meeting upon proposal by the Stichting (and/or any of its affiliates, any of their respective successors and/or successors' affiliates); and
- so long as the holders of Restricted Shares, together with their affiliates and/or any of their successors and/or successors' affiliates, own in aggregate:
  - more than 13.5% of the shares with voting rights in our share capital, three directors will be appointed by our shareholders' meeting upon proposal by the holders of the Restricted Shares;
  - more than 9% but not more than 13.5% of the shares with voting rights in our share capital, two directors will be appointed by our shareholders' meeting upon proposal by the holders of the Restricted Shares;
  - more than 4.5% but not more than 9% of the shares with voting rights in our share capital, one director will be appointed by our shareholders' meeting upon proposal by the holders of the Restricted Shares; and
  - 4.5% or less than 4.5% of the shares with voting rights in our share capital, the holders of the Restricted Shares will no longer have the right to propose any candidate for appointment as a member of our Board of Directors and no directors will be appointed upon proposal by the holders of the Restricted Shares.

As a consequence, our Board is currently composed of four directors nominated by Eugénie Patri Sébastien S.A. (which represents Interbrew's founding Belgian families and holds the class A Stichting certificates), four directors nominated by BRC S.à.R.L. ("**BRC**") (which represents the Brazilian families that were previously the controlling shareholders of Ambev and holds the class B Stichting certificates), one additional non-executive director who was appointed by the Stichting, three directors who were appointed by the holders of Restricted Shares and three independent directors. The appointment and renewal of all directors (i) are based on a recommendation of the Nomination Committee, taking into account the rules regarding the composition of the Board of Directors set out in our articles of association, and (ii) are subject to approval by the shareholders' meeting. Directors (other than the Restricted Share Directors) are appointed for a maximum term of four years, but the shareholders' meeting can resolve for a shorter term. In accordance with our bylaws, Restricted Share Directors are appointed for renewable terms ending at the next shareholders' meeting following their appointment.



Under article 7:87 of the Belgian Code of Companies and Associations (the “**Belgian Companies Code**”), the independence of directors is assessed by taking into consideration the criteria set out in Principle 3.5 of the 2020 Belgian Corporate Governance Code, which are the following:

- the director is not an executive, or exercising a function as a person entrusted with the daily management of the company or a related company or person, and has not been in such a position for the previous three years before his or her appointment and is no longer enjoying stock options of the company related to this position;
- the director has not served for a total term of more than twelve years as a board member;
- the director is not an employee of the senior management of the company or a related company or person, and has not been in such a position for the previous three years before his or her appointment and is no longer enjoying stock options of the company related to this position;
- the director is not receiving, or has not received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the company or a related company or person, apart from any fee they receive or have received as a non-executive board member;
- the director does not hold shares, either directly or indirectly, either alone or in concert, representing globally one-tenth or more of the company’s capital or one-tenth or more of the voting rights in the company at the moment of appointment and not has not been nominated, in any circumstances, by a shareholder fulfilling the conditions covered above;
- the director does not maintain, or has not maintained in the past year before their appointment, a significant business relationship with the company or a related company or person, either directly or as partner, shareholder, board member, member of the senior management of a company or person who maintains such a relationship;
- the director is not or has not been within the last three years before his or her appointment, a partner or member of the audit team of the company or person who is, or has been within the last three years before their appointment, the external auditor of the company or a related company or person;
- the director is not an executive of another company in which an executive of the company is a non-executive board member; and
- the director does not have, in the company or a related company or person, a spouse, legal partner or close family member to the second degree, exercising a function as board member or executive or person entrusted with the daily management or employee of the senior management, or falling in one of the other cases referred to in bullets 1. to 8. above, and as far as the second bullet is concerned, up to three years after the date on which the relevant relative has terminated his or her last term.

Should the Board present for appointment as independent director a candidate who does not meet the criteria above, it will explain the reasons why it considers that such candidate is independent, in accordance with article 7:98 of the Belgian Companies Code.

Directors on our Board who serve on our Audit Committee are also required to meet the criteria for independence set forth in Rule 10A-3 under the Exchange Act of 1934. Based on our Governance Charter, a majority of the voting members of the Audit Committee are independent directors under Belgian corporate law.

Our Board is our ultimate decision-making body, except for the powers reserved to our shareholders’ meeting by law, or as specified in the articles of association.



Our Board meets as frequently as our interests require. In addition, special meetings of our Board may be called and held at any time upon the call of either the chair of our Board or at least two directors. Board meetings are based on a detailed agenda specifying the topics for decision and those for information. Board decisions are made by a simple majority of the votes cast.

The composition of our Board is currently as follows:

<u>Name</u>	<u>Principal Function</u>	<u>Nature of Directorship</u>	<u>Initially Appointed</u>	<u>Term Expires</u>
María Asunción Aramburuzabala	Director	Non-executive	2016	2024
Martin J. Barrington	Director and Chair of the Board <sup>(1)</sup>	Non-executive, nominated by the holders of Restricted Shares	2016	2021
M. Michele Burns	Independent Director	Non-executive	2016	2024
Sabine Chalmers	Director	Non-executive, nominated by the holders of class A Stichting certificates	2019	2023
Paul Cornet de Ways Ruart	Director	Non-executive, nominated by the holders of class A Stichting certificates	2016	2024
Claudio Garcia	Director	Non-executive, nominated by the holders of class B Stichting certificates	2019	2023
William F. Gifford, Jr.	Director	Non-executive, nominated by the holders of Restricted Shares	2016	2021
Paulo Alberto Lemann	Director	Non-executive, nominated by the holders of class B Stichting certificates	2016	2024
Xiaozhi Liu	Independent Director	Non-executive	2019	2023
Alejandro Santo Domingo Dávila	Director	Non-executive, nominated by the holders of Restricted Shares	2016	2021
Elio Leoni Sceti	Independent Director	Non-executive	2016	2024
Cecilia Sicupira	Director	Non-executive, nominated by the holders of class B Stichting certificates	2019	2023
Grégoire de Spoelberch	Director	Non-executive, nominated by the holders of class A Stichting certificates	2016	2024
Roberto Thompson Motta	Director	Non-executive, nominated by the holders of class B Stichting certificates	2020	2024
Alexandre Van Damme	Director	Non-executive, nominated by the holders of class A Stichting certificates	2016	2024

Note:

(1) We have determined that Mr. Barrington is an independent director for purposes of Rule 10A-3 of the Exchange Act.



At our annual shareholders' meeting held on 3 June 2020, the mandates of Ms. Michele Burns, Mr. Elio Leoni Sceti, Mr. Alexandre Van Damme, Mr. Grégoire de Spoelberch, Mr. Paul Cornet de Ways Ruart, Mr. Paulo Alberto Lemann and Ms. María Asunción Aramburuzabala were renewed for a term of 4 years. The mandates of Mr. Martin J. Barrington, Mr. William F. Gifford, Jr. and Mr. Alejandro Santo Domingo Dávila were renewed for a term of 1 year. The mandate of Mr. Marcel Herrmann Telles ended, and Mr. Roberto Thompson Motta was appointed as successor to Mr. Marcel Herrman Telles for a term of 4 years. Their mandates are renewable.

The business address for all of our directors is: Brouwerijplein 1, 3000 Leuven, Belgium.

No member of the Board has any conflicts of interest within the meaning of the Belgian Companies Code between any duties he or she owes to us and any private interests and/or other duties.

**Ms. Aramburuzabala** is a non-executive member of the Board. Born in 1963, she is a citizen of Mexico and holds a degree in Accounting from ITAM (Instituto Tecnológico Autónomo de México). She has served as CEO of Tresalia Capital since 1996. She is currently the chairperson of the Boards of Directors of Tresalia Capital, Abilia, Medistik and Red Universalía. She is also a member of the Advisory Board of Grupo Modelo and was formerly a member of the Grupo Modelo Board of Directors, and is currently on the Boards of Coty, Consejo Mexicano de Negocios and is an Advisory Board member of ITAM School of Business.

**Mr. Barrington** is a representative of the Restricted Shareholders. Born in 1953, he is an American citizen and graduated from The College of Saint Rose with a Bachelor's Degree in History, and from Albany Law School of Union University with a Juris Doctorate Degree. He is the retired Chairman, Chief Executive Officer and President of Altria Group. During his 25 years at Altria Group, he served in numerous legal and business roles for Altria and its companies. These include Vice Chairman of Altria Group; Executive Vice President and Chief Administrative Officer of Altria Group; Senior Vice President and General Counsel of Philip Morris International (a separate public company spun-off from Altria Group in 2008); and Senior Vice President and General Counsel of Philip Morris USA. Before joining Altria, Mr. Barrington practiced law in both the government and private sectors.

**Ms. Burns** is an independent member of the Board. Born in 1958, she is an American citizen and graduated Summa Cum Laude from the University of Georgia with a Bachelor's Degree in Business Administration and a Master's Degree in Accountancy. Ms. Burns was the Chairman and Chief Executive Officer of Mercer LLC from 2006 until 2012. She currently serves on the Boards of Directors of The Goldman Sachs Group, where she chairs the Compensation Committee, Cisco Systems, where she chairs the Finance Committee, Etsy and Circle Online Financial, a private company. From 2003 until 2013, she served as a director of Wal-Mart Stores. From 2014 until 2018, she served on the Board of Alexion Pharmaceuticals. She currently serves on the Advisory Council of the Stanford Center on Longevity at Stanford University. Ms. Burns began her career in 1981 at Arthur Andersen, where she became a partner in 1991. In 1999, she joined Delta Air Lines, assuming the role of Chief Financial Officer from 2000 to 2004. From 2004 to 2006, Ms. Burns served as Chief Financial Officer and Chief Restructuring Officer of Mirant Corporation, an independent power producer. From March 2006 until September 2006, Ms. Burns served as the Chief Financial Officer of Marsh and McLennan Companies.

**Ms. Chalmers** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the Class A Stichting certificates). Born in 1965, Ms. Chalmers is an American citizen and holds a Bachelor's Degree in Law from the London School of Economics and is qualified to practice law in England and New York State. Ms. Chalmers is the General Counsel of BT Group plc. Prior to joining BT, she was the Chief Legal and Corporate Affairs Officer and Secretary to the Board of Directors of AB InBev, a role she held from 2005 to 2017. Ms. Chalmers joined AB InBev after 12 years with Diageo plc where she held a number of senior legal positions including as General Counsel of the Latin American and North American businesses. Prior to Diageo plc, she was an associate at the law firm of Lovell White Durrant in London, specializing in mergers and acquisitions.

**Mr. Cornet de Ways Ruart** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the Class A Stichting certificates). Born in 1968, he is a Belgian citizen and holds a Master's Degree as a Commercial Engineer from the Catholic University of Louvain and an MBA from the University of Chicago. He has attended the Master Brewer program at the Catholic University of Louvain. From 2006 to 2011, he worked at Yahoo! and was in charge of Corporate Development for Europe before taking on additional responsibilities as Senior Financial Director for Audience and Chief of Staff. Prior to joining Yahoo!, Mr. Cornet was Director of Strategy for Orange U.K. and spent seven years with McKinsey & Company in London and Palo Alto, California. He is also a non-executive director of EPS, Rayvax, Adrien Invest, Floridienne S.A. and several privately held companies.



**Mr. Garcia** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in Brazil in 1968, he is a Brazilian citizen and is a graduate from Universidade Estadual do Rio de Janeiro, Brazil with a B.A. in Economics. Mr. Garcia interned at Companhia Cervejaria Brahma in 1991 and was employed as a Management Trainee in February 1993. From 1993 until 2001, Mr. Garcia worked in several positions in finance, mainly in the area of corporate budgeting. In 2001, he started the first Shared Service Center for Ambev and in 2003 he became the head of both the Technology and Shared Services operations. Mr. Garcia participated in all M&A integration projects from 1999 until 2018. In 2005, he was appointed Chief Information and Shared Service Officer for InBev (following the combination of Ambev and Interbrew) in Leuven, Belgium. From 2006 to 2014, Mr. Garcia combined the functions of Chief People and Technology Officer. From 2014 to January 2018, Mr. Garcia was the Chief People Officer of Anheuser-Busch InBev. Mr. Garcia is a board member of Lojas Americanas, the Garcia Family Foundation, Chairman of the Telles Foundation and a Trustee at the Chapin School in New York City.

**Mr. Gifford** is a representative of the Restricted Shareholders. Born in 1970, he is an American citizen and graduated from Virginia Commonwealth University with a Bachelor's Degree in Accountancy. He serves as Chief Executive Officer of Altria Group. Prior to his current position, Mr. Gifford served as Vice Chairman and Chief Financial Officer of Altria Group from May 2018 until April 2020 with responsibility for overseeing Altria's financial functions, core tobacco businesses and sales and distribution business. Prior to that he served as Executive Vice President and Chief Financial Officer from March 2015 until May 2018. Since joining Philip Morris USA, an Altria subsidiary, in 1994, he has served in numerous leadership roles including President and Chief Executive Officer of Philip Morris USA and Vice President and Treasurer for Altria, and has led various functions including Finance, Strategy and Business Development and Market Information and Consumer Research. Prior to joining Philip Morris USA, Mr. Gifford worked at the public accounting firm of Coopers & Lybrand, which currently is known as PricewaterhouseCoopers.

**Mr. Lemann** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in Brazil in 1968, he is a Brazilian citizen and graduated from Faculdade Candido Mendes in Rio de Janeiro, Brazil with a B.A. in Economics. Mr. Lemann interned at PriceWaterhouse in 1989 and was employed as an Analyst at Andersen Consulting from 1990 to 1991. Mr. Lemann also performed equity analysis while at Banco Marka and Dynamo Asset Management (both in Rio de Janeiro). From 1997 to 2004, he developed the hedge fund investment group at Tincum Inc., a New York-based investment office that advised the Synergy Fund of Funds, where he served as Portfolio Manager. Mr. Lemann is a Founding Partner at Vectis Partners and is a board member of Lojas Americanas, Lemann Foundation and Lone Pine Capital.

**Mr. Leoni Sceti** is an independent member of the Board. Born in 1966, he is an Italian citizen who lives in the UK. He graduated Magna Cum Laude in Economics from LUISS in Rome, where he passed the Dottore Commercialista post-graduate bar exam. Mr. Leoni Sceti has over 30 years' experience in the fast-moving consumer goods and media sectors. He is Chief Crafter and Chairman of The Craftory, a global investment house for purpose-driven challenger brands in FMCG. Mr. Leoni Sceti is Chairman of London-based LSG holdings and an early stage investor in Media & Tech, with over 25 companies in his portfolio. He is also an independent member of the Board at cocoa and chocolate leader Barry Callebaut and is a director at the Kraft Heinz Company. His roles in the non-profit space include being a Trustee and Counsellor at One Young World (young leaders from over 190 countries), and Chairman of the U.K. board at Room to Read (promoting literacy and gender equality in education, globally). His previous roles included: CEO of Iglo Group - whose brands are Birds Eye, Findus & Iglo - until May 2015, when the company was sold to Nomad Foods; Global CEO of EMI Music from 2008 to 2010; and - prior to EMI - an international career in marketing and senior leadership roles at Procter & Gamble and Reckitt Benckiser, where he later was CMO, global head of Innovation and then head of the European operations.



**Dr. Liu** is an independent member of the Board. Born in 1956 in China, she is a German citizen and is the founder and CEO of ASL Automobile Science & Technology (Shanghai) Co., Ltd. since 2009 and is an independent director of Autoliv and Johnson Matthey Plc. Previously, she held various senior executive positions, including Chairman and CEO of Neotek (China), Vice-Chairman and CEO of Fuyao Glass Group, Chairman and CEO of General Motors Taiwan, Director of concept vehicle for Buick Park Avenue and Cadillac, Vehicle Electronics-Control and Software Integration for GM North America, CTO and Chief Engineer of General Motors Greater China Region, and Representative Managing Director of Delphi Automotive in Shanghai China. Prior to 1997, she was responsible for Delphi Packard China JV Development, Sales and Marketing as well as New Business Development. Besides these executive roles, Dr. Liu also served as an independent director of CAEG from 2009 to 2011 and an independent director of Fuyao Glass Group from 2013 to 2019. Dr. Liu has rich professional experience covering the areas of general management of enterprises, P&L, technology development, marketing and sales, mergers and acquisitions, including in the United States, Europe and China at global Top 500 companies and Chinese blue-chip private enterprises. She earned a Ph.D. in Chemical Engineering, a Master's Degree of Electrical Engineering at the University of Erlangen/Nuremberg Germany and a Bachelor's Degree in Electrical Engineering at Xian Jiao Tong University in Xian China. She also attended the Dartmouth Tuck School of Business for Executives.

**Mr. Santo Domingo** is a representative of the Restricted Shareholders. Born in 1977, he is a Colombian citizen and obtained a B.A. in History from Harvard College. He is a Senior Managing Director at Quadrant Capital Advisors, Inc. in New York City. He was a member of the Board of Directors of SABMiller Plc, where he was also Vice-Chairman of SABMiller Plc for Latin America. Mr. Santo Domingo is Chairman of the Board of Bavaria S.A. in Colombia. He is Chairman of the Board of Valorem, a company which manages a diverse portfolio of industrial and media assets in Latin America. Mr. Santo Domingo is also a director of JDE Peet's, ContourGlobal plc, LifeTime, Inc., Florida Crystals, the world's largest sugar refiner, Caracol TV, Colombia's leading broadcaster, El Espectador, a leading Colombian Daily, and Cine Colombia, Colombia's leading film distribution and movie theatre company. In the non-profit sector, he is Chair of the Wildlife Conservation Society and Fundacion Mario Santo Domingo. He is also a Member of the Board of Trustees of The Metropolitan Museum of Art, a member of the Board of Channel Thirteen/WNET (PBS), a member of the Board of DKMS, a foundation dedicated to finding donors for leukemia patients, and he is a member of the Board of Fundacion Pies Descalzos. He is a member of Harvard University's Global Advisory Council (GAC) Mr. Santo Domingo is a member of the Board of Trustees of the Mount Sinai Health System.

**Ms. Sicupira** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1981, she is a Brazilian citizen and is a graduate from the American University of Paris with a Bachelor's Degree in International Business Administration and of Harvard Business School's Owner/President Management (OPM) program. Ms. Sicupira currently serves on the board of Lojas Americanas S.A, where she is member of the Finance and People Committees, and of Ambev S.A. She previously served on the board of Restaurant Brands International and of São Carlos Empreendimentos S.A. Ms. Sicupira began her career in 2004 as an analyst within Goldman Sachs' Investment Banking Division covering Latin America. Today she is a director and partner of LTS Investments.

**Mr. de Spoelberch** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the Class A Stichting certificates). Born in 1966, he is a Belgian citizen and holds an MBA from INSEAD. Mr. de Spoelberch is an active private equity shareholder and his recent activities include shared Chief Executive Officer responsibilities for Lunch Garden, the leading Belgian self-service restaurant chain. He is a member of the board of several family-owned companies, such as Eugénie Patri Sébastien S.A., Verinvest and Cobehold (Cobepa). He is also an administrator of the Baillet-Latour Fund, a foundation that encourages social, cultural, artistic, technical, sporting, educational and philanthropic achievements.

**Mr. Roberto Thompson Motta** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1957, he is a Brazilian citizen and received a BS in Mechanical Engineering from Pontificia Universidade Católica do Rio de Janeiro and an MBA from The Wharton School of the University of Pennsylvania. He is a co-founder and member of the Investment Committee of 3G Capital, a global investment firm headquartered in New York. Mr. Thompson serves on the Board of Directors of AB InBev and has served on the Board of Directors of Ambev S.A. since 2001, Restaurant Brands International since 2013 and StoneCo Ltd since 2018 where he chairs the Finance Committee. He was one of the founding partners of GP Investments Ltd. and a member of its Board of Directors until 2010. Mr. Thompson is a member of The Graduate Executive Board of The Wharton School of the University of Pennsylvania, The International Council of The Metropolitan Museum of Art in New York and a Patron of the Museum of Modern Art of São Paulo.





**Mr. Van Damme** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the Class A Stichting certificates). Born in 1962, he is a Belgian citizen and graduated from Solvay Business School, Brussels. Mr. Van Damme joined the beer industry early in his career and held various operational positions within Interbrew until 1991, including Head of Corporate Planning and Strategy. He has managed several private venture holding companies and is currently a director of several family-owned companies such as Patri S.A. (Luxembourg). He is a member of the Board of the Kraft Heinz Company.

**General Information on the Directors**

In relation to each of the members of our Board, we are not aware of (i) any convictions in relation to fraudulent offenses in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any offices, directorships or partner or senior management positions in the last five years, or (iii) any official public incrimination and/or sanction of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

No member of our Board has a family relationship with any other member of our Board or any member of our Executive Committee, or had a family relationship with any member of our Executive Committee.

Over the five years preceding the date of this Form 20-F, the members of our Board hold or have held the following main directorships (apart from directorships they have held with us and our subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

<u>Name</u>	<u>Current</u>	<u>Past</u>
María Asunción Aramburuzabala	Tresalia Capital, Grupo Modelo, KIO Networks, Abilia, Red Universalia, Medistik, Consejo Mexicano de Negocios, Coty Inc and Instituto Tecnológico Autónomo de México (ITAM) School of Business	Grupo Financiero Banamex, LLC, Banco Nacional de México, América Móvil, Grupo Televisión, Televisa, Cablevisión, Empresas ICA, Aeroméxico, Siemens, Tory Burch, LLC, Artega Automóvil, Diblo, Dirección de Fábricas, Filantropía Modelo, Consejo Asesor para las Negociaciones Comerciales Internacionales, Compromiso Social por la Calidad de la Educación, Latin America Conservation Council, Fresnillo plc, Médica Sur, Calidad de Vida, Progreso y Desarrollo para la Ciudad de México and Compañía Periodística Nacional
Martin J. Barrington	Richmond Performing Arts Center L.L.P.	Altria Group, Inc., NextUp (formerly Middle School Renaissance 2020, LLC), Virginia Museum of Fine Arts
M. Michele Burns	Cisco Systems Inc., The Goldman Sachs Group Inc., Etsy Inc., Circle Internet Financial	Alexion Pharmaceuticals Inc.
Sabine Chalmers	BT Group Plc, Eugénie Patri Sébastien S.A. and the Stichting	Coty Inc.
Paul Cornet de Ways Ruat	Eugénie Patri Sébastien S.A., Rayvax Société d'Investissement S.A., Sebacoop SCRL, Adrien Invest SCRL, Floridienne S.A. and the Stichting	Sparflex, Bunge Ltd, Krispy Kreme Doughnuts Inc., Panera Bread Holdings Corp., Peet's Coffee & Tea, LLC, Coffee & Bagel Brands Inc. Company, Inc.





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Name	Current	Past
Claudio Garcia	Lojas Americanas S.A., Garcia Family Foundation, Telles Foundation and Chapin School in New York	—
William F. Gifford, Jr.	Altria Group Inc., Virginia Commonwealth University School of Business Foundation	Virginia Foundation for Independent Colleges, National Association of Manufacturers, Greater Richmond Partnership, Inc.
Paulo Alberto Lemann	Vectis Partners, Lojas Americanas S.A., Lemann Foundation and Lone Pine Capital LLC	Ambev
Elio Leoni Sceti	LSG Holdings (Chairman), the Kraft Heinz Company, Barry Callebaut, One Young World (Trustee), The Craftory (Chairman), Room to Read UK (Chairman)	EMI Music, Iglo Group, Beamly Ltd. and Nomad Foods
Xiaozhi Liu	ASL Automobile Science & Technology (Shanghai) Co., Ltd., Autoliv (NYSE) and Johnson Matthey Plc	Fuyao Glass Group
Alejandro Santo Domingo Dávila	Quadrant Capital Advisors, Inc., Bavaria S.A., Valorem S.A., JDE Peet's, Cine Colombia S.A., Organización Decameron S. de R.L., Florida Crystals Corporation, Caracol Televisión S.A., Life Time Inc., Metropolitan Museum of Art, Wildlife Conservation Society, DKMS and Fundación Mario Santo Domingo, Contour Global plc, Mount Sinai Health Systems	SABMiller plc., Celumóvil S.A., Avianca S.A., Sofasa S.A., Cervecería Nacional S.A. (Panamá), Compañía de Cervezas Nacionales S.A. (Ecuador), Union de Cervecerías Peruanas Backus & Johnston S.A.A., Keurig Green Mountain (KGM), Millicom International Cellular SA
Cecilia Sicupira	Lojas Americanas S.A., LTS Investments and Ambev S.A.	Restaurant Brands International and São Carlos Empreendimentos S.A.
Grégoire de Spoelberch	Agemar S.A., Fiprolux S.A., Eugénie Patri Sébastien S.A., the Stichting, G.D.S. Consult, Cobehold, Compagnie Benelux Participations, Vervodev, Wesparc, Groupe Josi, <sup>(1)</sup> Financière Stockel, <sup>(1)</sup> Immobilière du Canal, <sup>(1)</sup> Verlinvest, <sup>(1)</sup> Midi Developpement, <sup>(1)</sup> Solferino Holding S.A., Vedihold, Clearvolt S.A. and Fonds Baillet Latour	Atanor, <sup>(1)</sup> Amantelia, <sup>(1)</sup> Demeter Finance, Lunch Garden Services, <sup>(1)</sup> Lunch Garden, <sup>(1)</sup> Lunch Garden Management, <sup>(1)</sup> Lunch Garden Finance, <sup>(1)</sup> Lunch Garden Concepts, <sup>(1)</sup> HEC Partners, <sup>(1)</sup> Q.C.C., <sup>(1)</sup> A.V.G. Catering Equipment, <sup>(1)</sup> Immo Drijvers-Stevens and <sup>(1)</sup> Elpo-Cuisinex Wholesale <sup>(1)</sup> Navarin S.A., Wernelin S.A., Zencar S.A.
Roberto Thompson Motta	Ambev S.A., Restaurant Brands International, StoneCo Ltd., the Stichting, 3G Capital, Inc. LTS Investments, The Wharton School of The University of Pennsylvania, Metropolitan Museum of Art.	Lojas Americanas S.A., São Carlos Empreendimentos S.A.



<u>Name</u>	<u>Current</u>	<u>Past</u>
Alexandre Van Damme	Patri S.A., the Stichting, Eugénie Patri Sébastien, S.A. and the Kraft Heinz Company	Keurig Green Mountain (KGM), Jacobs Douwe Egberts (JDE), DKMS and Fonds Baillet Latour, Restaurant Brands International

**Note:**

(1) As permanent representative.

**Chief Executive Officer and Senior Management*****Role and Responsibilities, Composition, Structure and Organization***

Our Chief Executive Officer is responsible for our day-to-day management. He has direct responsibility for our operations and oversees the organization and efficient day-to-day management of our subsidiaries, affiliates and joint ventures. Our Chief Executive Officer is responsible for the execution and management of the outcome of all of our Board decisions.

He is appointed and removed by our Board and reports directly to it.

Effective 29 April 2020, Fernando Mommensohn Tennenbaum succeeded Felipe Dutra as Chief Financial Officer and member of the Executive Committee.

Effective 29 April 2020, David Almeida became Chief Strategy and Technology Officer.

Effective 29 April 2020, Nelson Jamel became Chief People Officer.

Effective 29 April 2020, the Executive Committee is comprised of the Chief Executive Officer, Carlos Brito, the Chief Financial Officer, Fernando Tennenbaum, the Chief Strategy and Technology Officer, David Almeida and the Chief Legal and Corporate Affairs Officer and Corporate Secretary, John Blood.

The Executive Committee reports to our Chief Executive Officer and works with our Board on matters such as corporate governance, general management of our company and the implementation of corporate strategy as defined by our Board. The Executive Committee shall perform such duties as may be assigned to it from time to time by our Chief Executive Officer or our Board.

Although exceptions can be made in special circumstances, the upper age limit for the members of our Executive Committee is 65, unless their employment contract provides otherwise.

As of 1 January 2021, our Executive Committee consisted of the following members:

<u>Name</u>	<u>Function</u>
Carlos Brito	Chief Executive Officer
John Blood	Chief Legal and Corporate Affairs Officer and Corporate Secretary
Fernando Tennenbaum	Chief Financial Officer
David Almeida	Chief Strategy and Technology Officer



As of 1 January 2021, and in addition to the members of our Executive Committee, our senior leadership team consists of the following:

<u>Name</u>	<u>Function</u>
Katherine Barrett	General Counsel
Pedro Earp	Chief Marketing and ZX Ventures Officer
Lucas Herscovici	Chief Sales Officer
Peter Kraemer	Chief Supply Officer
Nelson Jamel	Chief People Officer
Tony Milikin	Chief Procurement, Sustainability and Circular Ventures Officer
Pablo Panizza	Chief Direct to Consumer Officer
Ricardo Tadeu	Chief B2B Officer
Jan Craps	Zone President Asia Pacific (APAC)
Michel Doukeris	Zone President North America
Carlos Lisboa	Zone President Middle Americas
Ricardo Moreira	Zone President Africa
Jean Jereissati Neto	Zone President South America
Jason Warner	Zone President Europe

The business address for all of these members of our senior leadership team is: Brouwerijplein 1, 3000 Leuven, Belgium.

**Carlos Brito** is our CEO and a member of the Executive Committee. Born in 1960, he is a Brazilian citizen and received a Degree in Mechanical Engineering from the Universidade Federal do Rio de Janeiro and an MBA from Stanford University Graduate School of Business. Mr. Brito joined Ambev in 1989 where he held roles in Finance, Operations, and Sales, before being appointed Chief Executive Officer in January 2004. He was appointed Zone President North America at InBev in January 2005 and Chief Executive Officer in December 2005. He is a member of the board of directors of Ambev. He is also an Advisory Council Member of the Stanford Graduate School of Business and serves on the Advisory Board of the Tsinghua University School of Economics and Management.

**Fernando Tennenbaum** is our Chief Financial Officer since 29 April 2020 and a member of the Executive Committee. Born in 1977, he is a dual citizen of Brazil and Germany and holds a degree in industrial engineering from Escola Politécnica da Universidade de São Paulo and a corporate MBA from Ambev. He joined our company in 2004, and has held various roles in the finance function (including Treasury, Investor Relations and M&A). He most recently served as the Vice President of Finance (South America Zone) and Chief Financial and Investor Relations Officer of Ambev S.A.

**David Almeida** is our Strategy and Technology Officer since 29 April 2020 and a member of the Executive Committee. Born in 1976, Mr. Almeida is a dual citizen of the U.S. and Brazil and holds a Bachelor's Degree in Economics from the University of Pennsylvania. Most recently, he served as Chief Strategy and Transformation Officer and before that as Chief Integration Officer and Chief Sales Officer ad interim, having previously held the positions of Vice President, U.S. Sales and of Vice President, Finance for the North American organization. Prior to that, he served as InBev's head of mergers and acquisitions, where he led the combination with Anheuser-Busch Companies in 2008 and subsequent integration activities in the U.S. Before joining the group in 1998, he worked at Salomon Brothers in New York as a financial analyst in the Investment Banking division.

**Katherine Barrett** is our General Counsel. Born in 1970, Ms. Barrett is a U.S. citizen and holds a Bachelor's Degree in Business Administration from Saint Louis University and a Juris Doctorate degree from the University of Arizona. Ms. Barrett joined Anheuser-Busch in 2000 as a litigation attorney in the Legal Department. She most recently served as Vice President, U.S. General Counsel and Labor Relations, where she was responsible for overseeing all legal issues in the U.S. including commercial, litigation and regulatory matters and labor relations. Prior to joining the company, Ms. Barrett worked in private practice at law firms in Nevada and Missouri.

**John Blood** is our Chief Legal and Corporate Affairs Officer, Company Secretary and a member of our Executive Committee. Born in 1967, Mr. Blood is a U.S. citizen and holds a Bachelor's Degree from Amherst College and a JD degree from the University of Michigan Law School. Mr. Blood joined AB InBev in 2009 as Vice President Legal, Commercial and M&A. Most recently Mr. Blood was AB InBev's General Counsel. Prior to the latter role, he was Zone Vice President Legal and Corporate Affairs in North America where he has led the legal and corporate affairs agenda for the United States and Canada. Prior to joining the company, Mr. Blood worked on the legal team in Diageo's North American business and was in private practice at a law firm in New York City before that.



**Jan Craps** is our Zone President Asia Pacific since 1 January 2019 and CEO and Co-Chair of Budweiser Brewing Company APAC since 8 May 2019. Born in 1977, Mr. Craps is a Belgian citizen and obtained a Degree in Business Engineering from KU Brussels and a Master's Degree in Business Engineering from KU Leuven, Belgium. Mr. Craps was an associate consultant with McKinsey & Company before joining Interbrew in 2002. He acquired a range of international experiences in a number of senior marketing, sales and logistics executive positions in France and Belgium. In 2011, he relocated to Canada where he was appointed Head of Sales for Canada followed by his appointment as President and CEO of Labatt Breweries of Canada in 2014. Until 31 December 2018, he held the position of Zone President Asia Pacific South.

**Michel Doukeris** is our Zone President North America since 1 January 2018. Born in 1973, he is a Brazilian citizen and holds a Degree in Chemical Engineering from Federal University of Santa Catarina in Brazil and a Master's Degree in Marketing from Fundação Getulio Vargas, also in Brazil. He has also completed post-graduate programs in Marketing and Marketing Strategy from the Kellogg School of Management and Wharton Business School in the United States. Mr. Doukeris joined the group in 1996 and held a number of commercial operations roles in Latin America before moving to Asia where he led our China and Asia Pacific operations for seven years. In 2016, he moved to the U.S. to assume the position of global Chief Sales Officer. In January 2018, he assumed leadership of Anheuser-Busch and our North American business.

**Pedro Earp** is our Chief Marketing and ZX Ventures Officer since 1 January 2019. Born in 1977, he is a Brazilian citizen and holds a Bachelor of Science degree in Economics from the London School of Economics. Mr. Earp joined Ambev in 2000 as a Global Management Trainee in the Latin America North Zone. In 2002, he became responsible for the Zone's M&A team and in 2005 he moved to InBev's global headquarters in Leuven, Belgium to become Global Director, M&A. Later, he was appointed Vice President, Strategic Planning in Canada in 2006, Global Vice President, Insights and Innovation in 2007, Global Vice President, M&A in 2009 and Vice President, Marketing for the Latin America North Zone in 2013. He was appointed Chief Disruptive Growth (now ZX Ventures) Officer of AB InBev in February 2015.

**Lucas Herscovici** is our Chief Sales Officer since August 2020. Born in 1977, he is an Argentinean citizen and received a degree in Industrial Engineering from the Instituto Tecnológico de Buenos Aires. Mr. Herscovici joined us in 2002 as a Global Management Trainee in our Latin America South Zone and has built his career in marketing and sales. After working in Argentina in several commercial roles, he became head of innovation for global brands and, later, Global Marketing Director of Stella Artois in 2008. In 2011, he was responsible for opening the "Beer Garage," our global digital innovation office based out of Palo Alto, California. In 2012, he joined the North America Zone to become VP Digital Marketing and, in 2014, he was appointed VP Consumer Connections for the United States. In 2017, he was appointed Global Marketing VP of Insights, Innovation and Consumer Connections, and held such role until 31 December 2018. He most recently served as Chief Non-Alcohol Officer until August 2020.

**Nelson Jamel** is our Chief People Officer since 29 April 2020. Born in 1972, Mr. Jamel is a Brazilian citizen and holds a Bachelor's and Master's Degree in industrial engineering from the Universidade Federal do Rio de Janeiro. His more than 20-year journey with AB InBev has taken him from leading finance roles in Brazil to the Dominican Republic, through Western Europe and North America. He most recently served as the Vice President of Finance and Technology for the North America Zone.

**Jean Jereissati Neto** is our Zone President South America and CEO of Ambev. Born in 1974, he is a Brazilian citizen and received a Degree in Business Administration from Fundação Getúlio Vargas (FGV) and an Executive Education at Insead and Wharton. Mr. Jereissati joined Ambev in 1998 and held various positions in Sales and Trade Marketing prior to becoming CEO of Cerveceria Nacional Dominicana, in 2013, making a successful integration with CND. In 2015, he joined Asia and Pacific North Zone to become Business Unit President for China and in 2017 he was appointed Zone President of the Zone, leading one of the most complex and fast-growing businesses. Most recently, Mr. Jereissati held the role of Business Unit President for Brazil.



**Peter Kraemer** is our Chief Supply Officer. Born in 1965, he is a U.S. citizen. A fifth-generation Brewmaster and native of St. Louis, Mr. Kraemer holds a Bachelor's degree in Chemical Engineering from Purdue University and a Master's Degree in Business Administration from St. Louis University. He joined Anheuser-Busch 32 years ago and has held various brewing positions over the years, including Group Director of Brewing and Resident Brewmaster of the St. Louis brewery. In 2008, Mr. Kraemer became Vice President, Supply, for AB InBev's North America Zone, leading all brewery operations, quality assurance, raw materials and product innovation responsibilities. He was appointed Chief Supply Officer of AB InBev in March 2016.

**Carlos Lisboa** is our Zone President Middle Americas since 1 January 2019. Born in 1969, Mr. Lisboa is a Brazilian citizen and received a Degree in Business Administration from the Catholic University of Pernambuco and a Marketing specialization from FESP, both in Brazil. Mr. Lisboa joined the group in 1993 and has built his career in marketing and sales. He was responsible for building the Skol brand in Brazil in 2001 and after that became Marketing Vice President for AB InBev's Latin American North Zone. Mr. Lisboa then led the International Business Unit in AB InBev's Latin America South Zone for two years prior to becoming Business Unit President for Canada. In 2015, he was appointed Marketing Vice President for AB InBev's Global Brands. Most recently, Mr. Lisboa held the role of Zone President Latin America South until 31 December 2018.

**Tony Milikin** is our Chief Procurement, Sustainability and Circular Ventures Officer. Mr. Milikin joined AB InBev in May, 2009 and is globally responsible for Procurement, Sustainability and Value Creation. Born in 1961, Mr. Milikin is a U.S. citizen. He is responsible for \$35B+ in purchases and working capital annually. AB InBev's Value Creation uses circular economy opportunities to create businesses from our waste and underutilized assets. Mr. Milikin holds an undergraduate Finance Degree from the University of Florida and an MBA from Texas Christian University. Mr. Milikin joined AB InBev from MWV, where he was Senior Vice President, Supply Chain and Chief Purchasing Officer. Prior to joining MWV, he held various purchasing, transportation and supply positions with increasing responsibilities at Monsanto and Alcon Laboratories.

**Ricardo Moreira** is our Zone President Africa since 1 January 2019. Born in 1971, he is a Portuguese citizen and received a Degree in Mechanical Engineering from Rio de Janeiro Federal University in Brazil and a specialization in Management from University of Chicago in the United States. Mr. Moreira joined the group in 1995 and held various positions in the sales and finance organizations prior to becoming Regional Sales Director in 2001. He subsequently held positions as Vice President Logistics and Procurement for Latin America North, Business Unit President for Hispanic Latin America (HILA) and Vice President Soft Drinks Latin America North. In 2013, Mr. Moreira moved to Mexico to head our sales, marketing and distribution organizations and lead the commercial integration of Grupo Modelo. Most recently, Mr. Moreira held the role of Zone President Latin America COPEC until 31 December 2018.

**Pablo Panizza** is our Chief Direct to Consumer Officer since 1 January 2019. Born in 1975, he is an Argentinean citizen and holds a degree in Industrial Engineering from Universidad de Buenos Aires. Mr. Panizza manages our Direct to Consumer business, coordinating cross-market initiatives, sharing best practices and shaping its strategy. He joined our company in 2000 as a Global Management Trainee in South America Zone and has spent almost two decades developing a career in the commercial area. After holding senior roles in Argentina and Global Headquarters, he led our business in Chile and Paraguay. He most recently served as Business Unit President for Argentina and Uruguay.

**Ricardo Tadeu** is our Chief B2B Officer since 1 July 2020. Born in 1976, he is a Brazilian citizen, and received a law degree from the Universidade Cândido Mendes in Brazil and a Master of Laws from Harvard Law School in Cambridge, Massachusetts. He is also Six Sigma Black Belt certified. He joined the group in 1995 and has held various roles across the Commercial area. He was appointed Business Unit President for operations in Hispanic Latin America in 2005, and served as Business Unit President, Brazil from 2008 to 2012. He served as Zone President, Mexico from 2013 until his appointment as Zone President Africa upon completion of the Combination in 2016. Mr. Tadeu most recently served as Chief Sales Officer and before that he held the role as Zone President Africa until 31 December 2018.

**Jason Warner** is our Zone President Europe since 1 January 2019. Born in 1973, he is a dual British and U.S. citizen and received a BSc Eng. Hons. Industrial Business Studies degree from DeMontfort University in the United Kingdom. Prior to his current role, he was Business Unit President for North Europe between 2015 and 2018. He joined AB InBev in July 2009 as Global VP Budweiser, based in New York, before moving into a dual role of Global VP Budweiser and Marketing VP. He has also held Global VP roles for Corona as well as Innovation and Renovation. Prior to joining AB InBev, he held various positions at The Coca-Cola Company and Nestlé.



**General Information on the Members of the Executive Committee**

In relation to each of the members of the Executive Committee as of 31 December 2020 (or the most recent practicable date, for former members), other than as set out below, we are not aware of (i) any convictions in relation to fraudulent offenses in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or partner or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

No member of the Executive Committee has, any conflicts of interests between any duties he/she owed to us and any private interests and/or other duties.

No member of the Executive Committee has, a family relationship with any director or member of executive management.

Over the five years preceding the date of this Form 20-F, the members of the Executive Committee have held the following main directorships (apart from directorships they have held with us and our subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Past
John Blood	—	International Institute for Conflict Prevention and Resolution (CPR)
Carlos Brito	Member of the Advisory Board of the Tsinghua University School of Economics and Management	IAB Council Member of the China Europe International Business School (CEIBS)
	Member of the CEO Group at the International Alliance for Responsible Drinking (IARD)	Member of the Board of Trustees and Finance Committee of the Greenwich Academy, Inc.
	Advisory Council Member of Stanford Graduate School of Business	Member of the Global Brewers Initiative (GBI)
Fernando Tennenbaum	—	—
David Almeida	—	—

**B. COMPENSATION**

**Introduction**

Our compensation system has been designed and approved to help motivate high performance. The goal is to deliver market-leading compensation, driven by both company and individual performance, and alignment with shareholders’ interests by encouraging ownership of our shares. Our focus is on annual and long-term variable pay, rather than on base salary or fees.

**Share-Based Payment Plans**

We currently have three primary, share-based payment plans, namely our long-term incentive stock option plan for directors (“**LTI Stock Option Plan Directors**”) established in 2014 and replaced by the restricted stock unit plan for directors (“**RSU Plan Directors**”) in 2019, our share-based compensation plan (“**Share-Based Compensation Plan**”), established in 2006 (and amended as from 2010) and our long-term incentive plan for eligible employees (“**LTI Plan Executives**”), established in 2009.



In addition, from time to time, we make exceptional grants to our employees and employees of our subsidiaries or grants of shares, restricted stock units or options under plans established by us or by certain of our subsidiaries.

#### LTI Stock Option Plan Directors

The table below provides an overview of all of the stock options outstanding under our former LTI Stock Option Plan Directors as of 31 December 2020:

Grant date of stock options	Expiry date of stock options	Number of options granted (in millions)	Number of options outstanding (in millions)	Exercise price (in EUR)
30 April 2014	29 April 2024	0.185	0.185	80.83
29 April 2015	28 April 2025	0.236	0.236	113.10
27 April 2016	27 April 2026	0.236	0.236	113.25
26 April 2017	26 April 2027	0.221	0.221	104.50
25 April 2018	25 April 2028	0.228	0.228	84.47
<b>Total</b>		<b>1.105</b>	<b>1.105</b>	

As of 31 December 2020, the total number of stock options granted under the LTI Stock Option Plan Directors is 1.105 million. As of 31 December 2020, of the 1.105 million outstanding options, none were vested.

For additional information on the LTI stock options held by members of our Board of Directors and members of our Executive Committee, see “—Compensation of Directors and Executives” below.

#### RSU Plan Directors

On 24 April 2019, the annual shareholders’ meeting of AB InBev resolved that the share-based portion of the remuneration of the directors of AB InBev be granted under the form of restricted stock units (“RSUs”) corresponding to a fixed gross value per year of (i) EUR 550,000 (USD 626,352) for the Chair of the Board of Directors, (ii) EUR 350,000 (USD 398,587) for the Chair of the Audit Committee and (iii) EUR 200,000 (USD 227,764) for the other directors.

Such restricted stock units vest after five years. Each director is entitled to receive a number of restricted stock units corresponding to the amount to which such director is entitled divided by the closing price of the shares of the company on Euronext Brussels on the day preceding the annual shareholders’ meeting approving the accounts of the financial year to which the remuneration in restricted stock units relates. Upon vesting, each vested restricted stock unit entitles its holder to one AB InBev share (subject to any applicable withholdings). These restricted stock units replaced the stock options to which the directors were previously entitled.

The granting and vesting of the restricted stock units are not subject to performance criteria. Therefore, the RSU Plan Directors qualifies as fixed remuneration.

The table below provides an overview of all of the RSUs granted under our RSU Plan that remain outstanding:

Grant date of RSUs	Vesting date of RSUs	Number of RSUs granted (in millions)	Number of RSUs outstanding (in millions)
24 April 2019	24 April 2024	0.040	0.040
3 June 2020	3 June 2025	0.074	0.074
<b>Total</b>		<b>0.114</b>	<b>0.114</b>





### *Share-Based Compensation Plan*

Our Executive Committee and other senior employees are granted variable compensation under our Share-Based Compensation Plan. Executives receive their variable performance-related compensation (bonus) in cash but have the choice to invest some or all of the value of their variable compensation in our shares, referred to as voluntary shares. Voluntary shares are:

- existing Ordinary Shares;
- entitled to dividends paid as from the date of grant;
- with respect to bonuses for the financial years 2019 and before, all voluntary shares must be held for a five-year period. With respect to bonuses for the financial year 2020 onwards, the voluntary shares are subject to a lock-up period of three years for half of them and five years for the other half; and
- granted at market price, to which a discount is applied. With respect to bonuses for the financial years 2019 and before, the discount was 10%. With respect to bonuses for the financial year 2020 onwards, the discount amounts to maximum 20%. The discount is delivered in the form of restricted stock units, subject to specific restrictions or forfeiture provisions in the event of termination of service (“**Discounted Shares**”).

Executives who invest in voluntary shares also receive three matching shares from the Company for each voluntary share invested up to a limited total percentage (60%) of each executive’s variable compensation. These matching shares are also delivered in the form of restricted stock units (“**Matching Shares**”).

With respect to bonuses for the financial years 2019 and before, the restricted stock units relating to the Matching Shares and the Discounted Shares vest over a five-year period. With respect to bonuses for the financial year 2020 onwards, half of the restricted stock units relating to the Matching Shares and the Discounted Shares vest over a three-year period, while the other half vest over a five-year period. 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 or her variable compensation in company shares, which are subject to a lock-up as indicated above (ownership condition).

In the event of termination of service before the vesting date of the restricted stock units, forfeiture rules apply.

In accordance with the authorization granted in our bylaws, the variable compensation system deviates from article 7:91, indents 1 and 2 of the Belgian Companies Code, as it allows:

- for the variable remuneration to be paid out based on the achievement of annual targets without staggering its grant or payment over a three-year period. However, eligible employees are encouraged to invest some or all of their variable compensation in voluntary shares. Such voluntary investment also leads to a grant of Matching Shares in the form of restricted stock units, of which half vest over a three-year period and half vest over a five-year period (with respect to bonuses for the financial years 2019 and before, a five-year vesting period applies to the restricted stock units relating to the Matching Shares and the Discounted Shares), ensuring sustainable long-term performance; and



- for the voluntary shares granted under the Share-Based Compensation Plan to vest at their grant, instead of applying a vesting period of a minimum of three years. Nonetheless, half of the voluntary shares are subject to a three-year lock-up period and half are subject to a five-year lock-up period (with respect to bonuses for the financial years 2019 and before, a five-year vesting period applies to voluntary shares).

During 2020, we issued 0.15 million matching restricted stock units pursuant to the new Share-Based Compensation Plan as described above, in relation to the 2019 bonuses.

#### **LTI Plan Executives**

As from 1 July 2009, senior employees are eligible for an annual long-term incentive to be paid out in LTI stock options or other share-based instruments such as restricted stock units, depending on management's assessment of the employee's performance and future potential. From 2020 onwards, grants will primarily take the form of restricted stock units. Any grant of annual long-term incentives to members of the Executive Committee and the senior leadership team is subject to Board approval, upon recommendation of the Remuneration Committee.

LTI stock options have the following features:

- upon exercise, each LTI stock option entitles the option holder to one share. As of 2010, we have also issued LTI stock options entitling the holder to one ADS;
- an exercise price equal to the market price of our share or our ADS at the time of granting;
- a maximum lifetime of 10 years and an exercise period that starts after five years; and
- the LTI stock options cliff vest after five years. Unvested options are subject to specific forfeiture provisions in case of termination of service before the end of the five-year vesting period.

Long-term restricted stock units have the following features:

- a grant value determined on the basis of the market price of the share at the time of grant;
- upon vesting, each restricted stock unit entitles its holder to acquire one share; and
- half of the restricted stock units cliff vest over a three-year period and the other half cliff vest over a five-year period. In the event of termination of service before the vesting date, specific forfeiture rules will apply.

The table below gives an overview of the annual LTI stock options on our shares that have been granted under the LTI Plans outstanding as of 31 December 2020:

<u>Issue Date</u>	<u>Number of LTI stock options granted</u> <i>(in millions)</i>	<u>Number of LTI stock options outstanding</u> <i>(in millions)</i>	<u>Exercise price</u> <i>(in EUR)</i>	<u>Expiry date of options</u>
30 November 2011	2.85	0.91	44.00	29 November 2021
30 November 2012	2.75	1.67	66.56	29 November 2022
14 December 2012	0.22	0.09	66.88	13 December 2022
2 December 2013	2.48	1.71	75.15	1 December 2023
19 December 2013	0.37	0.21	74.49	18 December 2023
1 December 2014	2.48	1.78	94.46	30 November 2024



<u>Issue Date</u>	<u>Number of LTI stock options granted</u> <i>(in millions)</i>	<u>Number of LTI stock options outstanding</u> <i>(in millions)</i>	<u>Exercise price</u> <i>(in EUR)</i>	<u>Expiry date of options</u>
17 December 2014	0.53	0.38	88.53	16 December 2024
1 December 2015	1.63	1.06	121.95	30 November 2025
22 December 2015	1.86	1.40	113.00	21 December 2025
1 December 2016	2.32	1.62	98.04	30 November 2026
15 December 2016	1.15	0.81	97.99	14 December 2026
13 January 2017	0.02	0.01	99.01	12 January 2027
20 January 2017	0.96	0.81	98.85	19 January 2027
5 May 2017	0.52	—	109.10	4 May 2027
1 December 2017	4.79	3.64	96.70	30 November 2027
22 January 2018	1.05	0.97	94.36	21 January 2028
8 March 2018	0.27	0.27	89.43	7 March 2028
3 December 2018	4.48	3.55	67.64	2 December 2028
25 January 2019	0.93	0.84	65.70	24 January 2029
1 March 2019	0.02	0.02	68.55	2 December 2028
2 December 2019	5.87	5.40	71.87	1 December 2029

The table below gives an overview of the annual LTI stock options on our ADS that have been granted under the LTI Plans outstanding as of 31 December 2020:

<u>Issue Date</u>	<u>Number of LTI stock options granted</u> <i>(in millions)</i>	<u>Number of LTI stock options outstanding</u> <i>(in millions)</i>	<u>Exercise price</u> <i>(in USD)</i>	<u>Expiry date of options</u>
30 November 2011	1.17	0.51	58.44	29 November 2021
30 November 2012	1.16	0.68	86.43	29 November 2022
14 December 2012	0.17	0.11	87.34	13 December 2022
2 December 2013	1.05	0.68	102.11	1 December 2023
19 December 2013	0.09	0.06	103.39	18 December 2023
1 December 2014	1.04	0.67	116.99	30 November 2024
17 December 2014	0.22	0.16	108.93	16 December 2024
1 December 2015	1.00	0.68	128.46	30 November 2025
22 December 2015	0.14	0.09	123.81	21 December 2025
1 December 2016	1.29	0.94	103.27	30 November 2026
15 December 2016	0.08	0.06	102.91	14 December 2026
1 December 2017	1.40	1.08	114.50	30 November 2027
3 December 2018	1.19	1.05	76.87	2 December 2028
2 December 2019	1.26	1.21	79.35	1 December 2029

For further details regarding annual long-term incentive restricted stock units granted to members of the Executive Committee in 2020, please see “—Compensation of Directors and Executives—Long-Term Incentives—Annual long-term incentive restricted stock units” below.

**Exceptional Long-Term Incentives**

Options or restricted stock units may be granted from time to time to members of our management:

- who have made a significant contribution to the success of the company; or
- who have made a significant contribution in relation to acquisitions and/or the achievement of integration benefits; or
- to incentivize and retain senior leaders who are considered to be instrumental in achieving the company’s ambitious short or long-term growth agenda.



Vesting of such options or restricted stock units may be subject to achievement of performance conditions which will be related to the objectives of such exceptional grants. Such performance conditions may consist of financial metrics, such as an EBITDA compounded annual growth rate, for instance.

From 2020 onwards, grants will primarily take the form of restricted stock units. Any grant of exceptional long-term incentives to members of the Executive Committee and/or the senior leadership team is subject to Board approval, upon recommendation of the Remuneration Committee. For further details regarding exceptional long-term incentive stock options granted to members of the Executive Committee in 2020, please see “—Compensation of Directors and Executives—Long-Term Incentives—Exceptional long-term incentives” below.

The following historic exceptional long-term incentive plans are currently in place, and upon recommendation of the Remuneration Committee, the Board can implement similar exceptional long-term incentive plans:

*2020 Incentive Plan:* options can be granted to selected members of our management, who are considered to be instrumental in helping us achieve our ambitious growth target (the “**2020 Incentive Plan**”). Each option gives the grantee the right to purchase one existing share. The options have a duration of 10 years from granting and vest after five years. The options only become exercisable provided a performance test is met by AB InBev. This performance test is based on a net revenue amount which must be achieved by 2022 at the latest.

No options under the 2020 Incentive Plan were granted to members of the Executive Committee in 2020.

*Integration Incentive Plan:* options can be granted to selected members of our management considering the significant contribution that these employees can make to the success of the company and the achievement of integration benefits (“**Integration Incentive Plan**”).

Each option gives the grantee the right to purchase one existing ordinary AB InBev share. The exercise price of the options is set at an amount equal to the market price of the share at the time of grant.

The options have a duration of 10 years from grant and vest on 1 January 2022 and only become exercisable provided we meet a performance test by 31 December 2021 at the latest. This performance test is based on an EBITDA compounded annual growth rate target and may be complemented by additional country- or region-specific or function-specific targets. Specific forfeiture rules apply if the employee leaves the company before the performance test achievement or the vesting date.

In 2020, no additional options were granted under the Integration Incentive Plan to members of the Executive Committee.

*Incentive Plan for SAB Employees:* options can be granted to employees of former SAB (the “**Incentive Plan for SAB Employees**”). The grant results from the commitment that we have made under the terms of the combination with SAB, that we would, for at least one year, preserve the terms and conditions for employment of all employees that remained with SAB.

Each option gives the grantee the right to purchase one existing ordinary AB InBev share. The exercise price of the options is set at an amount equal to the market price of the share at the time of grant.

The options have a duration of 10 years as from granting and vest after three years. Specific forfeiture rules apply if the employee leaves the company before the vesting date. In 2020, no options were granted under the Incentive Plan for SAB employees to members of the Executive Committee.



*Long Run Stock Options Incentive Plan:* options can be granted to selected members of our management to incentivize and retain senior leaders who are considered to be instrumental in achieving our ambitious long-term growth agenda over the next 10 years (“**Long Run Stock Options Incentive Plan**”).

Each option gives the grantee the right to purchase one existing share. The exercise price of the options is set at the closing share price on the day preceding the grant date. The options have a duration of 15 years as from granting and, in principle, vest after 5 or 10 years. The options only become exercisable provided a performance test is met by AB InBev. This performance test is based on an organic EBITDA compounded annual growth rate target. Specific forfeiture rules apply if the employee leaves the company before the performance test achievement or vesting date.

In 2020, no additional options were granted under the Long Run Stock Options Incentive Plan to members of the Executive Committee.

***Recurring Specific Long-Term Restricted Stock Unit Programs***

Several recurring specific long-term restricted stock unit programs are in place.

*Restricted Stock Units Program:* This program allows for the offer of restricted stock units to certain employees in certain specific circumstances. For example, grants may be made as a special retention incentive or to compensate for assignments of expatriates in countries with difficult living conditions. The restricted stock units vest after five years and in the case of termination of service before the vesting date, specific forfeiture rules apply. As of 1 December 2020, this program has been replaced by the new Base Long-Term Restricted Stock Units Plan described below. For further details regarding RSUs granted under the program to members of the Executive Committee in 2020, please see “—Compensation of Directors and Executives— Recurring Specific Long-Term Restricted Stock Unit Programs—Restricted Stock Units Program” below.

*Exceptional Incentive Restricted Stock Units Program:* This program allows for the exceptional offer of restricted stock units to certain employees at the discretion of our Remuneration Committee as a long-term retention incentive for our key employees. Employees eligible to receive a grant under the program will receive two series of restricted stock units. The first half of the restricted stock units vests after five years. The second half of the restricted stock units vests after 10 years. Under a variant of this program, restricted stock units may be granted with a shorter vesting period of between two and a half and three years for the first half, and five years for the second half. In case of termination of service before the vesting date, specific forfeiture rules apply. Beginning in 2017, instead of restricted stock units, stock options may also be granted under this program, with similar vesting and forfeiture rules. No restricted stock units were granted under the program to members of the Executive Committee in 2020. As of 1 December 2020, this program has been replaced by the new Base Long-Term Restricted Stock Units Plan described below.

*Share Purchase Program:* This program allows certain employees to purchase our shares at a discount. This program is a long-term retention incentive (i) for high-potential employees who are at a mid-manager level or (ii) for newly hired employees. A voluntary investment in our shares by the participating employee is matched with a grant of three matching shares for each share invested or, as the case may be, a number of matching shares corresponding to a fixed monetary value that depends on seniority level. The matching shares are granted in the form of restricted stock units which vest after five years. In case of termination before the vesting date, special forfeiture rules apply. Beginning in 2016, instead of restricted stock units, stock options may also be granted under this program with similar vesting and forfeiture rules. No shares under the program were purchased by members of the Executive Committee in 2020.

*Performance-Based Restricted Stock Units:* This program allows for the offer of performance-based restricted stock units (“**Performance RSUs**”) to certain members of our management. Upon vesting, each Performance RSU gives the eligible employee the right to receive one existing Ordinary Share. The Performance RSUs have a vesting period of five years or of ten years. The shares resulting from the vesting of the Performance RSUs will only be delivered provided a performance test is met by the company. Specific forfeiture rules apply if the employee leaves the company before the vesting date or if the performance test is not achieved by a certain date. These Performance RSUs are subject to an organic EBITDA compounded annual growth rate target set by the Board. Other performance test criteria may be used for future grants. No restricted stock units were granted under the program to members of the Executive Committee in 2020.



*Base Long-Term Restricted Stock Units Program:* This program allows for the offer of restricted stock units to certain members of our management in certain specific circumstances, e.g. as a special retention incentive or to compensate for assignments of expatriates in certain limited countries. This program was created in 2020 and will replace the *Restricted Stock Units Program* and *Exceptional Incentive Restricted Stock Units Program* described above for the purposes of grants made as from 1 December 2020. Under this new program, restricted stock units can be granted under sub-plans with specific terms and conditions and for specific purposes. The restricted stock units in principle vest after five years without a performance test and in the event of termination of service before the vesting date, forfeiture rules apply. The Board may set shorter or longer vesting periods for specific sub-plans or introduce performance tests similar to those described under the *Performance-Based Restricted Stock Units program*.

Any grant under long-term restricted stock unit programs to members of the Executive Committee and/or senior leadership team is subject to Board approval, upon recommendation of the Remuneration Committee.

#### ***Ambev Exchange of Share-Ownership Program***

From time to time certain of Ambev's senior employees are transferred to us and vice versa. In order to encourage management mobility and ensure that the interests of these managers are fully aligned with our interests, our Board has approved a program that aims at facilitating the exchange by these senior employees of their Ambev shares into our shares (the "**ABI/Ambev Exchange Program**"). Under the ABI/Ambev Exchange Program, Ambev shares can be exchanged for our shares based on the average share price of both the Ambev shares and our shares on the date the exchange is requested. A discount of 16.66% is granted in exchange for a five-year lock-up period for the shares and provided that the manager remains in service during this period.

In 2020, no member of the Executive Committee participated in the ABI/Ambev Exchange Program.

#### ***Programs for Maintaining Consistency of Benefits Granted and for Encouraging Global Mobility of Executives***

Two programs aimed at maintaining consistency of benefits granted to eligible employees and encouraging the international mobility of eligible employees while complying with all legal and tax obligations were approved at the annual shareholders' meeting of AB InBev on 27 April 2010.

The Exchange Program: Under this program, the vesting and transferability restrictions of the Series A Options granted under the November 2008 Exceptional Grant<sup>1</sup> and the options granted under the April 2009 Exceptional Grant<sup>2</sup> could be released, e.g., for eligible employees who moved to the United States ("**Exchange Program**"). These eligible employees were then offered the opportunity to exchange their options against a number of our shares that remained locked up until 31 December 2018 (five years longer than the original lock-up period).

Because the Series A Options granted under the November 2008 Exceptional Grant and the Options granted under the April 2009 Exceptional Grant 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 Grant. Under the extended program, eligible employees who are relocated, e.g., to the United States, can elect to exchange their Series B Options against a number of our Ordinary Shares that, in principle, remain locked up until 31 December 2023 (five years longer than the original lock-up period).

<sup>1</sup> The Series A Options have a duration of 10 years from granting and vested on 1 January 2014. The Series B Options have a duration of 15 years from granting and vest on 1 January 2019. The exercise of the stock options is subject, among other things, to AB InBev meeting a performance test. This performance test has been met as the net debt/EBITDA, as defined (adjusted for exceptional items), ratio fell below 2.5 before 31 December 2013. Specific forfeiture rules apply in the case of termination of employment. The exercise price of the options is EUR 10.32 (USD 11.82) or EUR 10.50 (USD 12.02), which corresponds to the fair market value of the shares at the time of the option grant, as adjusted for the rights offering that took place in December 2008. In March 2020, Carlos Brito exercised 1,492,830 options of 25 November 2008 with a strike price of EUR 10.32 and 960,030 options of 1 December 2009 with a strike price of EUR 33.24.



- 2 The options have a duration of 10 years from granting and vested on 1 January 2014. The exercise of the stock options is subject, among other things, to AB InBev meeting a performance test. This performance test has been met as the net debt/EBITDA, as defined (adjusted for exceptional items), ratio fell below 2.5 before 31 December 2013. Specific forfeiture rules apply in the case of termination of employment. The exercise price of the options is EUR 21.94 (USD 25.12) or EUR 23.28 (USD 26.66), which corresponds to the fair market value of the shares at the time of the option grant.

In 2020, no exchanges were executed under this program by members of the Executive Committee.

Under a variant of this plan, upon recommendation of the Remuneration Committee, our Board has also approved a variant of the Exchange Program to allow the early release of the vesting conditions of the Series B Options granted under the November 2008 Exceptional Grant for eligible employees who are relocated, *e.g.*, to the United States. The shares that result from the exercise of these options will, in principle, remain blocked until 31 December 2023. No options were accelerated in accordance with this approval in 2020.

*The Dividend Waiver Program:* The dividend protection feature of the outstanding options, where applicable, owned by eligible employees who move to the United States will be canceled. In order to compensate for the economic loss which results from this cancellation, a number of new options will be granted to these eligible employees 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 canceled. As a consequence, the grant of these new options does not result in the grant of any additional economic benefit to the eligible employees concerned. In 2020, no options were granted under this program to members of the Executive Committee.

All other terms and conditions of the options are identical to the outstanding options for which the dividend protection was canceled.

Upon recommendation of the Remuneration Committee in December 2015, our Board has also approved the early release of vesting conditions of unvested stock options which are vesting within six months of the executive's relocation. The shares that result from the early exercise of the options must remain locked up until the end of the initial vesting period of the stock options.

#### ***Performance Related Incentive Plan for Disruptive Growth Function***

In 2016, we implemented a new performance related incentive plan, which substituted the long-term incentive stock option plan for those eligible employees in the Disruptive Growth Function, called ZX Ventures. The Disruptive Growth Function was created in 2015 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 Marketing and ZX Ventures Officer.

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

Eligible employees are granted performance units whose value depends on the internal rate of return of their business area. The units will vest after five years, provided a performance test is met, which is based on a minimal growth rate of the internal rate of return. At vesting, the performance units may be settled in cash or in our Ordinary Shares. Specific forfeiture rules apply if the executive leaves the AB InBev Group.



**Compensation of Directors and Executives**

Unless otherwise specified, all compensation amounts in this section are gross of tax.

**Board of Directors**

Our directors receive fixed compensation in the form of annual fees and share-based compensation in the form of restricted stock units. Our Remuneration Committee recommends the level of remuneration for directors, including the Chair of the Board. These recommendations are subject to approval by our Board and, subsequently, by our 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. See "—C. Board Practices—Information about Our Committees—The Remuneration Committee."

**Board Compensation in 2020**

The fixed annual fee for our directors in 2020 amounted to EUR 75,000 (USD 93,032), except for the Chair of the Board and the Chair of the Audit Committee, whose fixed annual fees amounted to EUR 255,000 (USD 290,399) and EUR 127,500 (USD 145,200) respectively. On 24 April 2019, the annual shareholders' meeting resolved that the fixed annual fee of the directors will no longer be supplemented by any attendance fee for each additional physical Board meeting after ten (10) meetings or for each Committee meeting attended.

In addition, a fixed annual retainer applied as follows: (a) EUR 28,000 (USD 34,359) for the Chair of the Audit Committee, EUR 14,000 (USD 17,179) for the other members of the Audit Committee, (c) EUR 14,000 (USD 17,179) for each of the Chairs of the Finance Committee, the Remuneration Committee and the Nomination Committee and (d) EUR 7,000 (USD 8,590) to each of the other members of the Finance Committee, the Remuneration Committee and the Nomination Committee.

The share-based portion of the remuneration of the directors was granted in the form of restricted stock units corresponding to a fixed gross value of EUR 200,000 (USD 227,764). The Chair of the Board was granted restricted stock units corresponding to a fixed gross value of EUR 550,000 (USD 626,352) and the Chair of the Audit Committee was granted restricted stock units corresponding to a fixed gross value of EUR 350,000 (USD 398,587). Such restricted stock units will vest after 5 years and, upon vesting, will entitle their holders to one AB InBev share per restricted stock unit (subject to any applicable withholding).

We do not provide pensions, medical benefits, benefits upon termination or end of service or other benefit programs to directors.

The table below provides an overview of the fixed and share-based compensation that our directors received in 2020.

Name	Number of Board meetings attended	Annual fee for Board meetings (EUR)	Fees for Committee meetings (EUR)	Total fee (EUR)	Number of RSUs granted <sup>(3)</sup>
María Asunción Aramburuzabala	13	75,000	0	75,000	4,526
Martin J. Barrington	14	255,000	21,000	276,000	12,447
Michele Burns	14	127,500	42,000	169,500	7,920
Sabine Chalmers	14	75,000	4,083	79,083	4,526
Paul Cornet de Ways Ruat	14	75,000	7,000	82,000	4,526
Grégoire de Spoelberch	14	75,000	11,084	86,084	4,526
Claudio Garcia	14	75,000	19,251	94,251	4,526
William F. Gifford Jr. <sup>(1)</sup>	13	0	0	0	0
Paulo Lemann	14	75,000	7,000	81,000	4,526



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Name	Number of Board meetings attended	Annual fee for Board meetings (EUR)	Fees for Committee meetings (EUR)	Total fee (EUR)	Number of RSUs granted <sup>(3)</sup>
Xiaozhi Liu	13	75,000	14,000	89,000	4,526
Alejandro Santo Domingo	14	75,000	4,083	79,083	4,526
Elio Leoni Sceti	12	75,000	21,000	96,000	4,526
Cecilia Sicupira	14	75,000	7,000	81,000	4,526
Marcel Hermann Telles <sup>(2)</sup>	8	31,730	11,666	43,397	4,526
Roberto Thompson Motta <sup>(2)</sup>	6	43,270	4,083	47,352	0
Alexandre Van Damme	14	75,000	12,833	87,833	4,526
<b>All directors as group</b>		<b>1,282,500</b>	<b>186,083</b>	<b>1,468,583</b>	<b>74,679</b>

Note:

- Mr. Gifford has waived his entitlement to any type of remuneration, including share-based remuneration, relating to the exercise of his mandate in 2020 and before.
- Mr. Thompson Motta was appointed director on 3 June 2020. The mandate of Mr. Telles ended on 3 June 2020.
- No restricted stock units granted to Directors vested in 2020.

**Stock Options Held 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 2020<sup>(1)</sup>. LTI options are no longer awarded to directors (last grant on 25 April 2018).

Grant date	LTI 26	LTI 25	LTI 24	LTI 23	LTI 22	Total options
	25 April 2018	26 April 2017	27 April 2016	29 April 2015	30 April 2014	
Expiry date	24 April 2028	25 April 2027	26 April 2026	28 April 2025	29 April 2024	
María Asunción Aramburuzabala	15,000	15,000	15,000	15,000	0	60,000
Martin J. Barrington	0	0	0	0	0	0
Sabine Chalmers <sup>(2)</sup>	0	0	0	0	0	0
Michele Burns	25,500	25,500	25,500	0	0	76,500
Paul Cornet de Ways Ruart	15,000	15,000	15,000	15,000	15,000	75,000
Grégoire de Spoelberch	15,000	15,000	15,000	15,000	15,000	75,000
Claudio Garcia <sup>(2)</sup>	0	0	0	0	0	0
William F. Gifford Jr. <sup>(3)</sup>	0	0	0	0	0	0
Paulo Lemann	15,000	15,000	15,000	15,000	0	60,000
Xiaozhi Liu	0	0	0	0	0	0
Alejandro Santo Domingo	15,000	15,000	0	0	0	30,000
Elio Leoni Sceti	15,000	15,000	15,000	15,000	0	60,000
Cecilia Sicupira	0	0	0	0	0	0
Roberto Thompson Motta	0	0	0	0	15,000 <sup>(4)</sup>	15,000
Alexandre Van Damme	15,000	15,000	15,000	15,000	15,000	75,000
<b>Strike price (EUR)</b>	<b>84.47</b>	<b>104.50</b>	<b>113.25</b>	<b>113.10</b>	<b>80.83</b>	<b>—</b>

Note:

- At the annual shareholders' meeting of AB InBev on 30 April 2014, all outstanding LTI warrants under our LTI Warrant Plan (see "—Share-Based Payment Plans—LTI Warrant Plan") were 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 existing grants under the LTI Warrant Plan remained unchanged. In 2020, no LTI stock options listed in the table above were exercised by directors. No LTI stock options were granted to directors in 2020.



- (2) Mr. Garcia and Ms. Chalmers do not hold stock options under the company's LTI Stock Options Plan for directors. However, they do still hold certain stock options that were awarded to them in the past in their capacity as executives of the company. Out of these, in 2020 Mr. Garcia exercised 47,680 LTI Options of 30 November 2010 with an exercise price of EUR 42.41.
- (3) Mr. Gifford has waived his entitlement to any type of remuneration, including long-term incentive stock options, relating to the exercise of his mandate in 2020 and before.
- (4) 15,000 stock options granted on 30 April 2014 to Roberto Thompson Motta from his previous service as director mandate at the company.

### Restricted Stock Units Held by Directors

The table below sets forth, for each of our current directors, the number of restricted stock units they owned as of 31 December 2020.

Grant Date	24 April 2019	3 June 2020	Number of RSUs owned
Vesting Date	24 April 2024	3 June 2025	(3)
María Asunción Aramburuzabala	2,595	4,526	7,121
Martin J. Barrington	1,614	12,447	14,061
Michele Burns	4,544	7,920	12,464
Sabine Chalmers <sup>(2)</sup>	0	4,526	4,526
Paul Cornet de Ways Ruat	2,595	4,526	7,121
Grégoire de Spoelberch	2,595	4,526	7,121
Claudio Garcia <sup>(2)</sup>	0	4,526	4,526
William F. Gifford Jr. <sup>(1)</sup>	0	0	0
Paulo Lemann	2,595	4,526	7,121
Xiaozhi Liu	0	4,526	4,526
Alejandro Santo Domingo	2,595	4,526	7,121
Elio Leoni Sceti	2,595	4,526	7,121
Cecilia Sicupira	0	4,526	4,526
Roberto Thompson Motta	0	0	0
Alexandre Van Damme	2,595	4,526	7,121
<b>All directors as group</b>	<b>24,323</b>	<b>70,153</b>	<b>94,476</b>

Note:

- (1) William F. Gifford has waived his entitlement to any type of remuneration, including share-based remuneration, relating to the exercise of his mandate in 2020 and before.
- (2) In addition to the restricted stock units held under the company's RSU plan for directors, Claudio Garcia and Sabine Chalmers hold certain restricted stock units that were awarded to them in the past in their capacity as executives of the company.
- (3) No restricted stock units granted to directors vested in 2020.

### Board Share Ownership

The table below sets forth, as of the most recent practicable date, the number of our shares owned by our directors serving in 2020 and year-to-date 2021:

Name	Number of our shares held	% of our outstanding shares
María Asunción Aramburuzabala	(*)	(*)
Martin J. Barrington	(*)	(*)
Claudio Garcia	(*)	(*)
Michele Burns	(*)	(*)
Paul Cornet de Ways Ruat	(*)	(*)
Sabine Chalmers	(*)	(*)



Name	Number of our shares held	% of our outstanding shares
Grégoire de Spoelberch	(*)	(*)
William F. Gifford Jr.	(*)	(*)
Xiaozhi Liu	(*)	(*)
Paulo Lemann	(*)	(*)
Elio Leoni Sceti	(*)	(*)
Alejandro Santo Domingo	(*)	(*)
Cecilia Sicupira	(*)	(*)
Roberto Thompson Motta	(*)	(*)
Alexandre Van Damme	(*)	(*)
<b>TOTAL</b>	<b>19.78 million</b>	<b>&lt;1%</b>

Note:

(\*) Each director owns less than 1% of our outstanding shares as of the most recent practicable date.

**Executive Committee**

The main elements of our executive remuneration are (i) a fixed-base salary, (ii) variable performance-related compensation (bonus), (iii) long-term incentive stock options, (iv) long-term restricted stock units, (v) post-employment benefits and (vi) other compensation.

Figures in this section may differ from the figures in the notes to our consolidated financial statements for the following reasons: (i) figures in this section are figures gross of tax, while figures in the notes to our consolidated financial statements are reported as “cost for the Company”; (ii) the split “short-term employee benefits” vs. “share-based compensation” in the notes to our consolidated financial statements does not necessarily correspond to the split “base salary” vs. “variable compensation” in this section. Short-term employee benefits in the notes to our consolidated financial statements include the base salary and the portion of the variable compensation paid in cash. Share-based compensation includes the portion of the variable compensation paid in shares and certain non-cash elements, such as the fair value of the options granted, which is based on financial pricing models and (iii) the scope for the reporting is different as the figures in the notes to our consolidated financial statements also contain the remuneration of executives who left during the year, while figures in this section only contain the remuneration of executives who were in service at the end of the reporting year.

Our executive compensation and reward programs are overseen by our Remuneration Committee. It submits recommendations on the remuneration policies and individual remuneration packages for the Board of Directors, the Chief Executive Officer, the Executive Committee and the senior leadership team to the Board for approval. It ensures that the CEO and members of the Executive Committee and senior leadership team are incentivized to achieve, and are compensated for, exceptional performance. It also promotes the maintenance and continuous improvement of the company’s compensation framework, which applies to all employees. Such compensation framework is 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 Remuneration Committee takes into account the compensation of the employees when preparing the remuneration policies applicable to the Board, the CEO and the other members of the Executive Committee.

Particularly, the Remuneration Committee discusses and assesses key areas of remuneration policy for the wider workforce throughout the year, the annual bonus pool and resulting payments made to employees across the workforce and any material changes to the structure of workforce compensation. See “—C. Board Practices—Information about Our Committees—The Remuneration Committee.” In addition, the decision to approve the remuneration policy, prior to its submission to the shareholders’ meeting, and the determination of the remuneration of the CEO and the other Executive Committee and senior leadership team members is vested with the Board upon recommendation of the Remuneration Committee. No member of the Executive Committee is at the same time a member of the Board of Directors. As regards the remuneration of the directors, all decisions are adopted by the shareholders’ meeting.



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 our overall success and individual performance. It ensures alignment with shareholders’ interests by strongly encouraging executive ownership of shares in our company and enables us to attract and retain the best talent at global levels.

Unless otherwise specified, the information and amounts in this section relate to the members of our Executive Committee as of 1 January 2021. See “—A. Directors and Senior Management—Administrative, Management, Supervisory Bodies and Senior Management Structure.”

### Base Salary

In order to promote alignment with market practice, base salaries are reviewed against benchmarks on an annual basis. These benchmarks are collated by independent compensation consultants, in relevant industries and geographies. For benchmarking, a custom sample of over 20 leading peer companies (“**Peer Group**”) is used when available. The Peer Group is comprised of companies with a similar size to us, with the majority of them belonging to the Fast Moving Consumer Goods sector. The constituents share a complex and diverse business model and operate in talent and labor markets similar to us. The Peer Group is set by the Remuneration Committee upon the advice of an independent compensation consultant, and may be revised from time to time. If Peer Group data are not available for a given role, data from Fortune 100 companies are used. Our 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 less. Executives’ total compensation target is intended to be 10% above the third quartile.

In view of the COVID-19 pandemic in 2020, the members of the Executive Committee voluntarily reduced their base salary by 20% for the period starting on 1 May 2020 until 31 December 2020.

In 2020, based on his employment contract (and taking into account the aforementioned voluntary 20% reduction), our Chief Executive Officer earned a fixed salary of EUR 1.24 million (USD 1.42 million). The other members of our Executive Committee earned an aggregate base salary of EUR 1.58 million (USD 1.80 million).

### Variable Performance-Related (Bonus) Compensation – Share-Based Compensation Plan

The variable performance-related compensation (bonus) element of remuneration for members of our Executive Committee is aimed at rewarding executives for driving our short- and long-term performance.

The target variable performance-related compensation (bonus) is expressed as a percentage of the annual market reference salary applicable to the executive. The on-target bonus percentage currently theoretically amounts to maximum 200% of the market reference salary for members of the Executive Committee and 340% for the Chief Executive Officer. An additional incentive of 20% on a bonus amount may be awarded by the Remuneration Committee in the case of overachievement or other exceptional circumstances.

The effective pay-out of variable performance-related compensation (bonus), if any, 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 are based on performance metrics which focus on top-line growth, profitability and long-term value creation. For the year ended 31 December 2020, the key performance metrics and their relative weights were:

<u>Key Performance Metrics</u>	<u>Weight</u>
Net Revenue (organic)	50%
EBITDA (organic)	30%
Cash flow (organic)	20%
<b>Total</b>	<b>100%</b>



The aggregated target achievement of the performance criteria in 2020 was 0%, reflecting the impact of the COVID-19 pandemic on the company's operations and results.

The metrics and the relative weight attributed to each of them are set by the Board annually taking into account the Company's strategic priorities.

In addition, the final individual bonus pay-out percentage also depends on each executive's personal achievement of his or her individual performance targets. Individual performance targets of the Chief Executive Officer and our Executive Committee may consist of financial and non-financial targets. Individual financial targets can, for example, be related to EBITDA, net revenue, capex, resource allocation and net debt ratios. Examples of individual non-financial targets include targets in the field of brand development, operations and innovation, sustainability and other elements of corporate social responsibility, as well as compliance and ethics. Typical individual performance measures in the non-financial areas relate to employee engagement, talent pipeline, sustainability goals and compliance, and are linked to the achievement of the company's strategic objectives.

Below a hurdle of achievement for total company and business unit targets, no bonus is earned irrespective of individual target achievement.

The target achievement for each of the performance KPIs and business and personal objectives is assessed by the Remuneration Committee on the basis of accounting and financial data and other objective criteria. A weighted performance score is translated into a payout curve which has a hurdle and a cap. The hurdle is set at the minimum acceptable level of performance to trigger eligibility for a bonus pay-out.

The variable performance-related compensation (bonus) is generally paid annually in arrears after publication of our full-year results, in or around March of the relevant year. In exceptional circumstances, the variable compensation may be paid out semi-annually at the discretion of the Board. In such cases, the first half of the variable compensation is paid shortly after publication of the half-year results, and the second half is paid after publication of the full-year results.

#### **Variable Compensation (bonus) for Performance in 2019 – Paid in July 2019 and March 2020**

For the full year 2019, the Chief Executive Officer earned variable compensation of EUR 2.61 million (USD 2.93 million). The other members of the Executive Committee earned an aggregate bonus of EUR 2.49 million (USD 2.80 million).

These bonus amounts are based on our company's performance during the year 2019 and the executives' individual target achievements. A first installment of the variable compensation was paid in July 2019 and the remainder of the bonus was paid in March 2020.

Information regarding the number of the company's shares voluntarily acquired by and Matching Shares granted to the Chief Executive Officer and other members of the Executive Committee on 29 July 2019 following the payment of the first instalment is set forth in our Annual Report on Form 20-F for the fiscal year ended 31 December 2019.

Following the payment of the second instalment, 3,326 Voluntary Shares were acquired by and 10,627 Matching Shares were granted to John Blood on 2 March 2020.

#### **Variable Compensation (bonus) for Performance in 2020**

For the year 2020, based on the company's target achievement during the year 2020, no bonus was earned by the Chief Executive Officer nor any other member of the Executive Committee, irrespective of individual target achievement.



### Long-Term Incentives

#### *Annual long-term incentive restricted stock units*

On 14 December 2020, 14,413, 12,011 and 12,011 long-term restricted stock units were granted to David Almeida, John Blood and Fernando Tennenbaum, respectively. On 1 March 2021, 147,758 long-term restricted stock units were granted to Carlos Brito.

Half of the annual restricted stock units cliff vest over a three-year period and the other half cliff vest over a five-year period. In the event of termination of service before the vesting date, forfeiture rules apply.

#### *Exceptional long-term incentives*

On 25 March 2020, 1,423,122, 711,561 and 1,423,122 long-term stock options (having an exercise price of EUR 40.40) were granted to David Almeida, John Blood and Fernando Tennenbaum, respectively, as an exceptional long-term retention incentive.

The options cliff vest after five years and have a maturity of 10 years. In the event of termination of service before the vesting date, forfeiture rules apply.

### Recurring Specific Long-Term Restricted Stock Unit Programs

#### *Restricted Stock Units Program*

On 25 March 2020, 456,561, 114,140 and 228,280 long-term restricted stock units were granted to David Almeida, John Blood and Fernando Tennenbaum, respectively, as an exceptional long-term retention incentive under the program.

The restricted stock units cliff vest after five years and in the event of termination of service before the vesting date, forfeiture rules apply.

### Post-Employment Benefits

We sponsor various post-employment benefit plans worldwide. These include pension plans, both defined contribution plans and defined benefit plans, and other post-employment benefits. See note 25 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for further details on our employee benefits.

Our Chief Executive Officer and other members of the Executive Committee participate in a defined contribution plan. No annual contributions were due by the Company under the Chief Executive Officer's plan in 2020. The contributions for other members of the Executive Committee amounted to approximately USD 0.04 million in the aggregate in 2020. See note 34 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.

### Other Compensation

We also provide executives with disability, life, medical (including vision and dental) and Group Variable Universal Life (GVUL) insurance and perquisites and other benefits that are competitive with market practice in the markets where such executives are employed. In 2020, the costs of these benefits amounted to approximately USD 0.04 million for the CEO and approximately USD 0.06 million in aggregate for the other members of the Executive Committee.





### Employment Agreements and Termination Arrangements

Terms and conditions of employment of the members of our Executive Committee are included in individual employment agreements, which are for an indefinite period of time. Executives are also required to comply with our 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 employment 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 us. The specific conditions and modalities of the variable compensation are fixed by us in a separate plan which is approved by the Remuneration Committee.

The termination arrangements for the members of the Executive Committee 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 we decide 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, subject to applicable laws and regulations.

Effective 29 April 2020, Felipe Dutra (former Chief Financial and Technology Officer) left the company. He received an amount not exceeding the sum of 12 months of his base salary and the average of the variable compensation paid for the last two years.

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

Our share-based compensation and long-term incentive plans contain a *malus* provision for all grants made since March 2019. Such provision provides that the stock options and/or restricted stock units granted to an executive will automatically expire and become null and void in the scenario where the executive is found by the Global Ethics and Compliance Committee to be (i) responsible for a material breach of our Code of Business Conduct; or (ii) subject to a material adverse court or administrative decision, in each case in the period before the exercise of the stock options or vesting of the restricted stock units.

### Options Owned by Executives

The table below sets forth the number of LTI stock options and matching options owned by the members of our Executive Committee in aggregate as of 31 December 2020 under the LTI Plan Executives, the Share-Based Compensation Plans, the November 2008 Exceptional Grant, the 2020 Incentive Plan, the Integration Incentive Plan and the Long Run Stock Options Incentive Plan. Members of our Executive Committee do not hold any warrants or stock options relating to our shares under our other incentive plans.

Program	Options held in aggregate by our Executive Committee	Strike price (EUR)	Grant date	Expiry date
LTI Plan 2009	0	42.41	30 November 2010	29 November 2020
LTI Plan 2009	336,713	44.00	30 November 2011	29 November 2021
LTI Plan 2009	584,073	66.56	30 November 2012	29 November 2022
LTI Plan 2009	372,870	75.15	2 December 2013	1 December 2023
LTI Plan 2009	214,336	94.46	1 December 2014	30 November 2024
LTI Plan 2009	36,035	121.95	1 December 2015	30 November 2025
LTI Plan 2009	487,804	113.00	22 December 2015	21 December 2025
LTI Plan 2009	36,728	98.04	1 December 2016	30 November 2025
LTI Plan 2009	425,403	98.85	20 January 2017	19 January 2027



Program	Options held in aggregate by our Executive Committee	Strike price (EUR)	Grant date	Expiry date
LTI Plan 2009	19,112	96.70	1 December 2017	30 November 2027
LTI Plan 2009	436,286	94.36	22 January 2018	21 January 2028
LTI Plan 2009	122,717	65.70	25 January 2019	24 January 2029
LTI Plan 2009	168,268	71.87	2 December 2019	1 December 2029
November 2008 Exceptional Grant Options Series B	133,849	10.32	25 November 2008	24 November 2023
November 2008 Exceptional Grant Options Series B – Dividend Waiver 09 <sup>(1)</sup>	300,566	33.24	1 December 2009	24 November 2023
November 2008 Exceptional Grant Options Series B – Dividend Waiver 11 <sup>(1)</sup>	0	40.35	11 July 2011	24 November 2023
November 2008 Exceptional Grant Options Series B – Dividend Waiver 13 <sup>(1)</sup>	0	75.82	31 May 2013	24 November 2023
2020 Incentive Options <sup>(2)</sup>	191,294	113.00	22 December 2015	21 December 2025
Integration Incentive Stock Options <sup>(3)</sup>	173,628	97.99	15 December 2016	31 December 2026
Integration Incentive Stock Options <sup>(3)</sup>	261,706	109.10	5 May 2017	31 December 2026
Long Run Stock Options Incentive Plan <sup>(4)</sup>	1,501,878	96.70	1 December 2017	31 December 2032
Long Run Stock Options Incentive Plan <sup>(4)</sup>	1,708,044	80.34	18 May 2018	31 December 2032
March 2020 Stock Option Incentive	3,557,805	40.40	25 March 2020	24 March 2030

Note:

- (1) Options granted under the Dividend Waiver Program. See “—Share-Based Payment Plans.”
- (2) Options granted under the 2020 Incentive Plan. See “—Share-Based Payment Plans—Exceptional Long-Term Incentive Stock Options.”
- (3) Options granted under the Integration Incentive Plan. See “—Share-Based Payment Plans—Exceptional Long-Term Incentive Stock Options.”
- (4) Options granted under the Long Run Stock Options Incentives Plan. See “—Share-Based Payment Plans—Exceptional Long-Term Incentive Stock Options.”

#### Restricted Stock Units Owned by Executives

The table below sets forth the number of restricted stock units owned by the members of our Executive Committee in aggregate as of 31 December 2020<sup>(1)</sup>.

Program	RSUs held in aggregate by our Executive Committee	Grant date	Vesting date
Exceptional Incentive Restricted RSUs <sup>(2)</sup>	7,214	14 December 2012	14 December 2022
Exceptional Incentive Restricted RSUs <sup>(2)</sup>	10,717	17 December 2014	17 December 2024
Share Based Compensation Plan <sup>(3)</sup>	75,726	2 March 2016	2 March 2021
Share Based Compensation Plan <sup>(3)</sup>	2,043	3 March 2017	3 March 2022
Share Based Compensation Plan <sup>(3)</sup>	163,464	2 March 2018	2 March 2023
Performance-Based RSUs <sup>(4)</sup>	54,479	14 August 2018	14 August 2023
Share Based Compensation Plan <sup>(2)</sup>	30,464	4 March 2019	4 March 2024
Share Based Compensation Plan <sup>(2)</sup>	80,759	29 July 2019	29 July 2024
Share Based Compensation Plan <sup>(2)</sup>	10,748	2 March 2020	2 March 2025
RSUs <sup>(5)</sup>	808,089	25 March 2020	25 March 2025
Base Long-Term RSUs <sup>(6)</sup>	19,219	14 December 2020	14 December 2023
Base Long-Term RSUs <sup>(6)</sup>	19,216	14 December 2020	14 December 2025

Note:

- (1) The following restricted stock units vested in 2020: (i) 26,505 restricted stock units from 4 March 2015 held by Carlos Brito vested in March 2020 at a price of EUR 50.14; (ii) 1,339 restricted stock units from 4 March 2015 held by Fernando Tennenbaum vested in March 2020 at a price of EUR 50.14; and (iii) 951 restricted stock units from 4 March 2015 held by John Blood vested in March 2020 at a price of EUR 50.14.



- (2) Restricted stock units granted under the Exceptional Incentive Restricted Stock Units Program. See “—Share-Based Payment Plans—Recurring Specific Long-Term Restricted Stock Unit Programs.”
- (3) Restricted stock units granted under the Share Based Compensation Plan. See “—Share-Based Payment Plans—Share Based Compensation Plan from 2010.”
- (4) Restricted stock units granted under the Performance-Based Restricted Stock Units Program. See “—Share-Based Payment Plans—Recurring Specific Long-Term Restricted Stock Unit Programs.”
- (5) Restricted stock units granted under the Restricted Stock Units Program. See “—Share-Based Payment Plans—Recurring Specific Long-Term Restricted Stock Unit Programs.”
- (6) Restricted stock units granted under the Base Long-Term Restricted Stock Units Program. See “—Share-Based Payment Plans—Recurring Specific Long-Term Restricted Stock Unit Programs.”

### Executive Share Ownership

The Board has set a minimum threshold of shares of the company to be held at any time by the CEO to two years of base salary (gross) and by the other members of the Executive Committee to one year of base salary (gross). Newly appointed Executive Committee members have three years to reach such threshold following the date of their appointment.

The table below sets forth, as of the most recent practicable date, the number of our shares owned by the members of the Executive Committee serving in 2020:

Name	Number of our shares held	% of our outstanding shares
Carlos Brito – CEO	(*)	(*)
David Almeida	(*)	(*)
John Blood	(*)	(*)
Fernando Tennenbaum	(*)	(*)
Felipe Dutra (until 29 April 2020)	(*)	(*)
TOTAL	4.20 million	<1%

Note:

- (\*) Each member of our Executive Committee serving in 2020 owns less than 1% of our outstanding shares as of the most recent practicable date.

## C. BOARD PRACTICES

### General

Our directors are appointed by our shareholders’ meeting, which sets their remuneration and term of mandate. Their appointment is published in the Belgian Official Gazette (Moniteur belge). No service contract is concluded between us and our directors with respect to their Board mandate. Our Board also may request a director to carry out a special mandate or assignment. In such case, a special contract may be entered into between us and the respective director. For details of the current directors’ terms of office, see “—A. Directors and Senior Management—Board of Directors —Role and Responsibilities, Composition, Structure and Organization.” We do not provide pensions, medical benefits or other benefit programs to directors.



**Information about Our Committees**

**General**

Our Board is assisted by four committees: the Audit Committee, the Finance Committee, the Remuneration Committee and the Nomination Committee.

The existence of the Committees does not affect the responsibility of our Board. Board committees meet to prepare matters for consideration by our Board. By exception to this principle, (i) the Remuneration Committee may make decisions on individual compensation packages, other than with respect to our Chief Executive Officer, our Executive Committee and our senior leadership team (which are submitted to our Board for approval) and on performance against targets, and (ii) the Finance Committee may make decisions on matters specifically delegated to it under our Corporate Governance Charter, in each case without having to refer to an additional Board decision. Each of our Committees operates under typical rules for such committees under Belgian law, including the requirement that a majority of the members must be present for a valid quorum and decisions are taken by a majority of members present.

**The Audit Committee**

The Audit Committee consists of a minimum of three voting members. The Audit Committee’s Chair and the Committee members are appointed by the Board from among the non-executive directors. The Chair of the Audit Committee is not the Chair of the Board. A majority of the members of our Audit Committee are independent directors according to our Corporate Governance Charter (see “—A. Directors and Senior Management—Board of Directors—Role and Responsibilities, Composition, Structure and Organization”). Each of them is independent under Rule 10A-3 under the Exchange Act.

The Chief Executive Officer, Chief Legal and Corporate Affairs Officer and Chief Financial Officer are invited to the meetings of the Audit Committee, unless the Chair or a majority of the members decide to meet in closed session.

The current members of the Audit Committee are M. Michele Burns (Chair), Martin J. Barrington, Xiaozhi Liu and Elio Leoni Sceti.

Our Board of Directors has determined that M. Michele Burns is an “audit committee financial expert” as defined in Item 16A of Form 20-F under the Exchange Act.

The Audit Committee assists our Board in its responsibility for oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements and environmental and social responsibilities, (iii) the statutory auditors’ qualification and independence, and (iv) the performance of the statutory auditors and our internal audit function. The Audit Committee is entitled to review information on any point it wishes to verify, and is authorized to acquire such information from any of our employees. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the statutory auditor. It also establishes procedures for confidential complaints regarding questionable accounting or auditing matters. It is also authorized to obtain independent advice, including legal advice, if this is necessary for an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the statutory auditor, including reports with recommendations on how to improve our control processes.

The Audit Committee holds as many meetings as necessary with a minimum of four per year. Paul Cornet de Ways Ruart attends Audit Committee meetings as a non-voting observer.



***The Finance Committee***

The Finance Committee consists of at least three, but no more than seven, members appointed by the Board. The Board appoints a Chair and, if deemed appropriate, a Vice-Chair from among the Finance Committee members. The Chief Executive Officer and the Chief Financial Officer are invited ex officio to the Finance Committee meetings unless explicitly decided otherwise. Other employees are invited on an ad hoc basis as deemed useful.

The current members of the Finance Committee are Grégoire de Spoelberch (Chair), Paulo Alberto Lemann, William F. Gifford Jr., M. Michele Burns, Paul Cornet de Ways, Alejandro Santo Domingo Dávila and Roberto Thompson Motta.

The Corporate Governance Charter requires the Finance Committee to meet at least four times a year and as often as deemed necessary by its Chair or at least two of its members.

The Finance Committee assists the Board in fulfilling its oversight responsibilities in the areas of corporate finance, risk management, treasury controls, mergers and acquisitions, tax and legal, pension plans, financial communication and stock market policies and all other related areas as deemed appropriate.

***The Remuneration Committee***

The Remuneration Committee consists of three members appointed by the Board, all of whom are non-executive directors. The Chair of the Remuneration Committee is a representative of the controlling shareholders and the other two members meet the requirements of independence as established in our Corporate Governance Charter and by Belgian company law. The Chair of our Remuneration Committee would not be considered independent under NYSE rules, and, therefore, our Remuneration Committee would not be in compliance with the NYSE Corporate Governance Standards for domestic issuers in respect of independence of compensation committees. The Chief Executive Officer and the Chief People Officer are invited ex officio to the meetings of the Committee unless explicitly decided otherwise.

The current members of the Remuneration Committee are Claudio Garcia (Chair), M. Michele Burns and Elio Leoni Sceti.

The Remuneration Committee meets at least four times a year, and more often if required, and can be convoked by its Chair or at the request of at least two of its members.

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 Chief Executive Officer, the Executive Committee and the senior leadership team, and on their individual remuneration packages. The Committee ensures that the Chief Executive Officer and members of the Executive Committee and senior leadership team are incentivized to achieve, and are compensated for, exceptional performance. The Committee also promotes the maintenance and continuous improvement of our company's compensation policy, which applies to all employees. Such compensation framework is based on meritocracy and a sense of ownership with a view to aligning the interests of employees with the interests of all shareholders. The Remuneration Committee takes into account the compensation of the employees when preparing the remuneration policy applicable to the directors, the Chief Executive Officer and the other members of the Executive Committee and senior leadership team.

In certain exceptional circumstances, the Remuneration Committee or its appointed designees, together with the approval of the Board, may grant limited waivers from lock-up requirements provided that adequate protections are implemented to ensure that the commitment to hold shares remains respected until the original termination date. These exceptional circumstances cover situations in which the waivers are necessary to serve the long-term interests and sustainability of the company as a whole or to assure its viability.



### The Nomination Committee

The Nomination Committee consists of five members appointed by the Board. The five members include the Chair of the Board and the Chair of the Remuneration Committee. Four of the five Committee members are representatives of the controlling shareholders. These four members of our Nomination Committee would not be considered independent under NYSE rules, and therefore our Nomination Committee would not be in compliance with the NYSE Corporate Governance Standards for domestic issuers in respect of independence of nominating committees. The Chief Executive Officer and the Chief People Officer are invited ex officio to attend the meetings of the Nomination Committee unless explicitly decided otherwise.

The current members of the Nomination Committee are Claudio Garcia (Chair), Martin J. Barrington, Sabine Chalmers, Cecilia Sicupira and Alexandre Van Damme.

The Nomination Committee's principal role is to guide the Board succession process. The Nomination Committee identifies persons qualified to become Board members and recommends director candidates for nomination by the Board and election at the shareholders' meeting. The Nomination Committee also guides the Board with respect to all its decisions relating to the appointment and retention of key talent within our company.

### D. EMPLOYEES

As of 31 December 2020, we employed approximately 164,000 employees as compared to approximately 170,000 as of 31 December 2019.

#### Overview of Employees per Business Segment

The table below sets out the number of full-time employees at the end of each relevant period in our business segments.

	As of 31 December		
	2020 <sup>(1)</sup>	2019	2018 <sup>(2)</sup>
North America	20,281	20,040	19,323
Middle Americas	48,751	52,412	53,140
South America	40,630	41,603	40,503
EMEA	22,357	23,804	23,604
Asia Pacific	26,510	29,482	31,523
Global Export and Holding Companies	5,166	4,574	4,683
<b>Total</b>	<b>163,695</b>	<b>171,915</b>	<b>172,776</b>

#### Note:

- (1) The number of our employees fluctuates over the years based on a number of factors, including the performance of our different markets, business combinations (including divestitures) and our continued efforts to improve productivity and efficiency across our operations.
- (2) Effective 1 January 2019, our business segments changed to be as follows: North America, Middle Americas, South America, EMEA, Asia Pacific and Global Export and Holding Companies. The figures for the year ended 31 December 2018 have been restated to reflect this allocation.

### Employee Compensation and Benefits

To support our culture that recognizes and values results, we offer employees competitive salaries benchmarked to fixed mid-market local salaries, combined with variable incentive schemes based on individual performance and performance of the business entity in which they work. Senior employees above a certain level are eligible for the Share-Based Compensation Plan. See “—B. Compensation—Share-Based Payment Plans—Share-Based Compensation Plan” and “—B. Compensation—Compensation of Directors and Executives—Executive Committee”. Depending on local practices, we offer employees and their family members pension plans, life insurance, medical, dental and optical insurance, death-in-service insurance and illness and disability insurance. Some of our countries have tuition reimbursement plans and employee assistance programs.



## Labor Unions

Many of our hourly employees across our business segments are represented by unions, with a variety of collective bargaining agreements in place. Generally, relationships between us and the unions that represent our employees are good. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We are exposed to labor strikes and disputes that could lead to a negative impact on our costs and production level.”

In Europe, collective bargaining occurs at the local and/or national level in all countries with union representation for our employees. The degree of membership in unions varies from country to country, with Belgium and Germany, for example, having a high proportion of membership. A European Workers Council has been established since 1996 to promote social dialogue and to exchange opinions at a European level.

In Mexico, approximately half of our employees are union members. Our collective bargaining agreements are negotiated and executed separately for each facility or distribution center. They are periodically reviewed with the unions as mandated by Mexican Labor Law (i.e., yearly revisions of salary, benefits and salary revisions every two years).

All of our employees in Brazil are represented by labor unions, but less than 5% of our employees in Brazil are actually members of labor unions. The number of administrative and distribution employees who are members of labor unions is not significant. Salary negotiations are conducted annually between the workers’ unions and us. Collective bargaining agreements are negotiated separately for each facility or distribution center. Our Brazilian collective bargaining agreements have a term of one or two years, and we usually enter into new collective bargaining agreements on or prior to the expiration of the existing agreements.

A majority of our brewery and distribution employees in Canada are represented by labor unions. The number of administrative employees who are members of labor unions is not significant. Salary negotiations are conducted through collective bargaining agreements between the workers’ unions and us. Collective bargaining agreements are generally negotiated separately for each facility or distribution center. Our Canadian collective bargaining agreements have a term of three to seven years, and we generally enter into new collective bargaining agreements on or prior to the expiration of existing agreements.

Our United States organization has approximately 5,300 hourly brewery workers represented by the International Brotherhood of Teamsters. Their compensation and other terms of employment are governed by collective bargaining agreements negotiated between us and the Teamsters, which will expire on 29 February 2024. Approximately 2,000 hourly employees at certain company-owned distributorships and packaging plants also are represented by the Teamsters and other unions, with local bargaining agreements ranging in distribution from three to five years.

## E. SHARE OWNERSHIP

For a discussion of the share ownership of our directors and executives, as well as arrangements involving our employees in our capital, see “—B. Compensation.”

## ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. MAJOR SHAREHOLDERS

#### Shareholding Structure

The following table shows our shareholding structure as at 31 December 2020 based on (i) transparency declarations made by shareholders who are compelled to disclose their shareholdings pursuant to the Belgian Law of 2 May 2007 on the notification of significant shareholdings and the articles of association of the company, (ii) notifications made by such shareholders to the company on a voluntary basis prior to 20 December 2020 for the purpose of updating the above information, (iii) notifications received by the company in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and (iv) information included in public filings with the SEC.





The first thirteen 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° of the Belgian Law of 2 May 2007 on the notification of significant shareholdings, and (ii) the eleventh, twelfth and thirteenth 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, as per (i) the most recent notifications received by us and the Financial Services and Markets Authority (“FSMA”) in accordance with (a) article 6 of the Belgian Law of 2 May 2007 on the notification of significant shareholdings or (b) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and (ii) notifications to the company made on a voluntary basis prior to 20 December 2020, in aggregate, 846,297,604 Ordinary Shares, representing 42.91% of the voting rights attached to the shares outstanding as of 31 December 2020 excluding the 46,992,567 treasury shares held by us and certain of our subsidiaries. Pursuant to our articles of association, shareholders are required to notify us as soon as the amount of securities held giving voting rights exceeds or falls below a 3% threshold and 7.5% threshold.

<u>Major shareholders</u>	<u>Number of shares</u>	<u>% of voting rights attached to our outstanding shares held<sup>(9)</sup></u>
<i>Holder of Ordinary Shares</i>		
<b>Stichting Anheuser-Busch InBev</b> , a stichting incorporated under Dutch law (the “ <b>Stichting</b> ”) <sup>(1)(2)</sup>	663,074,832	33.62%
<b>EPS Participations S.à.R.L.</b> , a company incorporated under Luxembourg law, affiliated with Eugénie Patri Sébastien (EPS) S.A., its parent company <sup>(2)(3)(5)</sup> (“ <b>EPS Participations</b> ”)	130,605,654	6.62%
<b>Eugénie Patri Sébastien (EPS) S.A.</b> , a company incorporated under Luxembourg law, affiliated with the Stichting that it jointly controls with BRC S.à.R.L. <sup>(2)(3)(5)</sup> (“ <b>EPS</b> ”)	99,999	0.01%
<b>BRC S.à.R.L.</b> , a company incorporated under Luxembourg law, affiliated with the Stichting that it jointly controls with EPS <sup>(2)(4)</sup> (“ <b>BRC</b> ”)	39,746,403	2.02%
<b>Rayvax Société d’Investissements SA</b> , a company incorporated under Belgian law (“ <b>Rayvax</b> ”)	24,158	0.00%
<b>Sébastien Holding SA</b> , a company incorporated under Belgian law, affiliated with Rayvax, its parent company <sup>(2)</sup>	10	0.00%
<b>Fonds Verhelst SRL</b> , a company with a social purpose incorporated under Belgian law	0	0.00%
<b>Fonds Voorzitter Verhelst SRL</b> , a company with a social purpose incorporated under Belgian law, affiliated to Fonds Verhelst SPRL, which controls it	6,997,665	0.35%
<b>Stichting Fonds InBev-Baillet Latour</b> , a stichting incorporated under Dutch law	0	0.00%
<b>Fonds Baillet Latour SC</b> , a company incorporated under Belgian law, affiliated to Stichting Fonds InBev-Baillet Latour under Dutch law, which controls it <sup>(6)</sup>	5,485,415	0.28%
<b>MHT Benefit Holding Company Ltd</b> , 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 Belgian Law of 1 April 2007 on public takeover bids	0	0.00%
<b>LTS Trading Company LLC</b> , 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 Belgian Law of 1 April 2007 on public takeover bids	4,468	0.00%
<b>Olia 2 AG</b> , a company incorporated under Liechtenstein law, acting in concert with Jorge Paulo Lemann within the meaning of Article 3, § 2 of the Belgian Law of 1 April 2007 on public takeover bids	259,000	0.01%



Major shareholders	Number of shares	% of voting rights attached to our outstanding shares held <sup>(9)</sup>
<i>Holder of Restricted Shares</i>		
<b>Altria Group, Inc. <sup>(7)</sup> (“Altria”)</b>	185,115,417	9.39%
<b>BEVCO Lux S.à R.L(8) (“BEVCO”)</b>	96,862,718	4.91%

- Note:
- (1) See section “—Controlling Shareholder” below. By virtue of their responsibilities as directors of the Stichting, Sabine Chalmers, Paul Cornet de Ways Ruart, Grégoire de Spoelberch, Alexandre Van Damme, Marcel Herrmann Telles, Jorge Paulo Lemann, Roberto Moses Thompson Motta and Carlos Alberto Sicupira may be deemed, under the rules of the SEC, to be beneficial owners of our Ordinary Shares held by the Stichting. However, each of these individuals disclaims such beneficial ownership in such capacity.
  - (2) See section “—Shareholders’ Arrangements” below.
  - (3) By virtue of their responsibilities as directors of EPS and EPS Participations, Sabine Chalmers, Paul Cornet de Ways Ruart, Grégoire de Spoelberch and Alexandre Van Damme may be deemed, under the rules of the SEC, to be beneficial owners of our Ordinary Shares held by EPS and EPS Participations. However, each of these individuals disclaims such beneficial ownership in such capacity.
  - (4) Marcel Herrmann Telles, Jorge Paulo Lemann and Carlos Alberto Sicupira have disclosed to us that they control BRC and as a result, under the rules of the SEC, they are deemed to be beneficial owners of our Ordinary Shares held by BRC. By virtue of their responsibilities as directors of BRC, Alexandre Behring, Carlos Alberto Sicupira, Jorge Paulo Lemann, Paulo Alberto Lemann, Marc Lemann, Cecilia Sicupira, Marcel Herrmann Telles, Claudio Garcia, Roberto Thompson Motta and Eduardo Saggioro may also be deemed, under the rules of the SEC, to be the beneficial owners of our Ordinary Shares held by BRC. However, Alexandre Behring, Paulo Alberto Lemann, Marc Lemann, Cecilia Sicupira, Claudio Garcia, Roberto Thompson Motta and Eduardo Saggioro disclaim such beneficial ownership in such capacity.
  - (5) On 18 December 2013, EPS contributed to EPS Participations its certificates in the Stichting and the shares it held directly in AB InBev, except for 100,000 shares.
  - (6) On 27 December 2013, Stichting Fonds InBev-Baillet Latour, under Dutch law, acquired a controlling stake in Fonds Baillet Latour.
  - (7) In addition to the Restricted Shares listed above, Altria announced in its Schedule 13D beneficial ownership report on 11 October 2016 that, following completion of the combination with SAB, it purchased 11,941,937 Ordinary Shares in the company. Altria further increased its position of Ordinary Shares in the Company to 12,341,937, as disclosed in the Schedule 13D beneficial ownership report filed by the Stichting dated 1 November 2016, resulting in an aggregate ownership of 10.01% based on the number of shares with voting rights as at 31 December 2020.
  - (8) In addition to the Restricted Shares listed above, BEVCO 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. BEVCO disclosed to us that it increased its position of Ordinary Shares in the company to an aggregate of 6,000,000 Ordinary Shares, resulting in an aggregate ownership of 5.22% based on the number of shares with voting rights as at 31 December 2020.
  - (9) Percentages are calculated on the total number of outstanding shares as at 31 December 2020 (2,019,241,973 shares) minus the number of outstanding shares held in treasury by us and certain of our subsidiaries as at 31 December 2020 (46,992,567 Ordinary Shares).

**U.S. Holders of Record**

As a number of our shares are held in dematerialized form, we are not aware of the identity of all our shareholders. As of 31 December 2020, we had 16,350,794 registered Ordinary Shares and 185,115,417 registered Restricted Shares held by 535 record holders in the United States, representing approximately 201.47 million of the voting rights attached to our shares outstanding as of such date. As of 31 December 2020, we also had 110,038,448 ADSs outstanding, each representing one Ordinary Share.

**Controlling Shareholder**

Our controlling shareholder is the Stichting, a foundation organized under the laws of the Netherlands which represents an important part of the interests of the founding Belgian families of Interbrew (mainly represented by EPS) and the interests of the Brazilian families which were previously the controlling shareholders of Ambev (represented by BRC).

As of 31 December 2020, the Stichting owned 663,074,832 of our shares, which represented a 33.62% voting interest based on the number of our shares outstanding as of 31 December 2020, excluding the 46,992,567 treasury shares held by us and certain of our subsidiaries. The Stichting and certain other entities acting in concert (within the meaning of Article 3, 13° of the Belgian Law of 2 May 2017 on the notification of significant shareholdings and/or within the meaning of Article 3, § 2 of the Belgian Law of 1 April 2007 on public takeover bids) with it (see “—Shareholders’ Arrangements” below) held, based on (i) transparency declarations made by shareholders who are compelled to disclose their shareholdings pursuant to the Belgian Law of 2 May 2007 on the notification of significant shareholdings and the articles of association of the company, (ii) notifications made by such shareholders pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, (iii) notifications received by the company in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and (iv) information included in public filings with the SEC, in the aggregate, 42.91% of our shares based on the number of our shares outstanding on 31 December 2020, excluding the 46,992,567 treasury shares held by us and certain of our subsidiaries (including approximately 5.4 million<sup>6</sup> treasury shares required to settle our obligations under Zenzele schemes). As of 31 December 2020, BRC held 331,537,416 class B Stichting certificates (indirectly representing 16.81% of our shares), EPS held one class A Stichting certificate and EPS Participations held 331,537,415 class A Stichting certificates (together indirectly representing 16.81% of our shares). The Stichting is governed by its bylaws and its conditions of administration. Shares held by our main shareholders do not entitle such shareholders to different voting rights.

**Shareholders’ Arrangements***The 2016 Shareholders’ Agreement*

On 11 April 2016, the Stichting, EPS, EPS Participations, BRC and Rayvax 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 us and the Stichting, as well as (i) the transfer of the Stichting certificates and (ii) the de-certification and re-certification process for the Ordinary Shares and the circumstances in which the shares held by the Stichting may be de-certified and/or pledged at the request of BRC, EPS or EPS Participations.

The 2016 Shareholders’ Agreement provides for restrictions on the ability of BRC, EPS or EPS Participations to transfer their Stichting certificates.

Pursuant to the terms of the 2016 Shareholders’ Agreement, BRC and EPS/EPS Participations jointly and equally exercise control over the Stichting and the shares held by the Stichting. The Stichting is managed by an eight-member board of directors and each of, on the one hand BRC and, on the other hand, EPS and EPS Participations has the right to appoint four directors to the Stichting board of directors. Subject to certain exceptions, at least seven of the eight Stichting directors must be present or represented in order to constitute a quorum of the Stichting board, and any action to be taken by the Stichting 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 Stichting with respect to the shares it holds, including how such shares will be voted at AB InBev’s shareholders’ meetings, will be made by the Stichting board of directors.

<sup>6</sup> Calculated assuming our closing share price of EUR 57.01 per share and an exchange rate of ZAR 18.021914 to EUR 1.00 as at 31 December 2020.



The 2016 Shareholders' Agreement requires the Stichting board of directors to meet prior to each of our shareholders' meetings to determine how the shares held by the Stichting are to be voted. In addition, prior to each meeting of the board of directors of AB InBev at which certain key matters are considered, the Stichting board of directors will meet to determine how the eight members of the board of directors of AB InBev nominated exclusively by BRC and EPS/EPS Participations should vote.

The 2016 Shareholders' Agreement requires EPS, EPS Participations, BRC and Rayvax, as well as any other holder of certificates issued by the Stichting, to vote their Shares in the same manner as the shares held by the Stichting. The parties to the 2016 Shareholders' Agreement agree to effect any free transfers of their Shares in an orderly manner of disposal that does not disrupt the market for Shares and in accordance with any conditions established by us 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 Stichting board of directors will propose to AB InBev's shareholders' meeting nine candidates for appointment to our Board of Directors, among which each of, on the one hand, BRC and, on the other hand, EPS and EPS Participations will have the right to nominate four candidates, and one candidate will be nominated by the Stichting board of directors.

The 2016 Shareholders' Agreement will remain in effect for an initial term until 27 August 2034 and will be automatically renewed for successive terms of 10 years each unless, not later than two years prior to the expiration of the initial or any successive 10-year term, any party to the 2016 Shareholders' Agreement notifies the others of its intention to terminate the 2016 Shareholders' Agreement.

The 2016 Shareholders' Agreement is filed as Exhibit 3.2 to this Form 20-F.

***Voting Agreement between the Stichting, Fonds Baillet Latour and Fonds Voorzitter Verhelst***

The Stichting entered into a voting agreement, effective 1 November 2015 (the "**Fonds Voting Agreement**") with Fonds Baillet Latour and Fonds Voorzitter Verhelst, which replaces in its entirety the voting agreement between the parties dated 16 October 2008, which was due to expire on 16 October 2016 if not renewed.

This agreement provides for consultations between the three bodies before any of our shareholders' meetings to decide how they will exercise the voting rights attached to our shares. Under this voting agreement, consensus is required for all items that are submitted to the approval of any of our shareholders' meetings. If the parties fail to reach a consensus, each of Fonds Baillet Latour and Fonds Voorzitter Verhelst will vote their AB InBev shares in the same manner as the Stichting. The Fonds Voting Agreement will expire on 1 November 2034.

The Fonds Voting Agreement is filed as Exhibit 3.1 to this Form 20-F.

***Voting Agreement between the Stichting and certain Restricted Shareholders***

Each holder of Restricted Shares representing more than 1% of our total share capital, being Altria and BEVCO, was required, upon completion of the combination with SAB, to enter into an agreement with the Stichting. Each of Altria and BEVCO entered into a voting agreement with the Stichting and us on 8 October 2016 (the "**Restricted Shareholder Voting Agreement**"), under which:

- the Stichting is required to exercise the voting rights attached to its Ordinary Shares of AB InBev to give effect to the directors' appointments principles set out in articles 19 and 20 of our articles of association;
- each holder of Restricted Shares is required to exercise the voting rights attached to his or her Ordinary Shares and Restricted Shares, as applicable, to give effect to the directors' appointments principles set out in articles 19 and 20 of our articles of association; and



- each holder of Restricted Shares is required not to exercise the voting rights attached to his or her Ordinary Shares and Restricted Shares, as applicable, in favor of any resolutions that 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 our articles of association).

Each of the first 13 entities mentioned in the table appearing under Shareholding Structure have disclaimed beneficial ownership of all of the Restricted Shares and Ordinary Shares, as applicable, held by Altria and BEVCO.

The Restricted Shareholder Voting Agreement is filed as Exhibit 3.3 to this Form 20-F.

## B. RELATED PARTY TRANSACTIONS

### AB InBev Group and Consolidated Entities

We engage in various transactions with affiliated entities that form part of the consolidated AB InBev Group. These transactions include, but are not limited to: (i) the purchase and sale of raw material with affiliated entities, (ii) entering into distribution, cross-licensing, transfer pricing, indemnification, service and other agreements with affiliated entities, (iii) intercompany loans and guarantees with affiliated entities, (iv) import agreements with affiliated entities, such as the import agreement under which Anheuser-Busch Companies imports our European brands into the United States, and (v) royalty agreements with affiliated entities, such as our royalty agreement with one of our United Kingdom subsidiaries related to the production and sale of our Stella Artois brand in the United Kingdom. Such transactions between Anheuser-Busch InBev SA/NV and our subsidiaries are not disclosed in our consolidated financial statements as related party transactions because they are eliminated on consolidation. A list of our principal subsidiaries is shown in note 36 “AB InBev Companies” to our audited consolidated financial statements as of 31 December 2020 and 2019 and for the three years ended 31 December 2020.

Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of our interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Transactions with associates and jointly controlled entities are discussed further below.

### Transactions with Directors and Executive Committee Members (Key Management Personnel)

Total compensation of our directors and Executive Committee included in our income statement for 2020 set out below can be detailed as follows:

	Year ended 31 December 2020	
	Directors	Executive Committee
	<i>(USD million)</i>	
Short-term employee benefits	2	4
Termination benefits	—	2
Other long-term employee benefits Share-based payments	—	7
<b>Total</b>	<b>2</b>	<b>13</b>

In addition to short-term employee benefits (primarily salaries), the members of our Executive Committee were entitled to post-employment benefits. See also note 25 “Employee benefits” and note 34 “Related parties” to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020. In addition, key management personnel are eligible for our share-based payment plan and/or our exchange of share ownership program. See also “Item 6. Directors, Senior Management and Employees—B. Compensation” and note 26 “Share-based payments” to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020.



Directors' compensation consists mainly of directors' fees. Key management personnel did not have any significant outstanding balances with our company. During 2020, no payments were made to key management personnel except in the transactions listed below.

### *Deferred Share Entitlements*

In a transaction related to the combination with Grupo Modelo, two Grupo Modelo shareholders, María Asunción Aramburuzabala and Valentín Diez Morodo, purchased a deferred share entitlement to acquire the equivalent of approximately 23.1 million AB InBev shares, to be delivered within five years, for consideration of approximately USD 1.5 billion paid on 5 June 2013. At such time, María Asunción Aramburuzabala and Valentín Diez Morodo agreed to serve on the Board of Directors for AB InBev for a term of at least four years. Following the completion of the combination with SAB, María Asunción Aramburuzabala was appointed to our Board of Directors with a two-year term. She also agreed to a non-competition provision for three years following the completion of the combination with Grupo Modelo. We completed the delivery of the 23,076,922 Ordinary Shares due under this deferred share transaction on 21 May 2018. The delivery obligation was through the use of part of our outstanding treasury shares.

### *Other Transactions*

In 2018, 2019 and 2020, our subsidiary Bavaria SA, along with other subsidiaries in Colombia, paid approximately 24 billion Colombian pesos (USD 8.1 million), 26 billion Colombia pesos (USD 3.1 million) and 42.9 billion Colombian pesos (USD 12.5 million), respectively, for transportation services, lease agreements and advertising services to companies of which Alejandro Santo Domingo Dávila, a member of our Board of Directors, is (i) part of the controlling shareholder group of such companies or (ii) Chair of the Board or controlling shareholder of such companies.

In 2018, 2019 and 2020, Grupo Modelo paid MXN 19.1 million (USD 1.0 million), MXN 29 million (USD 1.5 million) and MXN 30.0 million (USD 1.4 million), respectively, to a company of which María Asunción Aramburuzabala, a member of our Board of Directors, is Chair of the Board. These payments were made for information technology infrastructure services provided by that company to Grupo Modelo in 2018, 2019, and 2020.

### **Transactions with Significant Shareholders**

We have entered into certain agreements with Altria and BEVCO in connection with the combination with SAB. These agreements are described further under "Item 10. Additional Information—C. Material Contracts—Material Contracts Related to the Acquisition of SAB—Information Rights Agreement," "Item 10. Additional Information—C. Material Contracts—Material Contracts Related to the Acquisition of SAB—Tax Matters Agreement" and "Item 10. Additional Information—C. Material Contracts—Material Contracts Related to the Acquisition of SAB—Registration Rights Agreement."

### **Jointly Controlled Entities**

Significant interests we hold in joint ventures include three entities in Brazil, one in Mexico and two in Canada. None of these joint ventures are material to us. Aggregate amounts of our interests in such entities are as follows:

	<u>As of 31 December 2020</u> (USD million)
Non-current assets	8
Current assets	2
Non-current liabilities	9
Current liabilities	12
Result from operations	3
Profit attributable to equity holders	3

**Transactions with Associates**

Our transactions with associates were as follows:

	<u>Year ended 31 December 2020</u> <i>(USD million)</i>
Gross profit	(118)
Current assets	55
Current liabilities	115

Our transactions with associates primarily consist of sales to distributors in which we have a non-controlling interest.

**Transactions with Pension Plans**

Our transactions with pension plans mainly consisted of USD 12 million other income from pension plans in the United States.

**Transactions with Government-Related Entities**

We have no material transactions with government-related entities.

**Ambev Special Goodwill Reserve**

As a result of the merger of InBev Brasil into Ambev in July 2005, Ambev acquired tax benefits resulting from the partial amortization of the special premium reserve pursuant to article 7 of the Normative Ruling No. 319/99 of the CVM (*Comissão de Valores Mobiliários*, the Securities and Exchange Commission of Brazil). Such amortization will be carried out within the 10 years following the merger. As permitted by Normative Ruling No. 319/99, the Protocol and Justification of the Merger, entered into between us, Ambev and InBev Brasil on 7 July 2005, established that 70% of the goodwill premium, which corresponded to the tax benefit resulting from the amortization of the tax goodwill derived from the merger, would be capitalized in Ambev for the benefit of us, with the remaining 30% being capitalized in Ambev without the issuance of new shares for the benefit of all shareholders. Since 2005, pursuant to the Protocol and Justification of the Merger, Ambev has carried out, with shareholders' approval, capital increases through the partial capitalization of the goodwill premium reserve. Accordingly, two wholly owned subsidiaries of Anheuser-Busch InBev (which hold our interest in Ambev) have annually subscribed to Ambev shares corresponding to 70% of the goodwill premium reserve (and Ambev minority shareholders subscribed shares pursuant to preferred subscription right under Brazilian law) and the remaining 30% of the tax benefit was capitalized without issuance of new shares for the benefit of all Ambev shareholders. The Protocol and Justification of the Merger also provides, among other matters, that we shall indemnify Ambev for any undisclosed liabilities of InBev Brasil.

In December 2011, Ambev received a tax assessment from the Secretaria da Receita Federal do Brasil related to the goodwill amortization resulting from InBev Brasil's merger referred to above. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings—Ambev and Its Subsidiaries—Tax Matters—Special Goodwill Reserve" for further information. Effective 21 December 2011, we entered into an agreement with Ambev formalizing the arrangement whereby we shall reimburse Ambev the amount proportional to the benefit received by us pursuant to the merger protocol, as well as the respective costs.

**C. INTERESTS OF EXPERTS AND COUNSEL**

Not applicable.





**ITEM 8. FINANCIAL INFORMATION**

**A. CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION**

**Consolidated Financial Statements**

See “Item 18. Financial Statements.” For a discussion of our export sales, see “Item 5. Operating and Financial Review.”

**Legal and Arbitration Proceedings**

Litigation is subject to uncertainty and we and each of our subsidiaries named as a defendant believe, and have so been advised by counsel handling the respective cases, that we have valid defenses to the litigation pending against us, as well as valid bases for appeal of adverse verdicts, if any. All such cases are, and will continue to be, vigorously defended. However, we and our subsidiaries may enter into settlement discussions in particular cases if we believe it is in our best interests to do so. Except as set forth herein, there have been no governmental, judicial or arbitration proceedings (including any such proceedings which are pending or threatened against us or our subsidiaries of which we are aware) during the period between 1 January 2020 and the date of this Form 20-F which may have, or have had in the recent past, significant effects on our financial position and profitability.

***Anheuser-Busch InBev SA/NV***

**Budweiser Trademark Litigation**

We are involved in a long-standing trademark dispute with the brewer Budejovicky Budvar, n.p. located in Ceske Budejovice, Czech Republic. This dispute involves the BUD and BUDWEISER trademarks and includes actions pending in national trademark offices as well as courts. Currently there are approximately 63 cases pending in around 37 jurisdictions. While there are a significant number of actions pending, taken in the aggregate, the actions do not represent a material risk to our financial position or profitability.

**Belgian Tax Matters**

In February 2015, the European Commission opened an in-depth state aid investigation into the Belgian excess profit ruling system. On 11 January 2016, the European Commission adopted a negative decision finding that the Belgian excess profit ruling system constitutes an aid scheme incompatible with the internal market and ordering Belgium to recover the incompatible aid from a number of aid beneficiaries. The Belgian authorities have contacted the companies that have benefitted from the system and have advised each company of the amount of incompatible aid that is potentially subject to recovery. The European Commission decision was appealed to the European Union’s General Court by Belgium on 22 March 2016 and by us on 12 July 2016. On 14 February 2019, the European General Court concluded that the Belgian excess profit ruling system does not constitute illegal state aid. The European Commission has appealed the judgment to the European Court of Justice. The public hearing in the framework of the appeal proceedings took place on 24 September 2020 and we were heard as an intervening party. Pending the outcome of that appeal, the European Commission opened new state aid investigations into the individual Belgian tax rulings, including the one issued to us in September 2019, to remedy the concerns that led to annulment of its earlier decision by the General Court. These investigations relate to the same rulings that were subject to the European Commission decision issued on 11 January 2016. We have filed our observations in respect of the opening decisions with the EU Commission.

On 3 December 2020, the Advocate General (“AG”) of the European Court of Justice presented her non-binding opinion on the appeal procedure related to the 11 January 2016 opening decision, stating that, contrary to the 14 February 2019 judgment of the European General Court, the Belgian excess profit ruling system would fulfil the legal requirements for an “aid scheme”. In the initial European General Court judgment, the court limited itself to finding the Belgian excess profit rulings were not an “aid scheme”, but did not consider whether they constituted State aid. Consequently, the AG advised the European Court of Justice to refer the case back to the European General Court to review whether the Belgian excess profit rulings constitute state aid. The AG’s opinion is only advisory to the European Court of Justice, which is expected to deliver its binding judgment on the European Commission’s appeal later in 2021.



In addition, the Belgian tax authorities have also questioned the validity and the actual application of the excess profit ruling that was issued in favor of us and have refused the actual tax exemption which it confers. Against such decision, we have filed a court claim before the Brussels court of first instance, which ruled in our favor on 21 June 2019. The Belgian tax authorities have appealed this judgment.

On 24 January 2019, we deposited EUR 68 million (USD 83 million) in a blocked account. Depending on the final outcome of the European Court procedures on the Belgian excess profit ruling system, as well as the pending Belgian court case, this amount will either be slightly modified, released back to the company or paid over to the Belgian State. In connection with the European Court procedures, we recorded a provision of EUR 68 million (USD 83 million) as of 31 December 2020.

### **Antitrust Matters**

#### *European Commission Antitrust Investigation*

In 2016, the European Commission announced an investigation into alleged abuse of a dominant position by AB InBev in Belgium through certain practices aimed at restricting trade from other European Union member states to Belgium. On 13 May 2019, the European Commission announced that it had fined AB InBev a total of USD 226 million for breaching EU antitrust rules. We paid the fine in August 2019.

#### *SAB Transaction*

On 20 July 2016, the U.S. Department of Justice filed an antitrust action in the U.S. federal district court in the District of Columbia, seeking to enjoin the combination with SAB. On the same date, we announced that we had entered into a consent decree with the U.S. Department of Justice, which cleared the way for United States approval of the combination with SAB. For more information on the terms of the consent decree, see “Item 10. Additional Information—C. Material Contracts—Material Contracts Related to the Acquisition of SAB—U.S. Department of Justice Consent Decree.”

#### *Competition Commission of India Investigation*

In 2018, the Competition Commission of India opened an investigation against SAB India Limited (now AB InBev India Limited) and other brewers relating to legacy pricing practices in the Indian market involving sharing of information among competitors with a view to align on prices. We fully cooperated with the Competition Commission of India throughout its investigation. At this stage, it is not possible to indicate what the outcome of the investigation will be and no provision has been made in connection therewith.

#### *U.S. Department of Justice Investigation*

We are cooperating with the U.S. Department of Justice, Antitrust Division, in an investigation of possible antitrust violations in relation to hiring practices after the U.S. Department of Justice requested documents and other information in December 2020.

### **Ambev and Its Subsidiaries**

#### **Tax Matters**

In the past, Ambev has been subject to various tax assessments, as detailed below. In 2017, Ambev decided to participate in the Federal Tax Amnesty Program established by Provisional Measure No. 783/2017, converted into Law No. 13,496/2017 (“**PERT 2017**”), undertaking to pay tax assessments that were in dispute under administrative or judicial level, including debts from its subsidiaries, in the total amount of R\$3.5 billion (USD 1.1 billion) (already considering discounts established by the program). The total amount paid in 2017 was approximately R\$1.0 billion (USD 0.3 billion) and the balance will be paid in 145 monthly installments, with interest, starting in January 2018. All installments due from Ambev up to date have been paid by the company.



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**ICMS Value-Added Tax Excise Tax (Imposto sobre Produtos Industrializados – “IPI”) and Taxes on Net Sales**

In Brazil, goods manufactured within the Manaus Free Trade Zone intended for remittance elsewhere in Brazil are exempt and/or zero rated from IPI excise tax and social contributions. With respect to IPI, Ambev’s subsidiaries have been registering IPI excise tax presumed credits upon the acquisition of exempted goods manufactured therein. Since 2009, Ambev has been receiving a number of tax assessments from the Brazilian Federal Tax Authorities relating to the disallowance of such credits.

Ambev has also been receiving charges from the Brazilian Federal Tax Authorities in relation to (i) federal taxes allegedly unduly offset with the disallowed presumed IPI excise tax credits that are under discussion in these proceedings and (ii) amounts allegedly due under social contribution over Arosuco’s remittance (a subsidiary of Ambev).

In April 2019, the Federal Supreme Court (“STF”) announced its judgment on Extraordinary Appeal No. 592.891/SP, with binding effects, deciding on the rights of taxpayers registering IPI excise tax presumed credits on acquisitions of raw materials and exempted inputs originating from the Manaus Free Trade Zone. As a result of this decision, Ambev reclassified part of the amounts related to the IPI cases as remote losses, maintaining as possible losses only issues related to other additional discussions that were not included in the analysis of the STF. The cases are being challenged at both the administrative and judicial levels. Ambev management estimates the possible losses in relation to these assessments to be R\$4.8 billion (USD 0.9 billion) as of 31 December 2020. Ambev has not recorded any provision in connection with these assessments.

In 2014 and 2015, Ambev received tax assessments from the Brazilian federal tax authorities relating to IPI excise tax, allegedly due over remittances of manufactured goods to other related factories. The cases are being challenged at both administrative and judicial levels. In 2020, Ambev received a final partial favorable decision at the administrative level in one of the cases. At the judicial level, the case is still in the initial stage. Ambev management estimates the possible losses related to these assessments to be approximately R\$1.6 billion (USD 0.3 billion) as of 31 December 2020. Ambev has not recorded any provision in connection with these assessments.

Over the years, Ambev has received tax assessments charging alleged ICMS differences that some Brazilian states consider due when the price of the products sold by Ambev is above the fixed price table basis established by such states, cases in which the state tax authorities understand that the calculation basis should be based on a value-added percentage over the actual prices and not on the fixed table price. Ambev is currently challenging these charges at both the administrative and judicial levels of the courts. Ambev management estimates the amount related to these assessments to be approximately R\$8.6 billion (USD 1.7 billion) as of 31 December 2020, classified as a possible loss and, therefore, for which Ambev has made no provision. Ambev has recorded provisions in the total amount of R\$7 million (USD 1 million) in relation to certain proceedings where it considers the chances of loss to be probable due to specific procedural issues.

In 2015, Ambev received a tax assessment issued by the State of Pernambuco charging ICMS differences due to an alleged non-compliance with the state tax incentive agreement (“PRODEPE”) as a result of the rectification of Ambev’s monthly reports. The state tax authorities decided that Ambev was unable to use the tax incentive due to such rectification. In 2017, Ambev received a final favorable decision nullifying the assessment due to formal mistakes of the tax auditor. However, in September 2018, Ambev received a new tax assessment with respect to the same matter. In June 2020, Ambev received the first level administrative decision, which was partially favorable to Ambev as it recognized the miscalculation of the tax incentive credit by the tax auditor. The favorable portion of the aforementioned decision is final and unappealable. With regard to the unfavorable portion, Ambev filed an administrative appeal which is awaiting judgement. There are other assessments related to PRODEPE. Ambev management estimates the possible losses related to these assessments to be approximately R\$0.6 billion (USD 0.1 billion) as of 31 December 2020. Ambev has recorded a provision in the total amount of R\$5 million (USD 1 million) in relation to one proceeding where it considers the chances of loss to be partially probable.



In addition to the ICMS matters, Ambev is currently challenging tax assessments issued by the states of São Paulo, Rio de Janeiro, Minas Gerais, among others, questioning the legality of ICMS tax credits arising from transactions with companies that have tax incentives granted by other states. The cases are being challenged at both the administrative and judicial level of the courts. On August 2020, the STF issued a binding decision (Extraordinary Appeal No. 628.075) ruling that tax credits granted by the states in the context of the ICMS tax war shall be consider unlawful. The decision also recognized that the states should abide by the tax incentives validation process provided for in Complementary Law No. 160/17. This decision is subject to appeal and does not change the likelihood of loss in Ambev's tax assessments. Ambev management estimates the possible losses related to these assessments to be approximately R\$2.0 billion (USD 0.4 billion) as of 31 December 2020 and has not recorded any provisions in connection therewith.

Ambev has also received tax assessments from the state of Amazonas charging alleged differences in ICMS due to questions about the calculation basis applied in sales transactions by Ambev to its subsidiaries. The cases are being challenged at the administrative level. Ambev management estimates the possible losses related to these assessments to be approximately R\$0.5 billion (USD 0.1 billion) as of 31 December 2020 and has not recorded any provisions in connection therewith.

### **Ambev Profits Generated Abroad**

Since 2005, Ambev and certain of its subsidiaries have been receiving a number of assessments from Brazilian federal tax authorities relating to the profits of its foreign subsidiaries. The cases are being challenged at both the administrative and judicial levels of the courts in Brazil.

The administrative proceedings have resulted in partially favorable decisions, which are still subject to review by the Administrative Court. In the judicial proceedings, Ambev has received favorable injunctions that suspend the enforceability of the tax credit, as well as favorable first level decisions, which remain subject to review by the second-level judicial court.

As of 31 December 2020, Ambev management estimates the possible losses in relation to these assessments to be approximately R\$7.3 billion (USD 1.4 billion) and, therefore, has not recorded any provision in connection therewith. Ambev has recorded provisions in the total amount of R\$53 million (USD 10 million) for proceedings where it considers the chance of loss to be probable.

### **Brazilian Income Tax – Tax Loss Offset**

Ambev and certain of its subsidiaries received a number of assessments from Brazilian federal tax authorities relating to the offset of tax loss carryforwards arising in the context of business combinations. In February 2016, the Administrative Upper House of the Administrative Tax Court concluded the judgment of two tax assessments on this matter unfavorably to Ambev. Ambev promptly filed judicial proceedings to discuss the matter. In September 2016, Ambev received a favorable first-level decision in one of the judicial claims and in March 2017, Ambev received an unfavorable first-level decision on the second judicial case and filed an appeal to the judicial court. Both cases are awaiting decisions from the second-level judicial courts.

The cases that are being challenged at the administrative level had partially favorable decisions rendered by the Lower Administrative Court in December 2020. The tax authorities had not presented any appeal in relation to the favorable portion of the decisions to Ambev and they became final. As to the unfavorable portion of the decisions, Special Appeals were presented by Ambev, which are awaiting judgment by the Upper Administrative Court.

The other cases are being challenged at the administrative level and are still pending final decisions. Ambev management estimates the total exposure of possible losses in relation to these assessments to be R\$0.4 billion (USD 0.1 billion) as of 31 December 2020. Ambev has not recorded any provision in connection with these disputes.



### Special Goodwill Reserve

In December 2011, Ambev received a tax assessment from the Brazilian federal tax authorities related to the goodwill amortization resulting from the merger of InBev Brasil S.A. with Ambev referred to under “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Ambev Special Goodwill Reserve.” At the administrative level, Ambev received partially favorable decisions at both the Lower and Upper Administrative Court. Ambev filed judicial proceedings to discuss the unfavorable portions of the decisions of the Lower and the Upper Administrative Court and requested injunctions to suspend the enforceability of the remaining tax credit, which were granted.

In June 2016, Ambev received a new tax assessment charging the remaining value of the goodwill amortization from 2011 to 2013, related to InBev Brasil’s merger with Ambev, and filed a defense. Ambev received partially favorable decisions at the first-level administrative court and the Lower Administrative Court. Ambev filed a special appeal for analysis of the case by the Administrative Upper House, which was partially admitted and awaits judgment. For the unfavorable portion of the decision which became final at the administrative level, Ambev filed a judicial proceeding requesting an injunction to suspend the enforceability of the remaining tax credit, which was granted. Ambev has not recorded any provisions for this matter and its management estimates possible losses in relation to this assessment to be approximately R\$10.2 billion (USD 2.0 billion) as of 31 December 2020. In the event that Ambev is required to pay these amounts, we will reimburse Ambev in the amount proportional to the benefit received by us pursuant to the merger protocol, as well as related costs.

In October 2013, Ambev also received a tax assessment related to the goodwill amortization resulting from the merger of Beverage Associates Holding Limited (“BAH”) into Ambev. The decision from the first-level administrative court was unfavorable to Ambev. Ambev filed an appeal to the Lower Administrative Court against the decision, which was partially granted. Ambev and the tax authorities filed Special Appeals to the Upper Administrative Court, which are awaiting judgment.

In April and August 2018, Ambev received new tax assessments charging the remaining value of the goodwill amortization and filed defenses. In April 2019, the first-level administrative court rendered unfavorable decisions to Ambev. As a result thereof, Ambev appealed to the Lower Administrative Court. In November and December 2019, the Lower Administrative Court rendered partially favorable decisions. Ambev filed Special Appeals to the Upper Administrative Court. The Special Appeal filed in one of the tax assessments is awaiting judgment by the Upper Administrative Court, whereas the other Special Appeal is awaiting admission. Ambev management estimates the amount of possible losses in relation to this assessment to be approximately R\$2.3 billion (USD 0.4 billion) as of 31 December 2020. Ambev has not recorded any provision in connection with this assessment.

In November 2017, Ambev received a tax assessment related to the goodwill amortization resulting from the merger of CND Holdings into Ambev. In November 2018, Ambev received an unfavorable decision from the first-level administrative court and filed an appeal to the Lower Administrative Court. In February 2020, Ambev received a partially favorable decision at the Lower Administrative Court. Ambev and the tax authorities filed Special Appeals to the Upper Administrative Court, which are awaiting admission and judgment. Ambev management estimates the amount of possible losses in relation to this assessment to be approximately R\$1.0 billion (USD 0.2 billion) as of 31 December 2020. Ambev has not recorded any provision in connection therewith.

### Disallowance of Expenses and Deductibility of Losses

In 2015, 2016 and 2020, Ambev received tax assessments related to the disallowance of alleged non-deductible expenses and the deduction of certain losses mainly associated with financial investments and loans. Ambev presented defenses and, in November 2019, received a favorable decision at the first-level administrative court regarding the 2016 case. The 2015 and 2020 cases are still pending decision by the first-level administrative court. Ambev estimates its exposure to possible losses in relation to these assessments to be approximately R\$5.0 billion (USD 1.0 billion) as of 31 December 2020. Ambev has not recorded any provision in connection with these assessments.



### Disallowance of Taxes Paid Abroad

Since 2014, Ambev has been receiving tax assessments from the Brazilian federal tax authorities related to the disallowance of deductions associated with alleged unproven taxes paid abroad by its subsidiaries and has been filing defenses. The cases are being challenged at both the administrative and judicial levels. In November 2019, the Lower Administrative Court rendered a favorable decision to Ambev regarding an assessment from 2010, which became final. In January 2020, the Lower Administrative Court rendered unfavorable decisions to Ambev regarding four of these assessments related to the periods of 2015 and 2016. Regarding the 2015 assessments, Ambev filed Special Appeals to the Upper Administrative Court which are pending decisions. Regarding the 2016 assessments, Ambev was notified of the decisions and filed motions for clarification which are pending decisions. With respect to the cases related to the periods of 2015 and 2016, tax assessments were filed to charge isolated fines due to the lack of monthly prepayments of income tax as a result of allegedly undue deductions of taxes paid abroad. Ambev filed defenses and awaits judgment by the first-level administrative court. The other cases are still awaiting final decisions at both administrative and judicial courts. As of 31 December 2020, Ambev management estimates the exposure of approximately R\$11.7 billion (USD 2.3 billion) as a possible risk, and accordingly Ambev has not recorded a provision for such amount.

### Presumed Profit

In April 2016, Arosuco, a subsidiary of Ambev, received a tax assessment regarding the use of the “presumed profit” method for the calculation of income tax and the social contribution on net profit instead of the “real profit” method. In September 2017, Arosuco received an unfavorable first-level administrative decision and filed an appeal. In January 2019, the Lower Administrative Court rendered a favorable decision to Arosuco, which became final.

In March 2019, Ambev received a new tax assessment regarding the same subject matter and filed a defense. In October 2019, Arosuco received an unfavorable first-level administrative decision and filed an appeal.

Arosuco management estimates the amount of possible losses in relation to these assessments to be approximately R\$0.5 billion (USD 0.1 billion) as of 31 December 2020. Arosuco has not recorded any provision in connection therewith.

### Deductibility of IOC expenses

In November 2019, Ambev received a tax assessment from the Brazilian Federal Tax Authorities related to the interest on capital (“IOC”) deduction in 2014. The assessment refers primarily to the accounting and corporate effects of the restructuring carried out by Ambev in 2013 and the impact on the increase in the deductibility of IOC expenses. In August 2020, Ambev received a partially favorable decision at the first-level administrative court and filed an Appeal to the Lower Administrative Court.

In December 2020, Ambev received a new tax assessment related to the deduction of the IOC in 2015 and 2016. The defense against such assessment was filed by Ambev in January 2021.

Ambev also distributed IOC in the years following the assessed period. In a scenario where the IOC deductibility would also be questioned for this timeframe, on the same basis as the aforementioned tax assessments, Ambev estimates that the outcome of such potential further assessments would be similar to the above mentioned case. Accordingly, the effects of the deductibility of IOC expenses on Ambev’s effective income tax rate for this period would be maintained.

The amount related to this uncertain tax position as of 31 December 2020 is approximately R\$10.2 billion (USD 2.0 billion). Ambev has not recorded any provisions for this matter as it considers the chance of loss to be possible.





### Disallowance on Income Tax deduction

In January 2020, Arosuco, a subsidiary of Ambev, received a tax assessment from the Brazilian Federal Tax Authorities regarding the disallowance of the income tax reduction benefit provided for in Provisional Measure No. 2199-14/2001 and an administrative defense was filed. In October 2020, the first-level administrative court rendered an unfavorable decision to Arosuco. Arosuco filed an appeal against the aforementioned decision and awaits judgment by the Lower Administrative Court.

As of 31 December 2020, Ambev management estimates the exposure of approximately R\$2.0 billion (USD 0.4 billion) as a possible risk, and, accordingly, has not recorded a provision for such amount.

### Social Contributions

Since 2015, Ambev has been receiving tax assessments issued by the Brazilian federal tax authorities relating to amounts allegedly due under Integration Program/Social Security Financing Levy (PIS/COFINS) over bonus products granted to its customers. The cases are now being challenged at both the administrative and judicial levels of the courts. In 2020, Ambev received final favorable decisions at the administrative level in some of the pending cases and other favorable decisions that are still subject to review. At the judicial level, the case is still in its initial stage. Ambev management estimates the possible losses related to these assessments to be approximately R\$1.7 billion (USD 0.3 billion) as of 31 December 2020. No related provision has been made.

### Labor Matters

Ambev is involved in more than 17,000 labor claims. Most of the labor claims facing Ambev relate to its Brazilian operations. In Brazil, it is not unusual for a large company to be named as a defendant in such a significant number of claims. As of 31 December 2020, Ambev has made provisions totaling R\$130 million (USD 25 million) in connection with the above labor claims involving former, current and outsourced employees and relating mainly to overtime, dismissals, severance, health and safety premiums, supplementary retirement benefits and other matters, all of which are awaiting judicial resolution and have probable chance of loss.

In connection with these labor matters, Ambev is also involved in claims regarding the social charges on payroll. Ambev management estimates the possible losses related to these claims to be approximately R\$0.4 billion (USD 0.1 billion) as of 31 December 2020. Ambev has recorded provisions of R\$30 million (USD 6 million) for proceedings where it considers the chance of loss to be probable.

### Civil Matters

As of 31 December 2020, Ambev was involved in more than 8,500 civil claims pending, including third-party distributors and product-related claims. Ambev has established provisions totaling R\$87 million (USD 17 million) reflecting applicable adjustments, such as accrued interest, as of 31 December 2020 in connection with civil claims.

### Subscription Warrants

In 2002, Ambev decided to request a ruling from the CVM in connection with a dispute between Ambev and some of its warrant holders regarding the criteria used in the calculation of the strike price of certain Ambev warrants. In March and April 2003, the CVM ruled that the criteria used by Ambev to calculate the strike price were correct. In response to the CVM's final decision and seeking to reverse it, some of the warrant holders filed separate lawsuits before the courts of São Paulo and Rio de Janeiro.

Although the warrants expired without being exercised, the warrant holders claim that the strike price should be reduced to take into account the strike price of certain stock options granted by Ambev under its then-existing stock ownership program, as well as for the strike price of other warrants issued in 1993 by Brahma.

Ambev has knowledge of at least seven claims in which the plaintiffs argue that they would be entitled to those rights. One of these cases was settled. The Superior Court of Justice ("STJ") ruled in favor Ambev in the other six lawsuits. Three cases were dismissed by the STJ's Special Court. The plaintiffs may still file motions for clarification against such decisions. The STJ's Special Court ruled in favor of Ambev in one case and the judgment became final. Another case was remitted to the STJ's lower court for a new judgment. The sixth case was decided in Ambev's favor and was subject to a new appeal to the Brazilian Supreme Court ("STF"), which was denied and the judgment became final.





In the event the plaintiffs prevail in the above four pending proceedings, Ambev believes that the corresponding economic dilution for the existing shareholders would be the difference between the market value of the shares at the time they were issued and the value ultimately established in liquidation proceedings as being the subscription price pursuant to the exercise of the warrants. Ambev believes that the warrants that are the object of those six proceedings represented, on 31 December 2020, 172,831,574 Ambev common shares that would be issued at a value substantially below fair market value, should the claimants ultimately prevail. The plaintiffs also claim they should receive past dividends related to these shares in the amount of approximately R\$1.0 billion (USD 0.2 billion) as of 31 December 2020.

Ambev believes, based on its management assessments, that its chances of receiving unfavorable final decisions in this matter are remote, and, therefore, it has not established a provision for this litigation in its audited consolidated financial statements. As these disputes are based on whether Ambev should receive as a subscription price a lower price than the price that it considers correct, a provision of amounts with respect to these proceedings would only be applicable with respect to legal fees and past dividends.

#### **Lawsuit against the Brazilian Beer Industry**

On 28 October 2008, the Brazilian Federal Prosecutor's Office (*Ministério Público Federal*) filed a suit for damages against Ambev and two other brewing companies claiming total damages of approximately R\$2.8 billion (USD 0.7 billion) (of which approximately R\$2.1 billion (USD 0.5 billion) are claimed against Ambev). The public prosecutor alleges that: (i) alcohol causes serious damage to individual and public health, and that beer is the most consumed alcoholic beverage in Brazil; (ii) defendants have approximately 90% of the national beer market share and are responsible for heavy investments in advertising; and (iii) the advertising campaigns increase not only the market share of the defendants but also the total consumption of alcohol and, hence, cause damage to society and encourage underage consumption.

Shortly after the above lawsuit was filed, a consumer-protection association applied to be admitted as a joint-plaintiff. The association has made further requests in addition to the ones made by the Public Prosecutor, including the claim for "collective moral damages" in an amount to be ascertained by the court; however, it suggests that it should be equal to the initial request of R\$2.8 billion (USD 0.7 billion), therefore doubling the initial amount involved. The court has admitted the association as joint plaintiff and has agreed to hear the new claims. After the exchange of written submissions and documentary evidence, the case was dismissed by the lower court judge, who denied all claims submitted against Ambev and the other defendants. The Federal Prosecutor's Office has appealed to the Federal Court, which decided for the annulment of the lower court decision, based on the understanding that more evidences should have been produced before the case's dismissal. Ambev filed a motion for clarification against such decision, which was rejected and the decision became final. The case has now returned to the lower court for the production of evidences. Ambev believes that its chances of loss remain remote and, therefore, has not made any provision with respect to such claim.

#### **United States Class Action Suit**

On 21 June 2019, a proposed class action was filed in the United States District Court for the Southern District of New York against us and three of our officers. The complaint alleged claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder on behalf of a proposed class of purchasers of AB InBev American Depositary Shares between 1 March 2018 and 24 October 2018. The plaintiff alleged that defendants misstated or omitted material facts regarding, among other things, our financial condition, our dividend policy and the effectiveness of our disclosure controls and procedures. The complaint sought unspecified compensatory damages and reimbursement for litigation expenses. An amended complaint filed on 12 December 2019 contained substantially the same allegations, but reduced the number of defendant officers to two. On 29 September 2020, the District Court issued an order granting our motion to dismiss. The plaintiff did not appeal and the case is now closed.

**SAB Australia Pty Limited**

SAB Australia Pty Limited (“**SAB Australia**”), our former subsidiary, received a tax assessment for the 2012 to 2014 income tax years for AUD 0.4 billion (USD 0.3 billion) related to the interest deductions of SAB’s acquisition of the Foster’s group (the “**Foster’s acquisition**”). We are disputing the 2012 to 2014 assessment and remain confident of the positions we have adopted. The company paid USD 47 million related to the tax assessment pending conclusion of the matter and recorded a provision of USD 0.1 billion in connection therewith as of 31 December 2020. The Australia disposal was concluded on 1 June 2020 with pre-transaction income tax liabilities being subject to an indemnity by AB InBev.

The Australian tax authorities have also notified SAB Australia that it has commenced an audit of the 2015 to 2020 income tax years. The focus of the audit is the tax treatment of the ongoing funding arrangements associated with the Foster’s acquisition.

**Dividend Policy**

Our current dividend policy is to declare a dividend representing in aggregate at least 25% of our consolidated profit attributable to our equity holders, excluding exceptional items, such as restructuring charges, gains or losses on business disposals and impairment charges, subject to applicable legal provisions relating to distributable profit.

The dividends are approved by our annual shareholders’ meeting and are paid on the dates and at the places appointed by our Board. Our Board may pay an interim dividend in accordance with the provisions of the Belgian Companies Code. Any dividends are paid on the dates and at the places communicated by the Board of Directors.

The table below summarizes the dividends paid by us in the most recent financial years.

<u>Financial year</u>	<u>Number of our shares outstanding at end of relevant financial year</u>	<u>Gross amount of dividend per share (in EUR)</u>	<u>Gross amount of dividend per share (in USD)</u>	<u>Payment date(s)</u>
2019	2,019,241,973	0.50	0.56	11 June 2020
2019	2,019,241,973	0.80	0.89	21 November 2019
2018	2,019,241,973	1.00	1.12	9 May 2019
2018	2,019,241,973	0.80	0.91	29 November 2018
2017	2,019,241,973	2.00	2.44	3 May 2018
2017	2,019,241,973	1.60	1.89	16 November 2017
2016	2,019,241,973	2.00	2.11	4 May 2017
2016	2,019,241,973	1.60	1.75	17 November 2016
2015	1,608,242,156	2.00	2.20	3 May 2016
2015	1,608,242,156	1.60	1.75	16 November 2015
2014	1,608,242,156	2.00	2.27	6 May 2015
2014	1,608,242,156	1.00	1.25	14 November 2014
2013	1,607,844,590	1.45	2.00	8 May 2014
2013	1,607,844,590	0.60	0.83	18 November 2013
2012	1,606,787,543	1.70	2.24	2 May 2013
2011	1,606,071,789	1.20	1.55	3 May 2012
2010	1,605,183,954	0.80	1.07	2 May 2011
2009	1,604,301,123	0.38	0.55	3 May 2010

**B. SIGNIFICANT CHANGES**

None.

**ITEM 9. THE OFFER AND LISTING****A. THE OFFER AND LISTING****Principal Equity Markets**

We are a publicly traded company, with our primary listing on Euronext Brussels under the symbol “ABI.” We also have secondary listings on the Johannesburg Stock Exchange under the symbol “ANH” and the Mexican Stock Exchange under the symbol “ANB.” ADSs representing rights to receive our Ordinary Shares are listed and trade on the NYSE under the symbol “BUD.” On 16 September 2009, we listed 1,608,663,943 Ordinary Shares represented by ADSs on the NYSE.

**Share Details**

See “Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information—Form and Transferability of Our Shares” for details regarding our shares.

Each of our shares is entitled to one vote except for shares owned by us, or by any of our direct subsidiaries, the voting rights of which are suspended. Shares held by our main shareholders do not entitle such shareholders to different voting rights. Our Restricted Shares are unlisted, not admitted to trading on any stock exchange and are subject to, among other things, restrictions on transfer until converted into new Ordinary Shares.

**B. PLAN OF DISTRIBUTION**

Not applicable.

**C. MARKETS**

We are incorporated under the laws of Belgium (register of legal entities number 0417.497.106), and our shares are listed on the regulated market of Euronext Brussels under the symbol “ABI.” We also have secondary listings of our shares on the Johannesburg Stock Exchange under the symbol “ANH” and on the Mexican Stock Exchange under the symbol “ANB.” The securities that we have listed on the NYSE are ADSs, each of which represents one of our shares. We listed 1,608,663,943 ADSs on the NYSE on 16 September 2009 (such number equal to the number of our shares plus the number of warrants on our shares outstanding as of 7 September 2009). For more information on our shares, see “Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information—Form and Transferability of Our Shares.” Our ADSs are described in greater detail under “Item 12. Description of Securities Other Than Equity Securities—D. American Depositary Shares.”

**Euronext Brussels**

Euronext Brussels is a subsidiary of Euronext N.V. and holds a license as a Belgian market operator under the Belgian Act of 2 August 2002. Pursuant to this legislation, the FSMA is responsible for disciplinary powers against members and issuers, control of sensitive information, supervision of markets, and investigative powers. Euronext Brussels is responsible for the organization of the markets and the admission, suspension and exclusion of members, and has been appointed by law as the “competent authority” within the meaning of the Listing Directive (Directive 2001/34/EC of 28 May 2001 of the European Parliament, as amended).

Euronext is the leading pan-European market infrastructure, connecting local economies to global capital markets, to accelerate innovation and sustainable growth. It operates regulated exchanges in Belgium, France, Ireland, The Netherlands, Norway and Portugal. With close to 1,500 listed issuers worth €4.5 trillion in market capitalisation as of end December 2020, it has an unmatched blue chip franchise and a strong diverse domestic and international client base.



Euronext operates regulated and transparent equity and derivatives markets and is the largest centre for debt and funds listings in the world. Its total product offering includes Equities, FX, Exchange Traded Funds, Warrants and Certificates, Bonds, Derivatives, Commodities and Indices. Euronext also leverages its expertise in running markets by providing technology and managed services to third parties. In addition to its main regulated market, it also operates Euronext Growth® and Euronext Access®, simplifying access to listing for SMEs. Euronext provides custody and settlement services through central securities depositories in Denmark, Norway and Portugal.

**Trading Platform and Market Structure.** Euronext operates seven markets in Belgium, France, Ireland, The Netherlands, Norway, Portugal and the United Kingdom, all of which are subject to the Markets in Financial Instruments Directive (Directive 2004/39/EC of 21 April 2004 of the European Parliament, as amended). Trading on Euronext is governed both by a single harmonized rulebook for trading on each of Euronext’s markets and by non-harmonized Euronext Rulebooks containing a few local exchange-specific rules. Euronext’s trading rules provide for an order-driven market using an open electronic central order book for each traded security, various order types and automatic order matching and a guarantee of full anonymity both for orders and trades.

**Trading Members.** The majority of Euronext’s cash trading members are brokers and dealers based in Euronext’s marketplaces, but also include members in other parts of Europe, most notably the United Kingdom and Germany.

**Clearing and Settlement.** Clearing and settlement of trades executed on Euronext in Europe are generally handled by LCH.SA (for central counterparty clearing), and independent entities that provide services to Euronext pursuant to contractual agreement. Euroclear is taking care of the settlement part of the transactions.

**D. SELLING SHAREHOLDERS**

Not applicable.

**E. DILUTION**

Not applicable.

**F. EXPENSES OF THE ISSUE**

Not applicable.

**ITEM 10. ADDITIONAL INFORMATION**

**A. SHARE CAPITAL**

Not applicable.

**B. MEMORANDUM AND ARTICLES OF ASSOCIATION AND OTHER SHARE INFORMATION**

A copy of our articles of association dated 3 June 2020 has been filed as Exhibit 1.1 to this Form 20-F.

**Corporate Profile**

We are a public limited liability company incorporated in the form of a société anonyme/naamloze vennootschap under Belgian law (Register of Legal Entities number 0417.497.106 (Brussels)). Our registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and our headquarters are located at Brouwerijplein 1, 3000 Leuven, Belgium. We were incorporated on 3 March 2016 for an unlimited duration under the laws of Belgium under the original name Newbelco SA/NV, and are the successor entity to predecessor Anheuser-Busch InBev SA/NV, which was incorporated on 2 August 1977 for an unlimited duration under the laws of Belgium under the original name BEMES and which we absorbed on 10 October 2016. Our financial year runs from 1 January to 31 December.



### Corporate Purpose

According to Article 4 of our articles of association, our corporate purpose is:

- to produce and deal in all kinds of products, including (but not limited to) beers, drinks, foodstuffs and any ancillary products, as well as all by-products and accessories, of whatsoever use, origin, purpose or form, and to provide all kinds of services; and
- to acquire, hold and manage direct or indirect shareholdings or interests in companies, undertakings or other entities having a corporate purpose similar or related to, or likely to promote directly or indirectly the attainment of the foregoing corporate purpose, in Belgium and abroad, and to finance such companies, undertakings or other entities by means of loans, guarantees or in any other manner whatsoever.

In general, we may engage in any commercial, industrial and financial transactions, in moveable and real estate transactions, in research and development projects, as well as in any other transaction likely to promote directly or indirectly the attainment of our corporate purpose.

### Amendments to Articles of Association

At our annual shareholders' meeting held on 3 June 2020, our shareholders approved amendments to our Articles of Association to align them with the Belgian Companies Code, which entered into force on 1 January 2020.

### Board of Directors

A description of the provisions of our articles of associations as applied to our board of directors can be found in "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board of Directors" and "Item 6. Directors, Senior Management and Employees—C. Board Practices."

We are relying on a provision in the NYSE Listed Company Manual that allows us to follow Belgian corporate law and the Belgian Corporate Governance Code with regard to certain aspects of corporate governance. This allows us to continue following certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on the NYSE. See "Item 16G. Corporate Governance" for a concise summary of the significant ways in which our corporate governance practices differ from those followed by a U.S. company under the NYSE rules.

Belgian law does not regulate specifically the ability of directors to borrow money from Anheuser-Busch InBev SA/NV.

Our Corporate Governance Charter prohibits us from making loans to directors, whether for the purpose of exercising options or for any other purpose (except for routine advances for business-related expenses in accordance with our rules for reimbursement of expenses). See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with Directors and Executive Committee Members (Key Management Personnel)."

In addition, the Article 7:96 of the Belgian Companies Code provides that if one of our directors directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the powers of our Board, the director concerned must inform our other directors before our Board makes any decision on such transaction. The statutory auditor must also be notified. The director may not participate in the deliberation or vote on the conflicting decision or transaction. An excerpt from the minutes of the meeting of our Board that sets forth the financial impact of the matter on us and justifies the decision of our Board must be published in our annual report. The statutory auditors' report to the annual accounts must assess the financial impact on us of each of the decisions of our Board where director conflicts arise.



### Form and Transferability of Our Shares

Our share capital is represented by 2,019,241,973 shares. There are two classes of shares: all shares are Ordinary Shares, except for 325,999,817 Restricted Shares.

Our Ordinary Shares can take the form of registered shares or dematerialized shares. Restricted Shares may only be held in registered form.

All of our shares are fully paid-up. Ordinary Shares are freely transferable. Restricted Shares are subject to the transfer restrictions summarized below and further described in our articles of association.

#### **Restricted Shares**

##### *Restrictions on Transfers and Pledges*

No holder of Restricted Shares (a “**Restricted Shareholder**”) shall 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 (*certification / certificering*) or depository arrangement or enter into any form of hedging arrangement with respect to, in each case directly or indirectly, 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 expiring on 10 October 2021, except as provided below.

As an exception to this rule, any Restricted Shareholder may transfer, sell, contribute, offer, grant any option on, otherwise dispose of, pledge, charge, assign, mortgage, grant a lien or any security interest on, or enter into any form of hedging arrangement with respect to, in each case directly or indirectly, 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, to or for the benefit of any person that is its affiliate, its Successor and/or Successor’s affiliate (as such terms are defined in our articles of association), provided that if any such transferee ceases to be an affiliate, a Successor and/or a Successor’s affiliate of the Restricted Shareholder that initially made the transfer (or of its Successor), all such Restricted Shares which such transferee owns or in which it holds an interest shall be automatically transferred to such Restricted Shareholder (or to a person which, at the time of such transfer, is its affiliate or its Successor) and shall therefore remain Restricted Shares.

Also, under certain conditions set out in our articles of association, Restricted Shareholders (or, in certain cases, pledgees or receivers) may (i) with the prior written consent granted by our board of directors (a “**Pledge Consent**”), pledge, charge, assign, mortgage, or otherwise grant a lien over or grant any security interest on all or any part of their Restricted Shares or any interests therein and any rights relating thereto as security (in each case, a “**Pledge**”), and (ii) transfer, sell, contribute, offer, grant any option on, or otherwise dispose of, in each case directly or indirectly, or enter into any contract or other agreement to do any of the foregoing in respect of all or part of (or any interest in) their holding of Restricted Shares that are the subject of a Pledge (to which a Pledge Consent has been given) in the context of an enforcement action with respect to such Pledge or when the Restricted Shareholder has determined in good faith that such transfer is the only commercially reasonable alternative available to prevent an imminent enforcement of a Pledge.

##### *Conversion into Ordinary Shares*

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 or at any time after entering into an agreement or arrangement to effect a permitted transfer with respect to Restricted Shares that are the subject of a Pledge, as set out above.

The Restricted Shares shall automatically convert into Ordinary Shares (i) upon any transfer, sale, contribution or other disposal, except in the case of permitted transfers to or for the benefit of any person that is an affiliate, a Successor and/or a Successor’s affiliate of the relevant Restricted Shareholders or in the case of a Pledge Consent, provided that, in such cases, the Restricted Shares shall automatically be converted into Ordinary Shares



upon any subsequent transfer, sale, contribution or disposal to any party which is not an affiliate, a Successor or a Successor's affiliate of the Restricted Shareholder; (ii) immediately prior to the closing of a successful public takeover bid for our shares or the completion of a merger of the company as acquiring or disappearing company, in circumstances where the shareholders directly or indirectly, controlling or exercising directly or indirectly joint control over us immediately prior to such takeover bid or merger will not directly or indirectly control, or exercise joint control over, us or the surviving entity following such takeover bid or merger; or (iii) upon the announcement of a squeeze-out bid for our outstanding shares, in accordance with Article 7:82 of the Belgian Companies Code.

Upon conversion, each Restricted Share will be re-classified as one Ordinary Share. From the time of conversion, the Ordinary Shares will be freely transferable.

Holders of Restricted Shares may benefit from registration rights, as described in “—C. Material Contracts—Material Contracts Related to the Acquisition of SAB—Registration Rights Agreement.”

## Changes to Our Share Capital

### *Capital Increase by Our Shareholders' Meeting*

Changes to our share capital may be decided by our shareholders' meeting. Our shareholders' meeting may at any time decide to increase or decrease our share capital. Such resolution must satisfy the following quorum and majority requirements: (i) a quorum of 50% of the issued share capital must be present or represented at the meeting, and (ii) the capital increase must be approved by at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened where no quorum requirement applies but where the special 75% majority requirement applies. See “—Description of the Rights and Benefits Attached to Our Shares—Right to Attend and Vote at Our Shareholders' Meeting—Quorum and Majority Requirements” below.

### *Capital Increase by Our Board of Directors*

Subject to the same quorum and majority requirements described above, our shareholders' meeting may authorize our Board, within certain limits, to increase our share capital without any further approval of shareholders, by way of authorized capital. This authorization needs to be limited in time (i.e., it can only be granted for a renewable period of a maximum of five years) and in scope (i.e., the increase by way of authorized capital may not exceed the amount of the share capital at the time of the authorization).

At the annual shareholders' meeting on 26 April 2017, our shareholders' meeting authorized our Board to increase the share capital of AB InBev to an amount not to exceed 3% of the total number of shares issued and outstanding on 26 April 2017 (i.e., 2,019,241,973). This authorization has been granted for five years and can be used for several purposes, including when the sound management of our business or the need to react to appropriate business opportunities calls for a restructuring, an acquisition (whether private or public) of securities or assets in one or more companies, or generally, any other appropriate increase of our capital.

### *Preferential Subscription Right and Anti-Dilution*

In the event of a share capital increase by way of the issue of new shares, convertible bonds, bonds repayable in shares, subscription rights or other financial instruments giving a right to shares (any such shares, bonds, rights or instruments being “Equity Interests”), all shareholders will have a preferential right to subscribe for any such Equity Interests, as set out in and in accordance with Article 7:188 of the Belgian Companies Code. The preferential subscription right shall entitle each shareholder to subscribe for any new Equity Interests, pro rata to the proportion of existing share capital as he or she holds immediately prior to such issue and subject to the rules of Article 7:188 of the Belgian Companies Code. Each shareholder may exercise his or her preferential right in whole or in part.





Our shareholders' meeting may restrict or cancel the preferential subscription right, in accordance with Article 7:191 of the Belgian Companies Code, for a purpose that is in our best interests, provided, however, that if the preferential subscription right is restricted or canceled with respect to any issuance in which any of our shareholders acquires any such Equity Interests, all our shareholders shall be given the same right and be treated in the same way. This requirement shall not apply when the preferential subscription right is restricted or canceled with respect to issuances of Equity Interests issued solely pursuant to stock option plans or other compensation plans in the ordinary course of business. Where our shareholders' meeting has granted an authorization to our board of directors to effect a capital increase in the framework of the authorized capital and such authorization allows our board of directors to do so, our board of directors may likewise restrict or cancel the preferential subscription right applying the same principles as set out in this paragraph.

Any decision to restrict or cancel the preferential subscription right will require a quorum at the shareholders' meeting of shareholders holding at least 50% of the share capital and, approval by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions).

No Restricted Shares shall be issued other than to a Restricted Shareholder exercising its preferential subscription right in respect of its holding of Restricted Shares, without prejudice to the right of the Ordinary Shareholders to exercise their second ranking preferential subscription right in accordance with Article 7:188 of the Belgian Companies Code. In case of any event referred to in Article 8.1 of our articles of association, Restricted Shareholders shall only be entitled or required to receive Restricted Shares in respect of the Restricted Shares held by them.

Certain shareholders (including shareholders resident in, or citizens of, certain jurisdictions, such as the United States, Australia, Canada and Japan) may not be entitled to exercise such rights even if they are not disappplied unless the rights and related shares are registered or qualified for sale under the relevant legislative or regulatory framework.

#### **Purchases and Sales of Our Own Shares**

We may only acquire our own shares pursuant to a decision by our shareholders' meeting taken under the conditions of quorum and majority provided for in the Belgian Companies Code. Such a decision requires a quorum at the shareholders' meeting of shareholders holding at least 50% of the share capital and approval by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions).

On 28 September 2016, our shareholders' meeting granted an authorization allowing us to acquire our shares, either on or outside of the stock exchange, up to a maximum of 20% of the issued shares for a unitary price which will not be lower than one Euro and not higher than 20% above the highest closing price on Euronext Brussels in the last 20 trading days preceding the transaction. This authorization is valid for a period of five years as from 28 September 2016. In anticipation to the expiration of the share buyback authorization on 28 September 2021, our Board intends to propose to the upcoming annual shareholders' meeting to be held on 28 April 2021 to renew such authorization for a period of 5 years.

We may only dispose of our own shares in accordance with the conditions of the Belgian Companies Code.

With respect to the shares acquired by us as a result of the merger between us and predecessor Anheuser-Busch InBev SA/NV, our Board shall be entitled to dispose of such shares only in connection with (i) any share delivery obligations undertaken by us prior to 11 November 2015, (ii) any stock option plans or other compensation plans (including the Zenzele schemes) or (iii) any stock lending agreement or similar arrangement in respect of which we used our own shares for the purposes set out in items (i) and (ii).

See "Item 16E. Purchases of Equity Securities by the Issuer" for details of our recent share repurchase programs.



## Description of the Rights and Benefits Attached to Our Shares

### *Right to Attend and Vote at Our Shareholders' Meeting*

#### **Ordinary Shareholders' Meeting**

Our ordinary shareholders' meeting will be held on the last Wednesday of April of each year, at 11:00 a.m., Belgian time, in one of the municipalities of the Brussels-Capital Region, in Leuven or in Liège, at the place which will be mentioned in the convening notice. If this date is a legal holiday, the meeting will be held on the next business day at the same time.

At this meeting, our Board and the statutory auditor will present a report on our management and financial situation as at the end of the previous accounting year, which shall run from 1 January to 31 December. The shareholders will then vote on the approval of the annual accounts, the allocation of our profit or loss, the appointment or renewal, if necessary, of directors or statutory auditors, remuneration of the directors and the auditor and the release from liability of the directors and the statutory auditor.

In light of the COVID-19 pandemic, the annual shareholders' meeting held on 3 June 2020, by exception, took place without physical attendance of shareholders, in accordance with the Belgian royal decree n°4 of 9 April 2020. Shareholders were offered the possibility to submit questions in writing and to participate by correspondence in advance of the meeting or by giving a proxy to a person designated by the company. The meeting was recorded and an audiocast is accessible on our corporate website.

The convening notice to the upcoming annual shareholders' meeting to be held on 28 April 2021 will be published on 26 March 2021 and will contain further information on the format of the meeting and modalities to participate. In light of the continuing COVID-19 pandemic, the Company will be guided by health and safety concerns and the measures and recommendations made by public authorities in Europe and Belgium.

#### **Ad hoc and Extraordinary Shareholders' Meetings**

Our Board or our statutory auditor (or the liquidators, if appropriate) may, whenever our interests so require, convene a special or extraordinary shareholders' meeting. Such shareholders' meeting must also be convened every time one or more of our shareholders holding at least one-tenth of our share capital so demand.

Such shareholders' meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than our registered office.

#### **Notices Convening Our Shareholders' Meeting**

Notices of our shareholders' meetings contain the agenda of the meeting and the recommendations of our board of directors on the matters to be voted upon.

Notices for our shareholders' meetings are given in the form of announcements placed at least 30 days prior to the meeting in at least one Belgian newspaper and in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*). Notices will be sent 30 days prior to the date of our shareholders' meetings to the holders of our registered shares, holders of our registered warrants and to our directors and our statutory auditor.

Notices of all our shareholders' meetings and all related documents, such as specific board of directors' and auditor's reports, will also be published on our website.

#### **Admission to Meetings**

All shareholders are entitled to attend our shareholders' meetings, take part in the deliberations and, within the limits prescribed by the Belgian Companies Code and our articles of association, vote, provided they have complied with the formalities for admission set out in the convening notice.



The right to participate in and vote at a shareholders' meeting will require a shareholder to:

- have the ownership of his or her shares recorded in his or her name on the 14th calendar day preceding the date of the shareholders' meeting, either through registration in the register of our registered shares, for holders of registered shares, or through book-entry in the accounts of an authorized account holder or clearing organization, for holders of dematerialized shares; and
- notify us (or a person designated by us) at the latest on the sixth calendar day preceding the date of the shareholders' meeting of his or her intention to participate in the meeting, indicating the number of shares in respect of which he or she intends to do so. In addition, a holder of dematerialized shares must, at the latest on the same day, provide us (or a person designated by us) with an original certificate issued by an authorized account holder or a clearing organization certifying the number of shares owned by the relevant shareholder on the record date for the shareholders' meeting and for which he or she has notified his or her intention to participate in that meeting.

### **Voting by Proxy**

Any shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a shareholder, to represent him or her at the meeting. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case, the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by us. The signed original paper or electronic form must be received by us at the latest on the sixth calendar day preceding the date of the shareholders' meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

### **Vote by Correspondence**

Any shareholder with the right to vote may vote remotely in advance of our shareholders' meeting by sending a paper form or, if permitted by us in the notice convening the meeting, by sending a form electronically (in which case, the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by us. Only forms received by us at the latest on the sixth calendar day preceding the date of the meeting will be taken into account.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities set out in the convening notice.

### **Right to Request Items Be Added to the Agenda and to Ask Questions at the Shareholders' Meeting**

One or more shareholders that together hold at least 3% of our share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their shares representing such shareholding on the record date for the relevant shareholders' meeting and (ii) the additional items to be added to the agenda and/or proposed resolutions have been sent in writing (by registered mail or e-mail) by these shareholders to our registered office no later than on the twenty-second day preceding the date of the relevant shareholders' meeting. Such shareholdings must be proven by a certificate evidencing the registration of the relevant shares in our share register or by a certificate issued by the authorized account holder or the clearing organization certifying the book-entry of the relevant number of dematerialized shares in the name of the relevant shareholder(s).

We shall acknowledge receipt of shareholders' requests within 48 hours and, if required, publish a revised agenda of the shareholders' meeting at the latest on the 15th day preceding the date of the shareholders' meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second shareholders' meeting that must be convened because the quorum was not obtained during the first shareholders' meeting.



Within the limits of Article 7:139 of the Belgian Companies Code, our directors and our auditor shall answer, during the shareholders' meeting, any questions raised by shareholders. Shareholders may ask questions either during the meeting or in writing, provided that we receive the written question at the latest on the sixth day preceding the date of the shareholders' meeting.

**Quorum and Majority Requirements**

Each of our shares is entitled to one vote except for shares owned by us, or by any of our subsidiaries, the voting rights of which are suspended. Without prejudice to the specific rights and obligations attached to the Restricted Shares, the shares held by our principal shareholders do not entitle such shareholders to different voting rights.

Save as provided in the Belgian Companies Code and our articles of association, there will be no quorum requirement at our shareholders' meetings and decisions will be taken by a simple majority vote.

Resolutions relating to amendments of our articles of association or a merger or split are subject to special quorum and majority requirements. Specifically, any resolution on these matters will require the presence in person or by proxy of shareholders holding an aggregate of at least 50% of our issued share capital, and the approval of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, the quorum requirement will not apply. However, the special majority requirement will continue to apply.

Resolutions relating to the modification of the rights attached to a particular class of our shares are subject to special quorum and majority requirements. Specifically, any resolution on these matters 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 our shares and the approval of at least 75% of the votes cast at the meeting in each class of our shares (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, the quorum requirement will not apply. However, the special majority requirement will continue to apply.

Any modification of our corporate purpose will require 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 (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum will be required, but the relevant resolution must be approved by a qualified majority of at least 80% of the votes cast at the meeting (not counting abstentions).

Any authorization to repurchase shares will require a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum will be required, but the relevant resolution must be approved by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions).

Pursuant to Article 40 of our articles of association, any acquisition or disposal of tangible assets by us for an amount higher than the value of one-third of our consolidated total assets as reported in our most recent audited consolidated financial statements shall be within the exclusive jurisdiction of our shareholders' meeting and shall be adopted with a positive vote of 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented.

**Dividends**

All of our shares participate equally in our profits. Our Ordinary Shares (including our Ordinary Shares represented by our ADSs) and Restricted Shares have the same rights in relation to dividends and other distributions.



The Belgian Companies Code provides that dividends can only be paid up to an amount equal to the excess of our shareholders' equity over the sum of (i) paid-up or called-up share capital and (ii) reserves not available for distribution pursuant to law or our articles of association. Under Belgian law and our articles of association, we must allocate an amount of 5% of our annual net profit on an unconsolidated basis to a legal reserve in our unconsolidated financial statements until such reserve equals 10% of our share capital.

In general, we may only pay dividends with the approval of the shareholders' meeting. The annual dividend payment (if any) will be approved by our shareholders at our Ordinary Shareholders' meeting and will be paid on the dates and the places determined by our board of directors. In addition, our Board may declare interim dividends without shareholder approval, in accordance with the provisions of the Belgian Companies Code and Article 44 of our articles of association. It is expected that our board will decide the payment of dividends on a semi-annual basis.

See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Dividend Policy" for further information on our current dividend policy.

### ***Appointment of Directors***

Under our articles of association, the directors are appointed as follows:

- three independent directors will be appointed by our shareholders' meeting upon proposal by our board of directors;
- so long as the Stichting and/or any of its affiliates, any of their respective successors and/or successors' affiliates own, in aggregate, more than 30% of the shares with voting rights in our share capital, nine directors will be appointed by our shareholders' meeting upon proposal by the Stichting (and/or any of its affiliates, any of their respective successors and/or successors' affiliates); and
- so long as the Restricted Shareholders, together with their affiliates and/or any of their successors and/or successors' affiliates, own in aggregate:
  - more than 13.5% of the shares with voting rights in our share capital, three directors will be appointed by our shareholders' meeting upon proposal by the Restricted Shareholders;
  - more than 9% but not more than 13.5% of the shares with voting rights in our share capital, two directors will be appointed by our shareholders' meeting upon proposal by the Restricted Shareholders;
  - more than 4.5% but not more than 9% of the shares with voting rights in our share capital, one director will be appointed by our shareholders' meeting upon proposal by the Restricted Shareholders; and
  - 4.5% or less than 4.5% of the shares with voting rights in our share capital, the Restricted Shareholders will no longer have the right to propose any candidate for appointment as a member of our board of directors and no directors will be appointed upon proposal by the Restricted Shareholders.

### ***Liquidation Rights***

We can only be dissolved by a shareholders' resolution passed in accordance with the conditions laid down for the amendment of our articles of association (*i.e.*, with a majority of at least 75% of the votes cast (not counting abstentions) at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented).



If, as a result of losses incurred, the ratio of our net assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, our board of directors must convene an extraordinary shareholders' meeting within two months as of the date upon which our board of directors discovered or should have discovered this undercapitalization. At this shareholders' meeting, our board of directors must propose either the dissolution of the company or the continuation of the company, in which case, our board of directors must propose measures to redress our financial situation. Shareholders' resolutions relating to our dissolution are adopted in accordance with the conditions laid down for the amendments of our articles of association.

If, as a result of losses incurred, the ratio of our net assets to share capital is less than 25%, the same procedure must be followed; provided, however, that in this instance, shareholders representing 25% of the votes validly cast at the relevant shareholders' meeting can decide to dissolve the company. If the amount of our net assets has dropped below EUR 61,500 (the minimum amount of share capital of a Belgian limited liability company (*société anonyme / naamloze vennootschap*)), any interested party is entitled to request the competent court to dissolve the company. The court can order the dissolution of the company or grant a grace period within which we may remedy the situation.

In the event of our dissolution and liquidation, the assets remaining after payment of all debts and liquidation expenses shall be distributed to the holders of our shares, each receiving a sum proportional to the number of our shares held by them. Our Ordinary Shares and Restricted Shares have the same rights in relation to all proceeds of a dissolution, liquidation or winding-up.

#### ***Transactions with Major Shareholders***

In the event of (i) a contribution in kind to us with assets owned by any person or entity which is required to file a transparency declaration pursuant to applicable Belgian law or a subsidiary 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.

#### ***Disclosure of Significant Shareholdings***

In addition to the transparency disclosure thresholds set out by the applicable Belgian legislation (i.e., 5%, 10%, 15% and so on in five percentage point increments), the disclosure obligation set out in such legislation shall also apply as soon as the amount of securities giving voting rights, voting rights and assimilated financial instruments held by a person acting alone or by persons acting in concert reaches, exceeds or falls below a 3% or 7.5% threshold of the total outstanding voting rights. For details of our major shareholders, see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders."

#### **Mandatory Bid**

Public takeover bids for our shares and other securities, if any, are subject to supervision by the FSMA. Any public takeover bids must be extended to all of our voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) in the Belgian Law of 1 April 2007 on public takeover bids and the Belgian Royal Decree of 27 April 2007 on public takeover bids. The Belgian Law of 1 April 2007 on public takeover bids provides that a mandatory bid must be launched if a person, as a result of his or her own acquisition or the acquisition by persons acting in concert with him or her or by persons acting for his or her account, directly or indirectly holds more than 30% of the voting rights in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility, as designated by the Belgian Royal Decree of 27 April 2007 on public takeover bids (as set out in "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Shareholding Structure").



The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in case of an acquisition if it can be shown that a third party exercises control over us or that such third party holds a larger stake than the person holding 30% of the voting rights.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligations to disclose significant shareholdings and merger control regulations, that may apply to us and which may make an unsolicited tender offer, merger, change in management or other change in control more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of our shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

In addition, the board of directors of a Belgian company may, in certain instances and subject to prior authorization by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the company's authorized capital) or through share buy-backs (*i.e.*, the purchase of our own shares).

#### **Limitations on the Right to Own Securities**

Neither Belgian law nor our articles of association imposes any general limitation on the right of non-residents or foreign persons to hold our securities or exercise voting rights on our securities other than those limitations that would generally apply to all shareholders.

#### **C. MATERIAL CONTRACTS**

The following contracts have been entered into by us within the two years immediately preceding the date of this Form 20-F or contain provisions under which we or another member of our group has an obligation or entitlement which is material to our group:

##### **Material Contracts Related to the Acquisition of SAB**

###### ***Information Rights Agreement***

On 11 November 2015, we entered into an information rights agreement with Altria ("**Information Rights Agreement**"), pursuant to which we agreed to share certain information to enable Altria to comply with its financial reporting, financial controls and financial planning requirements as they apply to Altria's investment in AB InBev. Upon the closing of the combination with SAB, this Information Rights Agreement replaced the existing relationship agreement that was in place between Altria and SAB.

Under the terms of the combination with SAB, any former SAB shareholder other than Altria is entitled, from completion of the combination with SAB, to enter into an agreement with us on substantially the same terms as the Information Rights Agreement, provided that it is able to demonstrate to the reasonable satisfaction of our board of directors that it meets the following criteria:

- it will be the sole legal and beneficial holder of no less than 10% of our share capital in issue from time to time;
- for the purposes of its financial reporting, it accounts for its shareholding in AB InBev on the basis of the equity method of accounting in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**"); and
- it is a U.S. listed company subject to the reporting requirements under the Exchange Act and section 404 of the Sarbanes-Oxley Act of 2002.

The Information Rights Agreement is filed as Exhibit 4.26 to this Form 20-F.





***Tax Matters Agreement***

On 11 November 2015, we entered into a tax matters agreement (the “**Tax Matters Agreement**”) with Altria, pursuant to which we agreed to provide assistance and co-operation to, and to give certain representations and undertakings to, Altria in relation to certain matters that are relevant to Altria under U.S. tax legislation, including the structure and implementation of the combination with SAB.

The Tax Matters Agreement sets out the framework for ongoing co-operation between us and Altria after completion of the combination with SAB in relation to certain matters that are relevant to Altria under U.S. tax legislation. The Tax Matters Agreement provided that, upon completion of the combination with SAB, the existing tax matters agreement in place between Altria and SAB was terminated.

On 25 August 2016, we entered into an amended and restated Tax Matters Agreement with Altria, in order to make certain adjustments to the representations as to the structure and implementation of the combination with SAB to reflect additional details that had developed since 11 November 2015.

The Tax Matters Agreement is filed as Exhibit 4.22 to this Form 20-F.

***Molson Coors Purchase Agreement***

On 11 November 2015, we entered into a purchase agreement (the “**Molson Coors Purchase Agreement**”) with Molson Coors Brewing Company (“**Molson Coors**”) pursuant to which, upon completion of the combination with SAB, Molson Coors acquired all of SAB’s interest in MillerCoors LLC, a joint venture between SAB and Molson Coors (“**MillerCoors**”), and certain assets (including trademarks, other intellectual property, contracts, inventory and other assets) related to SAB’s portfolio of Miller brands outside the U.S. for an aggregate purchase price of USD 12.0 billion in cash, subject to certain adjustments as described in the Molson Coors Purchase Agreement.

We agreed to provide certain transition services to Molson Coors, including producing certain Miller branded products in specified countries outside the U.S. for three years. We also agreed to enter into amendments to certain existing agreements between SAB and its affiliates and MillerCoors in respect of the license and/or supply of certain brands owned by SAB and distributed by MillerCoors in the U.S. and Puerto Rico, including granting perpetual licenses to such brands to MillerCoors and committing to supply product to MillerCoors under those brands for three years (plus two one-year extensions at Molson Coors’ election).

The Molson Coors Purchase Agreement, Amendment No. 1 and Amendment No. 2 are filed as Exhibits 4.23, 4.24 and 4.25, respectively, to this Form 20-F.

***Registration Rights Agreement***

On 10 October 2016, we entered into a registration rights agreement (the “**Registration Rights Agreement**”) with Altria and BEVCO, pursuant to which we are required to, in certain circumstances, register for resale under the Securities Act all registrable shares held by Restricted Shareholders any time after 10 October 2021, the fifth anniversary of the completion of the combination with SAB, at which point, the Restricted Shares will become eligible for conversion into Ordinary Shares at the option of the Restricted Shareholder. We are also required to file with the SEC a shelf registration statement relating to such registrable shares pursuant to Rule 415 under the Securities Act at the request of Restricted Shareholders holding, in aggregate, at least the lesser of USD 2.5 billion of our equity securities by market value and 1.5% of our outstanding share capital. We will be responsible for bearing the costs and expenses of each such registration.

In addition, each Restricted Shareholder owning at least 1.0% of our outstanding share capital has certain “piggyback” registration rights under the Registration Rights Agreement, pursuant to which such Restricted Shareholder may register the resale of their securities alongside any offering of Ordinary Shares (including ADSs) by AB InBev. We have also agreed to certain other customary provisions, including the indemnification of Altria and BEVCO and the underwriters of any registered offering.



The Registration Rights Agreement will terminate on the date when there is no Restricted Shareholder that owns more than the lesser of USD 2.5 billion of our equity securities by market value and 1.5% of our outstanding share capital. The Registration Rights Agreement has been filed as Exhibit 4.27 to this Form 20-F.

***U.S. Department of Justice Consent Decree***

On 20 July 2016, we announced that we had entered into a consent decree with the U.S. Department of Justice, which cleared the way for United States approval of the combination with SAB. The terms of the consent decree formalized our agreement to divest SAB’s U.S. interest in MillerCoors to Molson Coors as well as prior commitments made by us, including:

- we will not acquire control of a distributor if doing so would result in more than 10% of our U.S. annual volume being distributed through majority-owned distributorships in the U.S.; and
- we will not terminate any wholesalers as a result of the combination with SAB.

The terms of the consent decree also require us to notify the U.S. Department of Justice at least 30 days prior to the consummation of any acquisition of a beer brewer, importer, distributor or brand owner deriving more than USD 7.5 million in annual gross revenue from beer sold for further resale in the United States or from license fees generated by such sales, subject to certain exceptions. In addition, certain aspects of our U.S. sales programs and policies have been reviewed and modified to conform to the consent decree to ensure that we do not limit the ability and incentives of independent distributors to sell and promote third-party brewers’ products.

The consent decree will expire on 20 July 2026 (ten (10) years after the U.S. Department of Justice filed its complaint); however, the consent decree may be terminated at any time after 22 October 2023 upon notice by the U.S. Department of Justice to the court that continuation of the consent decree is no longer necessary or in the public interest. Our compliance with the consent decree is monitored by the U.S. Department of Justice and the Monitoring Trustee appointed by it. The terms of the consent decree are reflected in the modified final judgment which is filed as Exhibit 4.28 to this Form 20-F.

**Sustainability Linked Revolving Credit Facility**

On 18 February 2021, we announced the successful signing of a new USD 10.1 billion Sustainability Linked Revolving Credit Facility (“**SLL Revolving Facility**”), which replaced our existing USD 9.0 billion Revolving Facility. The facility has an initial five-year term, which may be extended by an additional two years. The facility incorporates a pricing mechanism that incentivizes improvement in the following four key performance areas that are aligned with and contribute to our 2025 Sustainability Goals:

- improving water efficiency in our breweries globally;
- increasing PET recycled content in PET primary packaging;
- sourcing purchased electricity from renewable sources; and
- reducing GHG emissions.

The SLL Revolving Facility contains customary representations and warranties, covenants and events of default. Among other things, an event of default is triggered if either a default or an event of default occurs under any of our or our subsidiaries’ financial indebtedness. The obligations of the borrowers under the SLL Revolving Facility are jointly and severally guaranteed by the other borrowers, ABIFI, Anheuser-Busch, Brandbrew S.A. and Brandbev S.à.R.L.

We borrow under the SLL Revolving Facility at an interest rate equal to LIBOR or EURIBOR for euro-denominated loans (subject in each case to transition to alternative reference rates in the case of discontinuation or unavailability) plus a margin. The margin is based upon the ratings assigned by rating agencies to our long-term debt and is subject to adjustment depending on our performance with respect to identified sustainability performance targets.



#### D. EXCHANGE CONTROLS

There are no Belgian exchange control regulations that would affect the remittance of dividends to non-resident holders of our shares. See “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Transfers from Subsidiaries” for a discussion of various restrictions applicable to transfers of funds by our subsidiaries.

#### E. TAXATION

##### Belgian Taxation

The following paragraphs are a summary of material Belgian tax consequences of the ownership and disposal of our shares or ADSs by an investor. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this document, all of which are subject to change, including changes that could have retroactive effect.

The summary only discusses Belgian tax aspects which are relevant to U.S. holders of our shares or ADSs (“**Holders**”). This summary does not address Belgian tax aspects which are relevant to persons who are residents in Belgium or engaged in a trade or business in Belgium through a permanent establishment or a fixed base in Belgium. This summary does not purport to be a description of all of the tax consequences of the ownership and disposal of our shares or ADSs, and does not take into account the specific circumstances of any particular investor, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, or persons that hold, or will hold, our shares or ADSs as a position in a straddle, share-repurchase transaction, conversion transaction, synthetic security or other integrated financial transaction. Investors should consult their own advisers regarding the tax consequences of an investment in our shares or ADSs in the light of their particular circumstances, including the effect of any state, local or other national laws.

##### *Dividend Withholding Tax*

As a general rule, a withholding tax of 30% is levied on the gross amount of dividends paid on or attributed to our shares or ADSs, subject to such relief as may be available under applicable domestic or tax treaty provisions. Dividends subject to the dividend withholding tax include all benefits paid on or attributed to our shares or ADSs, irrespective of their form, as well as reimbursements of statutory share capital, except reimbursements of fiscal capital made in accordance with the Belgian Companies Code, subject to certain conditions and a pro-rate rule (as described below). In principle, fiscal capital includes paid-up statutory share capital, and subject to certain conditions, the paid-up issue premiums and the cash amounts subscribed to at the time of the issue of profit-sharing certificates. Note that as of 2018 (*i.e.*, financial years starting on or after 1 January 2018), any reduction of fiscal capital is deemed to be paid out on a pro rata basis of the fiscal capital and certain reserves (*i.e.*, and in the following order: the taxed reserves incorporated in the statutory capital, the taxed reserves not incorporated in the statutory capital and the tax-exempt reserves incorporated in the statutory capital). Only the part of the capital reduction that is deemed to be paid out of the fiscal capital may, subject to certain conditions, not be considered as a dividend distribution for Belgian tax purposes.

If we redeem our own shares or ADSs, the redemption distribution (after deduction of the portion of fiscal capital represented by our redeemed shares or ADSs) will be treated as a dividend, which in certain circumstances may be subject to a withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on a stock exchange and meets certain conditions. In case of our liquidation, any amounts distributed in excess of the fiscal capital will be subject to a 30% withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.



Dividends paid or attributed to non-resident individuals who do not use our shares or ADSs in the exercise of a professional activity may be exempt from non-resident individual income tax up to the amount of 800 EUR (for income year 2021). Consequently, if Belgian withholding tax has been levied on dividends paid or attributed to our shares or ADSs, such Belgian non-resident may request in his or her non-resident income tax return that any Belgian withholding tax levied on dividends up to the amount of EUR 800 (for income year 2021) be credited and, as the case may be, reimbursed. However, if no Belgian non-resident income tax return has to be filed by the non-resident individual, any Belgian withholding tax levied on dividends up to such an amount could in principle be reclaimed by filing a request thereto addressed to the designated tax official. Such a request has to be made at the latest on 31 December of the calendar year following the calendar year in which the relevant dividend(s) have been received, together with an affidavit confirming the non-resident individual status and certain other formalities which are determined by Royal Decree. For the avoidance of doubt, all dividends paid or attributed to the non-resident individual are taken into account to assess whether the maximum amount of EUR 800 (for income year 2021) is reached (and hence not only the amount of dividends paid or attributed on our shares or ADSs). A withholding tax exemption will apply on dividends paid by us to a company that is a resident of the United States, provided that: (i) the U.S. company is subject to U.S. corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary U.S. corporate income tax regime, (ii) the U.S. company has a legal form similar to the ones listed in the Annex to the European Union Parent-Subsidiary Directive of 30 November 2011 (2011/96/EU) (“**EU Parent-Subsidiary Directive**”), as amended from time to time; (iii) the U.S. company owns, on the date the dividend is payable or attributable, a participation representing less than 10% of our capital but with an acquisition value of at least EUR 2,500,000; (iv) the U.S. company holds our shares or ADSs in full legal ownership for an uninterrupted period of at least one year; and (v) the U.S. company submits an affidavit to us or our paying agent (see below). The withholding tax exemption only applies to the extent that the withholding tax, which would be due in the absence of said exemption, is in principle not creditable or refundable in the hands of the U.S. resident company.

In order to benefit from the above withholding tax exemption, the U.S. resident company must provide us or our paying agent with an affidavit confirming the following points: (i) the U.S. company has a legal form similar to the ones listed in the Annex to the EU Parent-Subsidiary Directive, as amended from time to time; (ii) the U.S. company is subject to U.S. corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary U.S. corporate income tax regime; (iii) the acquisition value of the participation amounts to at least EUR 2,500,000 (but representing less than 10% of our capital); (iv) the dividends relate to our shares or ADSs which the U.S. company holds or has held in full legal ownership for an uninterrupted period of at least one year; (v) to which extent the Belgian withholding tax, which would be due in the absence of said exemption, is in principle creditable or refundable in the hands of the U.S. company according to the legal provisions in force on December 31 of the year preceding the year of the payment or attribution of the dividends; and (vi) the full name, legal form, address and, if applicable, the fiscal identification number of the U.S. company.

Withholding tax is also not applicable, pursuant to Belgian domestic tax law, on dividends paid to a U.S. pension fund which satisfies the following conditions: (i) it is a legal entity with separate legal personality and fiscal residence in the United States; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its corporate purpose, without any profit making aim; (iv) which is exempt from income tax in the United States; and (v) provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the shares or ADSs, nor obligated to pay a manufactured dividend with respect to the shares or ADSs under a securities borrowing transaction. The exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements for which the Belgian tax administration has proven that this arrangement or this series of arrangements is not genuine and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality. There is a rebuttable presumption that dividends are deemed to be connected to an artificial transaction if the shares have not been held by the pension



fund in full legal ownership for an uninterrupted period of at least 60 days within 15 days from the date of the attribution or payment of the income. The exemption will only apply if the U.S. pension fund provides a certificate confirming that it is the full legal owner of the shares or ADSs and that the above conditions are satisfied. The organization must then forward that certificate to us or our paying agent.

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds our shares or ADSs in connection with a business conducted in Belgium, through a fixed base in Belgium or a Belgian permanent establishment.

**Relief of Belgian Dividend Withholding Tax**

Under the income tax convention between the United States of America and Belgium (the “**Treaty**”), there is a reduced Belgian withholding tax rate of 15% on dividends paid by us to a U.S. resident that beneficially owns the dividends and is entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty (“**Qualifying Holders**”). If such Qualifying Holder is a company that owns directly at least 10% of our voting stock, the Belgian withholding tax rate is further reduced to 5%. No withholding tax is, however, applicable if the Qualifying Holder is: (i) a company that is a resident of the United States that has owned directly our shares or ADSs representing at least 10% of our capital for a 12-month period ending on the date the dividend is declared; or (ii) a pension fund that is a resident of the United States, provided that such dividends are not derived from the carrying on of a business by the pension fund or through an associated enterprise.

Under the normal procedure, we or our paying agent must withhold the full Belgian withholding tax (without taking into account the Treaty rate). Qualifying Holders may make a claim for reimbursement for amounts withheld in excess of the rate defined by the Treaty. The reimbursement form (Form 276 Div-Aut.) may be obtained from the Centre Étrangers – Team 6 – 17P, 50 box 3429 Boulevard du Jardin Botanique, 1000 Brussels, Belgium. Qualifying Holders may also, subject to certain conditions, obtain the reduced Treaty rate at source. Qualifying Holders should deliver a duly completed Form 276 Div-Aut. no later than ten days after the date on which the dividend becomes payable. U.S. holders should consult their own tax advisers as to whether they qualify for reduction in withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

**Capital Gains and Losses**

Pursuant to the Treaty, capital gains and/or losses realized by a Qualifying Holder from the sale, exchange or other disposition of our shares or ADSs do not fall within the scope of application of Belgian domestic tax law.

Capital gains realized on our shares or ADSs by a corporate Holder which is not entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty are generally not subject to taxation and losses are not deductible, provided that our shares or ADSs are neither held in connection with a business conducted in Belgium, nor through a fixed base or permanent establishment in Belgium.

Private individual Holders who are not entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty and who are holding our shares or ADSs as a private investment will, as a rule, not be subject to tax on any capital gains arising out of a disposal of our shares or ADSs and capital losses will, as a rule, not be deductible in Belgium, subject to the exceptions below.

If capital gains realized by private individual Holders who are not entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty on our shares or ADSs are deemed to be realized outside the scope of the normal management of such individual’s private estate and the capital gain is obtained or received in Belgium, the gain will be subject to a final professional withholding tax of 30.28% or must be reported in a non-resident tax return for the income year during which the gain has been realized, in which case the gain will be taxable at the rate of 35.31% (33% with a current surcharge of 7%). The Official Commentary to the ITC 1992 stipulates that occasional transactions on a stock exchange regarding our shares or ADSs should not be considered as transactions realized outside the scope of normal management of one’s own private estate.



Capital gains realized by such individual Holders on the disposal of our shares or ADSs for consideration, outside the exercise of a professional activity, to a non-resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity that is established outside the European Economic Area, are in principle taxable at a rate of 16.5% (plus a current surcharge of 7%) if, at any time during the five years preceding the sale, such individual Holder has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in us (more than 25% of our shares).

Capital gains realized by a Holder upon the redemption of our shares or ADSs or upon our liquidation will generally be taxable as a dividend (see above).

### ***Estate and Gift Tax***

There is no Belgium estate tax on the transfer of our shares or ADSs on the death of a Belgian non-resident.

Donations of our shares or ADSs made in Belgium may or may not be subject to gift tax depending on how the donation is carried out.

### ***Belgian Tax on Securities Accounts***

The Belgian federal government has submitted a bill introducing an annual tax on securities accounts to Parliament.

An annual tax of 0.15% would be levied on securities accounts of which the average value of the taxable financial instruments (covering, amongst others, financial instruments such as our shares or ADSs) held thereon during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year, would exceed EUR 1 million. The first reference period would begin on the day of the entry into force of the tax on securities accounts and end on 30 September 2021.

The amount of the tax due would be limited to 10% of the difference between said average value of the taxable financial instruments, and the threshold of EUR 1 million.

The tax would target, among others, securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary established or located in Belgium.

A financial intermediary would be defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in article 198/1, §6, 12° of the Belgian Income Tax Code, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (vi) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

There are various exemptions, such as securities accounts (in)directly held by non-residents for their own account at central securities depositories or at a depository bank accredited by the National Bank of Belgium. This exemption is subject to the condition that the securities accounts are not attributable to a Belgian branch of the non-residents.

Pursuant to the bill, a new retroactive anti-abuse provision applying as from 30 October 2020 would also be introduced.

The bill has not yet been adopted by Parliament.



### ***Belgian Tax on Stock Exchange Transactions***

A tax on stock exchange transactions is normally levied on the purchase and the sale and on any other acquisition and transfer for consideration in Belgium of our existing shares or ADSs through a professional intermediary established in Belgium on the secondary market (so-called “secondary market transactions”). The tax on stock exchange transactions is not due upon the issuance of the New Shares (primary market transactions). The applicable rate amounts to 0.35% of the consideration paid, but with a cap of EUR 1,600 (USD 1,822) per transaction and per party. Such tax is separately due by each party to the transaction, and each of those is collected by the professional intermediary.

Belgian non-residents who purchase or otherwise acquire or transfer, for consideration, existing shares or ADSs in Belgium for their own account through a professional intermediary may be exempt from the stock market tax if they deliver a certificate to the intermediary in Belgium confirming their non-resident status.

In addition to the above, no tax on stock exchange transactions is due on transactions entered into by the following parties: (i) professional intermediaries described in Article 2, 9° and 10° of the Law of 2 August 2002 acting for their own account, (ii) insurance companies described in Article 2, § 1 of the Law of 9 July 1975 acting for their own account, (iii) professional retirement institutions referred to in Article 2, 1° of the Law of 27 October 2006 relating to the control of professional retirement institutions acting for their own account, (iv) collective investment institutions acting for their own account or (v) regulated real estate companies acting for their own account.

No tax on stock exchange transactions will thus be due by Holders on the subscription, purchase or sale of existing shares or ADSs if the Holders are acting for their own account. In order to benefit from this exemption, the Holders must file with the professional intermediary in Belgium a certificate confirming that they are non-residents for Belgian tax purposes.

### **U.S. Taxation**

This section describes the material United States federal income tax consequences of the ownership and disposition of shares or ADSs. It applies to you only if you are a U.S. holder, as described below, and you hold your shares or ADSs as capital assets for United States federal income tax purposes. This discussion addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to you in light of your individual circumstances, including foreign, state or local tax consequences, estate and gift tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a bank;
- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organization;
- a life insurance company;
- a person that actually or constructively owns 10% or more of the combined voting power of our voting stock or of the total value of our stock;
- a person that holds shares or ADSs as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells shares or ADSs as part of a wash sale for tax purposes; or
- a person whose functional currency is not the U.S. dollar.





This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, all as currently in effect, as well as on the Treaty. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations of the depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

If an entity or arrangement that is treated as a partnership for United States federal income tax purposes holds our shares or ADSs, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. If you hold our shares or ADSs as a partner in a partnership, you should consult your tax adviser with regard to the United States federal income tax treatment of an investment in our shares or ADSs.

You are a U.S. holder if you are a beneficial owner of shares or ADSs and you are, for United States federal income tax purposes:

- a citizen or resident of the United States;
- a domestic corporation;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

You should consult your own tax adviser regarding the United States federal, state, local, foreign and other tax consequences of owning and disposing of our shares and ADSs in your particular circumstances. In particular, you should confirm whether you qualify for the benefits of the Treaty and the consequences of failing to do so.

The tax treatment of your shares or ADSs will depend in part on whether or not we are classified as a passive foreign investment company, or "PFIC," for United States federal income tax purposes. Except as discussed below under "—PFIC Rules," this discussion assumes that we are not classified as a PFIC for United States federal income tax purposes.

### ***Taxation of Distributions***

Under the United States federal income tax laws, if you are a U.S. holder, the gross amount of any distribution we pay out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes), other than certain pro-rata distributions of our shares, will be treated as a dividend that is subject to United States federal income taxation. If you are a non-corporate U.S. holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains, provided that you hold our shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends we pay with respect to the shares or ADSs generally will be qualified dividend income provided that, in the year that you receive the dividend, we are eligible for the benefits of the Treaty. We believe that we are currently eligible for the benefits of the Treaty and we therefore expect that dividends on the ordinary shares or ADSs will be qualified dividend income, but there can be no assurance that we will continue to be eligible for the benefits of the Treaty.

You must include any Belgian tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you receive, in the case of shares, or the depositary receives, in the case of ADSs, the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. If the dividend is paid in euro, the amount of the dividend distribution that you must include in your income will be the U.S. dollar value of the euro payments made, determined at the spot



euro/U.S. dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the shares or ADSs and thereafter as capital gain. However, we do not expect to calculate earnings and profits in accordance with United States federal income tax principles. Accordingly, you should expect to generally treat distributions we make as dividends.

Subject to certain limitations, the Belgian tax withheld in accordance with the Treaty and paid over to Belgium will be creditable against your United States federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates. To the extent a reduction or refund of the tax withheld is available to you under Belgian law or under the Treaty, the amount of tax withheld that is refundable will not be eligible for credit against your United States federal income tax liability. In addition, if you are eligible under the Treaty for a lower rate of Belgian withholding tax on a distribution with respect to the shares or ADSs, yet you do not claim such lower rate and, as a result, you are subject to a greater Belgian withholding tax on the distribution than you could have obtained by claiming benefits under the Treaty, such additional Belgian withholding tax would likely not be eligible for credit against your United States federal income tax liability.

Dividends will generally be income from sources outside the United States and will generally be “passive” income for purposes of computing the foreign tax credit allowable to you.

***Taxation of Capital Gains***

If you are a U.S. holder and you sell or otherwise dispose of your shares or ADSs, you will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your shares or ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your ability to deduct capital losses is subject to limitations.

***PFIC Rules***

We believe that our shares and ADSs should not currently be treated as stock of a PFIC for United States federal income tax purposes and we do not expect to become a PFIC in the foreseeable future. However, this conclusion is a factual determination that is made annually and thus may be subject to change. It is therefore possible that we could become a PFIC in a future taxable year. A company is considered a PFIC if, for any taxable year, either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income. If we were to be treated as a PFIC and you are a U.S. holder, unless you make an effective “qualified electing fund” (“**QEF**”) election, gain realized on the sale or other disposition of your shares or ADSs would in general not be treated as capital gain. Instead, unless you effectively elect to be taxed annually on a mark-to-market basis with respect to your shares or ADSs, you would be treated as if you had realized such gain and certain excess distributions ratably over your holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, your shares or ADSs will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in your shares or ADSs. Dividends that you receive from us will not be eligible for the special tax rates applicable to qualified dividend income if we are a PFIC or are treated as a PFIC with respect to you either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. The QEF election is conditioned upon our furnishing you annually with certain tax information. We may not take the action necessary for a U.S. shareholder to make a QEF election in the event our company is determined to be a PFIC.



### **Belgian Stock Market Tax**

Any Belgian stock market tax that you pay will likely not be a creditable tax for United States federal income tax purposes. However, U.S. holders are exempt from such tax if they act for their own account and certain information is provided to relevant professional intermediaries (as described above under “—Belgian Taxation—Belgian Tax on Stock Exchange Transactions”). U.S. holders are urged to consult their own tax advisers regarding the potential application of Belgian tax law to the ownership and disposition of our shares or ADSs.

### **F. DIVIDENDS AND PAYING AGENTS**

Not applicable.

### **G. STATEMENT BY EXPERTS**

Not applicable.

### **H. DOCUMENTS ON DISPLAY**

You may read and copy any reports or other information that we file through the Electronic Data Gathering, Analysis and Retrieval system through the SEC’s website on the Internet at <http://www.sec.gov>.

We also make available on our website, free of charge, our annual reports on Form 20-F, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is <http://www.ab-inbev.com>. The information on our website is not incorporated by reference in this document.

We have filed our amended and restated articles of association and all other deeds that are to be published in the annexes to the Belgian State Gazette with the clerk’s office of the Commercial Court of Brussels (Belgium), where they are available to the public. A copy of the articles of association dated 3 June 2020 has been filed as Exhibit 1.1 to this Form 20-F, and is also available on our website under <https://www.ab-inbev.com/investors/corporate-governance.html>.

In accordance with Belgian law, we must prepare audited annual statutory and consolidated financial statements. The audited annual statutory and consolidated financial statements and the reports of our Board and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, as a listed company, we publish an annual announcement preceding the publication of our annual financial report (which includes the audited annual financial statements, the report of our Board and the statutory auditor’s report). In addition, we publish interim management statements. Copies of these documents are available on our website under <https://www.ab-inbev.com/investors.html>.

We also disclose price sensitive information (inside information) and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market, such information and documentation is made available through our website, press releases and the communication channels of Euronext Brussels.

Our head office is located at Brouwerijplein 1, 3000 Leuven, Belgium. Our telephone number is +32 (0)1 627 6111 and our website is <http://www.ab-inbev.com>. The contents of our website do not form a part of this Form 20-F. Although certain references are made to our website in this Form 20-F, no information on our website forms part of this Form 20-F.

Documents related to us that are available to the public (reports, our Corporate Governance Charter, written communications, financial statements and our historical financial information for each of the three financial years preceding the publication of this Form 20-F) can be consulted on our website (<http://www.ab-inbev.com>) and at: Anheuser-Busch InBev SA/NV, Brouwerijplein 1, 3000 Leuven, Belgium.



Unless stated otherwise in this Form 20-F, none of these documents form part of this Form 20-F.

## I. SUBSIDIARY INFORMATION

Not applicable.

### ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### Market Risk, Hedging and Financial Instruments

Our activities expose us to a variety of financial risks: market risk (including currency risk, fair value interest risk, cash flow interest risk, commodity risk and equity risk), credit risk and liquidity risk. We analyze each of these risks individually as well as on an interconnected basis, and define strategies to manage the economic impact on our performance in line with our financial risk management policy. Management meets on a frequent basis and is responsible for reviewing the results of the risk assessment, approving recommended risk management strategies, monitoring compliance with the financial risk management policy and reporting to the Finance Committee of our Board.

Some of our risk management strategies include the use of derivatives. The main derivative instruments used are foreign currency rate agreements, exchange traded foreign currency futures and options, interest rate swaps and forwards, cross currency interest rate swaps, exchange traded interest rate futures, commodity swaps, exchange traded commodity futures and equity swaps. We do not, as a matter of policy, make use of derivative financial instruments in the context of speculative trading.

Financial markets experienced significant volatility over the past years, which we have addressed and are continuing to address through our existing risk management policies.

Please refer to note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for a fuller quantitative and qualitative discussion on the market risks to which we are subject and our policies with respect to managing those risks.

#### *Foreign Currency Risk*

We are exposed to foreign currency risk on borrowings, investments, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income whenever they are denominated in a currency other than the functional currency of our subsidiary engaged in the relevant transaction. To manage this risk, we primarily make use of foreign currency rate agreements, exchange traded foreign currency futures and cross-currency interest rate swaps.

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, our policy is to hedge operational transactions which are reasonably expected to occur (*e.g.*, cost of goods sold and selling, general and administrative expenses) within the forecast period determined in the financial risk management policy. Operational transactions that are certain are hedged without any limitation in time. Non-operational transactions (such as acquisitions and disposals of subsidiaries) are hedged as soon as they are certain.

As of 31 December 2020, we have substantially locked in our anticipated exposures related to firm commitments and forecasted transactions for 2021 for the most important currency pairs such as USD/Brazilian real, USD/Mexican peso and USD/Argentine peso. Some exposures in certain countries had been either mostly or partially covered due to the fact that hedging can be limited in such countries as the local foreign exchange market prevents us from hedging at a reasonable cost. Open positions can also be the result of our risk management policy.

We have performed analyses in relation to our foreign currency transaction exposures using a currency sensitivity model that identified varying ranges of possible closing rates for 2020, factoring in the possible volatility in those exchange rates (see note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020). Based on such analysis, we estimate that if certain currencies had weakened or strengthened against the U.S. dollar or euro during 2020, our 2020 profit before taxes from continuing operations would have been USD 30 million higher or lower, respectively, while the pre-tax translation reserves in equity would have been USD 850 million higher or lower, respectively.



Foreign exchange rates have been subject to significant volatility in the recent past and may be again in the future. See note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019 and for the three years ended 31 December 2020 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the foreign currency risks to which we are subject and our policies with respect to managing those risks.

### Interest Rate Risk

We are exposed to interest rate risk on our variable-rate interest-bearing financial liabilities. As of 31 December 2020, after certain hedging and fair value adjustments, USD 6.5 billion, or 6.6%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate. We apply a dynamic interest rate hedging approach where the target mix between fixed and floating rate is reviewed periodically. The purpose of our policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as our overall business strategy. From time to time, we enter into interest rate swap agreements and forward rate agreements to manage our interest rate risk, and also enter into cross-currency interest rate swap agreements to manage both our foreign currency risk and interest rate risk.

We have performed sensitivity analyses in relation to our interest-bearing financial liabilities and assets that bear a variable rate of interest, factoring in a range of possible volatilities in the different markets where we hold such instruments (see note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020). We have estimated that a change in market interest rates based on the range of volatilities considered in our analysis could have impacted our 2020 interest expense by plus or minus USD 3 million in relation to our floating rate debt. Such increase or decrease would be more than offset by a USD 58 million decrease or increase in interest income on our interest-bearing financial assets.

Interest rates have been subject to significant volatility in the recent past and may be again in the future. See note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the interest rate risks to which we are subject and our policies with respect to managing those risks.

### Commodity Price Risk

We have significant exposures to the following commodities: aluminum, barley, corn grits, coal, corn syrup, corrugated cardboard, fuel oil, diesel, glass, hops, labels, malt, natural gas, orange juice, plastics, rice, steel and wheat. The commodity markets have experienced and are expected to continue to experience price fluctuation in the future. We therefore use both fixed-price purchasing contracts and commodity derivatives to minimize exposure to commodity price volatility, such as for aluminum.

As of 31 December 2020, we had the following commodity derivatives outstanding, by maturity:

Commodities	Notional			Total	Fair Value
	<1 year	1-5 years	>5 years		
Aluminum swaps	1,184	—	—	1,184	160
Other commodity derivatives	644	—	—	644	49

Note:

- (1) These hedges are designated in a cash flow hedge accounting relationship in accordance with IFRS 9.



See note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for a fuller quantitative and qualitative discussion on the commodity risks that we are subject to, and our policies with respect to managing those risks.

**Equity Price Risk**

We entered into a series of derivative contracts to hedge the risk arising from the different share-based payment programs. The purpose of these derivatives is mainly to effectively hedge the risk that a price increase in our shares could negatively impact future cash flows related to the share-based payments. Furthermore, we entered into a series of derivative contracts to hedge the deferred share instrument related to the Grupo Modelo combination (see also notes 11 and 23 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2019) and some share-based payments in connection with the acquisition of SAB. Most of these derivative instruments could not qualify for hedge accounting; therefore, they have not been designated in any hedging relationships.

As of 31 December 2020, an exposure for an equivalent of 100.5 million of our shares was hedged, resulting in a total loss of USD 2.2 billion recognized in the profit or loss account for the period, of which USD 1,211 million related to our share-based payment programs, and USD 511 million and USD 497 million related to the Grupo Modelo and SAB acquisitions, respectively.

The sensitivity analysis on the share-based payments hedging program, calculated based on a 53.87% reasonable possible volatility of our share price, and with all the other variables held constant, would show USD 3,787 million positive/negative impact on our 2020 profit before tax. Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2020.

**Other Risks**

See note 29 to our audited consolidated financial statements as of 31 December 2020 and 2019, and for the three years ended 31 December 2020 for a fuller quantitative and qualitative discussion on the equity, credit and liquidity risks to which we are subject and our policies with respect to managing those risks.

**ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES A. DEBT SECURITIES**

Not applicable.

**A. WARRANTS AND RIGHTS**

Not applicable.

**B. OTHER SECURITIES**

Not applicable.

**C. AMERICAN DEPOSITARY SHARES**

We are party to the Amended and Restated Deposit Agreement, dated 23 March 2018, as amended from time to time, among us, The Bank of New York Mellon, as depositary, and the owners and holders of ADSs from time to time under the Deposit Agreement. As used in this section headed “—D. American Depositary Shares,” all references to the “depositary” are references to The Bank of New York Mellon in its capacity as depositary under the Deposit Agreement, and all references to the “custodian” are to the principal Brussels office of ING Belgium SA/NV in its capacity as custodian under the Deposit Agreement as appointed by the depositary.

Copies of the Deposit Agreement and any amendments to the Deposit Agreement are or will be on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain copies of the Deposit Agreement and any amendments thereto from the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC’s website at [www.sec.gov](http://www.sec.gov).



The Deposit Agreement is among us, The Bank of New York Mellon, as ADR depository, and all holders from time to time of ADRs issued under the Deposit Agreement. Copies of the Deposit Agreement are also on file at the ADR depository's corporate trust office and the office of the custodian. They are open to inspection by owners and holders during business hours.

Uncertificated ADSs may be registered on the books of the depository in electronic book-entry form by means of the Direct Registration System ("DRS") operated by The Depository Trust Company ("DTC"). Periodic statements will be mailed to our ADS holders that reflect their ownership interest in such ADSs. Alternatively, under the Deposit Agreement, our ADSs may be certificated by ADRs delivered by the depository to evidence the ADSs. Unless otherwise specified in this description, references to "ADSs" include (i) our uncertificated ADSs, the ownership of which will be evidenced by periodic statements ADS holders will receive, and (ii) our certificated ADSs evidenced by our ADRs.

The depository's office is located at 240 Greenwich Street, New York, New York 10286, United States. Because the depository or its nominee actually holds the underlying Ordinary Shares, ADS holders generally receive the benefit from such underlying AB InBev Ordinary Shares through the depository. ADS holders must rely on the depository to exercise the rights of a shareholder on their behalf, including the voting of the Ordinary Shares represented by the ADSs. If a person becomes an owner of our ADSs, it will become a party to the Deposit Agreement and therefore will be bound by its terms and by the terms of the ADSs and the ADRs. The Deposit Agreement specifies the rights and obligations of AB InBev, the ADS holders' rights and obligations as owners of ADSs and the rights and obligations of the depository. The Deposit Agreement, the ADSs and the ADRs will be governed by New York law. However, the underlying Ordinary Shares will continue to be governed by Belgian law, which may be different from New York law.

### American Depositary Shares

The Bank of New York Mellon, as depository, will register and deliver ADSs. Each ADS will represent one share (or a right to receive one share) deposited with the principal Brussels office of ING Belgium SA/NV, as custodian for the depository. Each ADS will also represent any other securities, cash or other property which may be held by the depository. The depository's corporate trust office at which the ADSs will be administered is located at 240 Greenwich Street, New York, New York 10286, United States. The Bank of New York Mellon's principal executive office is located at 240 Greenwich Street, New York, New York 10286, United States.

You may hold ADSs either (A) directly (i) by having an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the DRS, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

DRS is a system administered by DTC, pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the depository to the registered holders of uncertificated ADSs.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Belgian law governs shareholder rights. The depository will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depository and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depository. New York law governs the Deposit Agreement and the ADSs.





The following is a summary of the fee provisions of the deposit agreement. For more complete information regarding ADRs, you should read the entire deposit agreement and the form of ADR.

***Fees and Expenses Payable by Holders***

<i>Persons depositing or withdrawing shares or ADS holders must pay:</i>	<i>For:</i>
No more than \$5.00 per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
No more than the greater of (a) \$0.02 per ADS and (b) 10% of the dividend or cash distribution amount per ADS	Any dividend or cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities to holders of deposited securities by the depositary to ADS holders
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) Converting foreign currency to U.S. dollars
Taxes and other governmental charges that the depositary or the custodian has to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary
Telex or facsimile charges provided for in the deposit agreement	Expenses for depositary services
Any unavoidable charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the Deposit Agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.



The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, adviser, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

***Payment of Taxes***

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property remaining after it has paid the taxes.

***Fees Payable by the Depositary***

For the year ended 31 December 2020, the depositary reimbursed us for expenses we incurred, or paid amounts on our behalf to third parties, in connection with the ADS program for a total sum of USD 15,037,048.19.

<u>Expenses the depositary reimbursed us</u>	<u>Amount (in USD)</u>
Maintenance expenses <sup>(1)</sup>	15,037,048.19
<b>Total</b>	<b>15,037,048.19</b>

Note:

- (1) This includes both direct payments to AB InBev as well as The Bank of New York Mellon invoices that have been offset with revenue sharing balance.

The depositary has also agreed to waive fees for standard costs associated with the administration of the program and has paid certain expenses directly to third parties on our behalf. The table below sets forth those expenses that the depositary paid directly to third parties for the year ended 31 December 2020.

<u>Expenses the depositary paid to third parties on our behalf</u>	<u>Amount (in USD)</u>
Standard out-of-pocket maintenance costs	128,158.94
<b>Total</b>	<b>128,158.94</b>

***Your Right to Receive the Shares Underlying Your ADRs***

ADS holders will have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.



This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

***Pre-release of ADSs***

The Deposit Agreement permits the depository to deliver ADSs before deposit of the underlying shares. This is called a pre-release of the ADSs. The depository may also deliver shares upon cancellation of pre-released ADSs (even if the ADSs are canceled before the pre-release transaction has been closed out). A pre-release will be closed out as soon as the underlying shares are delivered to the depository. The depository may receive ADSs instead of shares to close out a pre-release. The depository may pre-release ADSs only under the following conditions: (i) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depository in writing that it or its customer owns the shares or ADSs to be deposited; (ii) the pre-release is fully collateralized with cash or other collateral that the depository considers appropriate; (iii) the depository must be able to close out the pre-release on not more than five business days' notice; and (iv) subject to such further indemnities and credit regulation as the depository deems appropriate. In addition, the depository will limit the number of ADSs that may be outstanding at any time as a result of pre-release, although the depository may disregard the limit from time to time, if it thinks it is appropriate to do so.

***Direct Registration System***

In the Deposit Agreement, all parties to the Deposit Agreement acknowledge that the DRS and Profile Modification System (“**Profile**”) will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the depository to the registered holders of uncertificated ADSs. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the depository to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depository of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the Deposit Agreement understand that the depository will not verify, determine or otherwise ascertain that the DTC participant which is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the Deposit Agreement, the parties will agree that the depository's reliance on and compliance with instructions received by the depository through the DRS/Profile and in accordance with the Deposit Agreement shall not constitute negligence or bad faith on the part of the depository.

***Shareholder Communications; Inspection of Register of Holders of ADSs***

The depository will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depository will send you copies of those communications if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.



**PART II**

**ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

None.

**ITEM 15. CONTROLS AND PROCEDURES**

**Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of 31 December 2020. While there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures, our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. Based upon our evaluation, as of 31 December 2020, the Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures, in accordance with Exchange Act Rule 13a-15(e), (i) are effective at that level of reasonable assurance in ensuring that information required to be disclosed in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) are effective at that level of reasonable assurance in ensuring that information to be disclosed in the reports that are filed or submitted under the Exchange Act is accumulated and communicated to the management of our company, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

**Management's Annual Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed, under the supervision of the Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly, reflect transactions and dispositions of assets, provide reasonable assurance that transactions are recorded in the manner necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are only carried out in accordance with the authorization of our management and directors, and provide reasonable assurance regarding the prevention or timely detection of any unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Moreover, projections of any evaluation of the effectiveness of internal control to future periods are subject to a risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of internal control over financial reporting based on the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. Based on this assessment, our management has concluded that our internal control over financial reporting as of 31 December 2020 was effective.



The effectiveness of internal control over financial reporting as of 31 December 2020 has been audited by PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL, our independent registered public accounting firm, as represented by Koen Hens. Their audit report, including their opinion on management's assessment of internal control over financial reporting, is included in our audited consolidated financial statements included in this Form 20-F.

### Changes in Internal Control over Financial Reporting

During the period covered by this Form 20-F, there were no changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that M. Michele Burns is an "audit committee financial expert" as defined in Item 16A of Form 20-F under the Exchange Act and an independent director under Rule 10A-3 under the Exchange Act.

### ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct and a Code of Dealing, each of which applies to all of our employees, including our principal executive, principal financial and principal accounting officers. Our Code of Business Conduct and Code of Dealing are together intended to meet the definition of "code of ethics" under Item 16B of Form 20-F under the Exchange Act. Our Code of Dealing and Code of Business Conduct are filed as Exhibits 11.1 and 11.2, respectively, to this Form 20-F.

If the provisions of the code that apply to our principal executive officer, principal financial officer or principal accounting officer are amended, or if a waiver is granted, we will disclose such amendment or waiver.

### ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL acted as our independent auditor for the fiscal years ended 31 December 2020 and 31 December 2019. The table below sets forth the total amount billed to us by PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL for services performed in 2020 and 2019, respectively, and breaks down these amounts by category of service:

	2020	2019 <sup>(2)</sup>
	<i>(USD thousand)</i>	
Audit Fees	15,904	16,386
Audit-Related Fees <sup>(2)</sup>	373	14,034
Tax Fees	3,317	9,617
All Other Fees	404	—
<b>Total</b>	<b>19,998</b>	<b>40,037</b>

Note:

(2) Audit-related fees for 2019 include the fees for audit related services rendered for the IPO of Budweiser APAC (USD 14 million).

#### Audit Fees

Audit fees are fees billed for services that provide assurance on the fair presentation of financial statements and encompass the following specific elements:

- An audit opinion on our consolidated financial statements;



- An audit opinion on the statutory financial statements of individual companies within the AB InBev Group, where legally required;
- A review opinion on interim financial statements; and
- In general, any opinion assigned to the statutory auditor by local legislation or regulations.

**Audit-Related Fees**

Audit-related fees are fees for assurance services or other work traditionally provided to us by external audit firms in their role as statutory auditors. These services usually result in a certification or specific opinion on an investigation or specific procedures applied, and include opinions/audit reports on information provided by us at the request of a third party (for example, prospectuses, comfort letters).

Over the last two years, audit-related services were mainly incurred in relation to services in connection with rights and bonds issuances. In addition, audit-related services for 2019 include the fees for audit related services rendered for the IPO of Budweiser APAC (USD 14 million).

**Tax Fees**

In 2020, the majority of our tax fees related to advisory services. In 2019, the majority of our tax fees related to related to tax services rendered for the IPO on Budweiser APAC.

**All Other Fees**

All other fees were primarily related to a compliance assessment in 2020. There were no other fees in 2019.

**Pre-Approval Policies and Procedures**

The advance approval of the Audit Committee or member thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

The advance approval of the Chair of the Audit Committee is required for all audit and non-audit services provided by our auditors and was obtained for all such services provided in 2019 and 2020.

Our auditors and management report, on a quarterly basis, to the Audit Committee regarding the extent of the services provided and the fees for the services performed to date.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

None.



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**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER**

The following table sets forth certain information related to purchases made by the AB InBev Group of our shares or ADSs:

	Total number of shares purchased <sup>(1)</sup> <i>(number of shares)</i>	Average price paid per share <i>(USD)</i>	Total number of shares purchased as part of publicly announced plans or programs <i>(number of shares)</i>	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs <i>(USD million)</i>
1 January 2020 – 31 January 2020	—	—	—	—
1 February 2020 – 28 February 2020	—	—	—	—
1 March 2020 – 31 March 2020	—	—	—	—
1 April 2020 – 30 April 2020	—	—	—	—
1 May 2020 – 31 May 2020	—	—	—	—
1 June 2020 – 30 June 2020	—	—	—	—
1 July 2020 – 31 July 2020	—	—	—	—
1 August 2020 – 31 August 2020	—	—	—	—
1 September 2020 – 30 September 2020	—	—	—	—
1 October 2020 – 31 October 2020	—	—	—	—
1 November 2020 – 30 November 2020	—	—	—	—
1 December 2020 – 31 December 2020	—	—	—	—
<b>Total</b>	—	—	—	—

Note:

- (1) Under certain of our share-based compensation plans, shares are granted to employees at a discount. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share-Based Payment Plans.” The discount is granted in the form of additional shares, and if such employees leave the AB InBev Group prior to the end of the applicable vesting period, we take back the shares representing the discount. Technically, all of the “discount” shares are repurchased from the employee by our subsidiary, Brandbev, for an aggregate price of EUR 1, or USD 1 if the individual is located in the United States.

**ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT**

Not applicable.

**ITEM 16G. CORPORATE GOVERNANCE**

We believe the following to be the significant differences between our corporate governance practices and those applicable to U.S. companies under the NYSE listing standards.

In general, the 2020 Belgian Corporate Governance Code (the “Code”) that has applied to us since 1 January 2020 is a code of best practices applied to listed companies on a non-binding basis. The Code applies a “comply or explain” approach. That is, companies may depart from the Code’s provisions if they give a reasoned explanation of the reasons for doing so.

Under the NYSE listing standards, a majority of the directors of a listed U.S. company are required to be independent, while in Belgium, only three directors need to be independent. As of 31 December 2020, our Board of Directors comprised three independent directors and twelve directors deemed not to be “independent” under the NYSE listing standards as a result of Belgian law independence determinations, none of which serve as part of our management. Of these twelve directors, nine are considered non-independent solely because they serve as directors of our controlling shareholder, the Stichting, and three are considered non-independent because of their relationships with Altria and BEVCO, the two largest holders of Restricted Shares.

The NYSE rules further require that the audit, nominating and compensation committees of a listed U.S. company be composed entirely of independent directors, including that there be a minimum of three members on the audit committee. The Code recommends that a majority of the members of the Nomination Committee meet the technical requirements for independence under Belgian corporate law. The Belgian Companies Code requires that one member of the Audit Committee meet the technical requirements for independence under Belgian corporate law, but our Corporate Governance Charter requires the majority of the members of the Audit Committee to meet such requirements. The Belgian Companies Code also requires that a majority of the members of the Remuneration Committee meet the technical requirements for independence under Belgian corporate law. As of 1 January 2021, all four voting members of our Audit Committee are independent for purposes of Rule 10A-3 under the Securities Exchange Act of 1934. However, one of the four directors on our Audit Committee, five of the five directors on our Nomination Committee and one of the three directors on our Remuneration Committee would not meet the NYSE independence requirements. As the Audit Committee, Nomination Committee and Remuneration Committee are 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, we consider that the composition of these committees achieves the Belgian Corporate Governance Code’s aim of avoiding potential conflicts of interest.







We consider that the terms of reference of our board committees are generally responsive to the relevant NYSE rules, but may not address all aspects of these rules.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

**ITEM 17. FINANCIAL STATEMENTS**

**PART III**

We have elected to provide financial statements pursuant to Item 18.

**ITEM 19. FINANCIAL STATEMENTS**

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Form 20-F. The audit report of PwC Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL, independent registered public accounting firm, is included herein preceding the audited consolidated financial statements. The financial statements for the year ended 31 December 2018 (prior to adjustments to retrospectively reflect the classification of the Australian business as a disposal group held for sale) have been audited by Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCR. The audit report by Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCR, independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

**ITEM 19. EXHIBITS**

- 1.1\* [Articles of Association of Anheuser-Busch InBev SA/NV, dated as of 3 June 2020 \(English-language translation\) \(incorporated by reference to Exhibit 99.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 23 November 2020\).](#)
- 2.1\* [Indenture, dated as of 16 October 2009, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as trustee \(incorporated by reference to Exhibit 4.1 to Form F-4 \(File No. 333-163464\) filed by AB InBev on 3 December 2009\).](#)
- 2.2\* [Fifth Supplemental Indenture, dated as of 27 November 2009, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.6 to Form F-4 \(File No. 333-163464\) filed by AB InBev on 3 December 2009\).](#)
- 2.3\* [Tenth Supplemental Indenture, dated as of 7 April 2010, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 2.3 to Form 20-F \(File No. 001-34455\) filed by AB InBev on 13 April 2011\).](#)
- 2.4\* [Twenty-Fourth Supplemental Indenture, dated as of 6 October 2011, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.2 to Form F-3/A \(File No. 333-169514\) filed by AB InBev on 7 October 2011\).](#)
- 2.5\* [Twenty-Ninth Supplemental Indenture, dated as of 20 December 2012, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.2 to Form F-3/A \(File No. 333-169514\) filed by AB InBev on 21 December 2012\).](#)



- 2.6\* [Indenture, dated as of 17 January 2013, among Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA, Anheuser-Busch InBev Worldwide Inc. and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 2.5 to Form 20-F filed by AB InBev on 25 March 2013\).](#)
- 2.7\* [Indenture, dated as of 25 January 2016, among Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 2.7 to Form 20-F filed by AB InBev on 14 March 2016\).](#)
- 2.8\* [Indenture, dated as of 16 December 2016, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 2.8 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 22 March 2017\).](#)
- 2.9\* [Indenture, dated as of 15 May 2017, among Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 15 May 2017\).](#)
- 2.10\* [Indenture, dated as of 4 April 2018, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 4 April 2018\).](#)
- 2.11\* [Amended and Restated Deposit Agreement, by and among Anheuser-Busch InBev SA/NV and The Bank of New York Mellon, as Depository and Owners and Holders of American Depositary Shares, dated as of 23 March 2018 \(incorporated by reference to Exhibit 4.2 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 14 September 2018\).](#)
- 2.12\* [Indenture, dated as of 13 November 2018, among Anheuser-Busch InBev Worldwide Inc., Anheuser Busch Companies, LLC, Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A. and Cobrew NV/SA and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 14 November 2018\).](#)
- 2.13\* [Seventh Supplemental Indenture, dated as of 23 January 2019, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 23 January 2019\).](#)
- 2.14\* [Thirteenth Supplemental Indenture, dated as of 3 April 2020, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 3 April 2020\).](#)



- 2.15 [Description of Securities registered under Section 12 of the Exchange Act.](#)
- 3.1\* [Voting Agreement between Stichting Anheuser-Busch InBev, Fonds Baillet Latour SPRL and Fonds Voorzitter Verhelst SPRL, effective 1 November 2015 \(incorporated by reference to Exhibit 2.36 to Amendment No. 15 to Schedule 13D filed by AB InBev on 9 March 2016\).](#)
- 3.2\* [Amended and Restated New Shareholders' Agreement, dated 11 April 2016, among BRC S.à.R.L., Eugénie Patri Sébastian S.A., EPS Participations S.à.R.L., Rayvax Société d'Investissements S.A. and Stichting Anheuser-Busch InBev \(incorporated by reference to Exhibit 2.37 to Schedule 13D filed by AB InBev on 19 April 2016\).](#)
- 3.3\* [Voting and Support Agreement relating to Anheuser-Busch InBev SA/NV, dated 8 October 2016, among Stichting Anheuser-Busch InBev, Altria Group, Inc., BEVCO Ltd. and Anheuser-Busch InBev SA/NV \(incorporated by reference to Exhibit 2.4 to Anheuser-Busch InBev SA/NV's Schedule 13D filed by BRC S.à.R.L. on 2 November 2016\).](#)
- 4.1\* [Amendment and Restatement Agreement dated 28 August 2015, amending the 2010 Senior Facilities Agreement dated 26 February 2010 \(incorporated by reference to Exhibit 4.4 to Form 20-F filed by AB InBev on 14 March 2016\).](#)
- 4.2\* [Letter of Amendment dated 26 October 2017, amending the 2010 Senior Facilities Agreement dated 26 February 2010 \(incorporated by reference to Exhibit 4.5 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 19 March 2018\).](#)
- 4.3 [Amendment and Restatement Agreement dated 16 February 2021, amending the 2010 Senior Facilities Agreement dated 26 February 2010.](#)
- 4.4\* [Share-Based Compensation Plan Relating to Shares of Anheuser-Busch InBev \(incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-172069\) filed by AB InBev on 4 February 2011\).](#)
- 4.5\* [Share-Based Compensation Plan Relating to American Depositary Shares of Anheuser-Busch InBev \(incorporated by reference to Exhibit 4.4 to Form S-8 \(File No. 333-172069\) filed by AB InBev on 4 February 2011\).](#)
- 4.6\* [Long-Term Incentive Plan Relating to Shares of Anheuser-Busch InBev \(most recent version is incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-208634\) filed by AB InBev on 18 December 2015\).](#)
- 4.7\* [Long-Term Incentive Plan Relating to American Depositary Shares of Anheuser-Busch InBev \(most recent version is incorporated by reference to Exhibit 4.4 to Form S-8 \(File No. 333-208634\) filed by AB InBev on 18 December 2015\).](#)
- 4.8\* [Exceptional Incentive Restricted Stock Units Programme \(most recent version is incorporated by reference to Exhibit 4.5 to Form S-8 \(File No. 333-208634\) filed by AB InBev on 18 December 2015\).](#)
- 4.9\* [Discretionary Restricted Stock Units Programme \(incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-221808\) filed on 11 November 2017\).](#)
- 4.10\* [Terms and Conditions of Anheuser-Busch InBev SA/NV Stock Option Plan—Stock Options Grant of 18 December 2009 \(incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-165065\) filed by AB InBev on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by AB InBev on 4 February 2011\).](#)



- 4.11\* [Anheuser-Busch InBev SA/NV Long-Term Incentive Plan–Stock Options Grant of 18 December 2009 \(incorporated by reference to Exhibit 4.4 to Form S-8 \(File No. 333-165065\) filed by AB InBev on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by AB InBev on 4 February 2011\).](#)
- 4.12\* [Forms of Stock Option Plan underlying the Dividend Waiver and Exchange Program \(incorporated by reference to Exhibit 4.5 to Form S-8 \(File No. 333-165065\) filed by AB InBev on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by AB InBev on 4 February 2011\).](#)
- 4.13\* [Share-Based Compensation Plan March 2010 \(incorporated by reference to Exhibit 4.6 to Form S-8 \(File No. 333-165065\) filed by AB InBev on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by AB InBev on 4 February 2011\).](#)
- 4.14\* [Share-Based Compensation Plan March 2010 for EBM, GHQ & NY \(incorporated by reference to Exhibit 4.7 to Form S-8 filed by AB InBev on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by AB InBev on 4 February 2011\).](#)
- 4.15\* [2020 Dream Incentive Plan \(incorporated by reference to Exhibit 4.6 to Form S-8 \(File No. 333-208634\) filed by AB InBev on 18 December 2015\).](#)
- 4.16\* [Final Judgment of the United States District Court for the District of Columbia, entered into on 21 October 2013, outlining the Grupo Modelo settlement \(incorporated by reference to Exhibit 4.18 to Form 20-F filed by AB InBev on 25 March 2014\).](#)
- 4.17\* [Tax Matters Agreement, dated as of 11 November 2015, between Anheuser-Busch InBev SA/NV and Altria Group, Inc. \(incorporated by reference to Exhibit 99.5 to AB InBev’s Current Report on Form 6-K filed with the SEC on 12 November 2015\).](#)
- 4.18\* [Purchase Agreement, dated as of 11 November 2015, between Anheuser-Busch InBev SA/NV and Molson Coors Brewing Company \(incorporated by reference to Exhibit 99.7 to Form 6-K filed by AB InBev on 12 November 2015\).](#)
- 4.19\* [Amendment No. 1 to Purchase Agreement, dated as of 25 March 2016, between Anheuser-Busch InBev SA/NV and Molson Coors Brewing Company \(incorporated by reference to Exhibit 10.4 to Form F-4 \(File No. 333-213328\) filed by Anheuser-Busch InBev SA/NV on 26 August 2016\).](#)
- 4.20\* [Amendment No. 2 to Purchase Agreement, dated as of 3 October 2016, between Anheuser-Busch InBev SA/NV and Molson Coors Brewing Company \(incorporated by reference to Exhibit 99.2 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 12 October 2016\).](#)
- 4.21\* [Information Rights Agreement, dated as of 11 November 2015, between Anheuser-Busch InBev SA/NV and Altria Group, Inc. \(incorporated by reference to Exhibit 4.26 to Form 20-F filed by AB InBev on 22 March 2016\).](#)
- 4.22\* [Registration Rights Agreement, dated as of 10 October 2016, among Anheuser-Busch InBev SA/NV and the Holders as defined therein \(incorporated by reference to Exhibit 4.27 to Form 20-F filed by AB InBev on 22 March 2016\).](#)
- 4.23\* [Modified Judgment of the United States District Court for the District of Columbia, dated as of 22 October 2018, relating to the combination with SAB \(incorporated by reference to Exhibit 4.28 to Form 20-F filed by AB InBev on 22 March 2019\).](#)



- 4.24\* [Gap Long-Term Incentive Plan for SABMiller Employees \(incorporated by reference to Exhibit 4.4 to Form S-8 \(File No. 333-221808\) filed on 11 November 2017\).](#)
- 4.25\* [Five-Year Performance Restricted Stock Units Plan \(incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-227335\) filed on 14 September 2018\).](#)
- 4.32\* [Ten-Year Performance Restricted Stock Units Plan \(incorporated by reference to Exhibit 4.4 to Form S-8 \(File No. 333-227335\) filed on 14 September 2018\).](#)
- 4.33\* [Restricted Stock Units Plan for Directors \(incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-231556\) filed on 17 May 2019\).](#)
- 4.34\* [Base Restricted Stock Units Plan Relating to Shares of AB InBev \(incorporated by reference to Exhibit 4.3 to Form S-8 \(File No. 333-250930\) filed on 24 November 2020\).](#)
- 4.35\* [Base Restricted Stock Units Plan Relating to American Depository Shares of AB InBev \(incorporated by reference to Exhibit 4.4 to Form S-8 \(File No. 333-250930\) filed on 24 November 2020\).](#)
- 4.36\* [ZX Ventures Performance Unit Compensation Plan \(incorporated by reference to Exhibit 4.5 to Form S-8 \(File No. 333-250930\) filed on 24 November 2020\).](#)
- 6.1 [Description of earnings per share \(included in note 23 to our audited consolidated financial statements included in this Form 20-F\).](#)
- 8.1 [List of significant subsidiaries \(included in note 36 to our audited consolidated financial statements included in this Form 20-F\).](#)
- 11.1\* [Anheuser-Busch InBev Code of Dealing, dated as of September 2019 \(incorporated by reference to Exhibit 11.1 to Form 20-F filed by AB InBev on 24 March 2020\).](#)
- 11.2 [Anheuser-Busch InBev Code of Business Conduct, dated as of May 2020.](#)
- 12.1 [Principal Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 12.2 [Principal Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 13.1 [Principal Executive Officer and Principal Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1 [Consent of PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL](#)
- 15.2 [Consent of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL.](#)
- 17 [List of Guarantor Subsidiaries.](#)
- 101.INS XBRL Instance Document.
- 101.SCH XBRL Taxonomy Extension Schema.
- 101.CAL XBRL Taxonomy Extension Schema Calculation Linkbase.
- 101.DEF XBRL Taxonomy Extension Schema Definition Linkbase.
- 101.LAB XBRL Taxonomy Extension Schema Label Linkbase.
- 101.PRE XBRL Taxonomy Extension Schema Presentation Linkbase.

Note:

- \* Previously filed.
- †† Portions of this exhibit have been omitted pursuant to Instruction 4 as to Exhibits. The omitted information is not material and is the type of information that the registrant customarily and actually treats as private and confidential.
- ‡ This filing excludes certain schedules and exhibits, which the Registrant agrees to furnish supplementally to the SEC upon request by the SEC.



**SIGNATURES**

The Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Anheuser-Busch InBev SA/NV  
(Registrant)**

Date: 19 March 2021

By: /s/ John Blood  
Name: John Blood  
Title: Chief Legal and Corporate Affairs Officer and Corporate Secretary





**AB INBEV GROUP AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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To the Shareholders and the Board of Directors of Anheuser-Busch InBev SA/NV

**Report of Independent Registered Public Accounting Firm**

***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated statements of financial position of Anheuser-Busch InBev SA/NV and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the two years in the periods ended December 31, 2020 and 2019, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the two years in the periods ended December 31, 2020 and 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted by the European Union. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

We also have audited the adjustments to the 2018 consolidated financial statements to retrospectively reflect the classification of the Australian operations as assets held for sale, liabilities associated with assets held for sale and presentation of the results as discontinued operations as described in Note 22. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2018 consolidated financial statements of the company other than with respect to the retrospective adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2018 consolidated financial statements taken as a whole.

**Basis for Opinions**

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Part II, Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.



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**ANHEUSER-BUSCH INBEV**  
**ANHEUSER BUSCH FORM**

Donnelley Financial  
 None

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Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A 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 generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

### ***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### ***Impairment of goodwill and intangible assets with indefinite useful life***

As described in Notes 4, 14 and 15 to the consolidated financial statements, the Company has recorded goodwill and intangible assets with indefinite useful life for an amount of \$120 971 million and \$39 395 million, respectively, as of December 31, 2020. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows. In view of the decline in performance resulting from the COVID-19 pandemic, the company conducted an interim impairment test in the second quarter of 2020. As a result of this impairment test, management concluded, based on the valuations performed, it was prudent in view of the uncertainties, to record an impairment loss of \$(1.5) billion for the South Africa cash generating unit and \$(1.0) billion for the Rest of Africa cash generating unit as of June 30, 2020.

Intangible assets with indefinite useful lives have been tested for impairment using the same methodology and assumptions as goodwill. Based on the assumptions described in the note, the Company concluded that no impairment charge is warranted of intangible assets with indefinite useful lives. Impairment tests are conducted by management, in accordance with IAS 36, in which management applies a discounted cash flow approach based on current acquisition valuation models for its cash-generating units showing an invested capital to EBITDA multiple above 9x and valuation multiples for its other cash-generating units. The Company uses a strategic plan based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions. Management's cash flow projections include significant estimates and assumptions, related to weighted average cost of capital, the terminal growth rate and probability weighting of the scenarios used in the interim impairment test.



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The principal considerations for our determination that performing procedures relating to the impairment of goodwill and intangible assets with indefinite useful life is a critical audit matter are (i) there was a high degree of auditor judgment and subjectivity in applying procedures relating to the valuation of the cash-generating units due to the significant amount of judgment by management when developing this estimate, (ii) the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from these procedures and (iii) significant audit effort was necessary in evaluating the significant assumptions relating to the estimate, related to weighted average cost of capital, the terminal growth rate and probability weighting of the scenarios used in the interim impairment test.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s goodwill and indefinite-lived asset impairment testing, including controls over the valuation of the Company’s cash-generating units. These procedures also included, among others, testing management’s process for developing the fair value estimates; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the models; and, with the assistance of professionals with specialized skill and knowledge, evaluating the significant assumptions used by management, related to weighted average cost of capital, the terminal growth rate and probability weighting of the scenarios used in the interim impairment test. Evaluating management’s assumptions involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the cash-generating unit, (ii) the consistency with external market and industry data, (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit and (iv) analysis of sensitivities in the Company’s discounted cash flow model.

*Uncertain tax positions*

As described in Notes 4 and 32 to the consolidated financial statements, significant judgment by management is required in determining the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some subsidiaries within the group are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the balance sheet date and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax provisions to be recognized in the consolidated financial statements, estimation is made of the expected successful settlement of these matters. The principal considerations for our determination that performing procedures relating to uncertain tax positions is a critical audit matter are (i) there was a high degree of auditor judgment and subjectivity in applying procedures related to uncertain tax positions due to the significant amount of judgment by management when developing this estimate, including a high degree of estimation uncertainty relative to the numerous tax laws and the considerable time to conclude investigations and negotiations with local tax authorities as a result of such audits, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to completeness of the uncertain tax positions, as well as controls over measurement of the liability. These procedures also included, among others, (i) testing the information used in the calculation of the income tax provisions, including intercompany agreements, international, federal, and state filing positions, and the related final tax returns; (ii) testing the calculation of the income tax provision by jurisdiction, including management’s assessment of the technical merits of tax positions and estimates of the amount of tax benefit expected to be sustained; (iii) testing the completeness of management’s assessment of both the identification of uncertain tax positions and possible outcomes thereof; and (iv) evaluating the status and results of income tax audits by the relevant tax authorities. Professionals with specialized skill and knowledge were used to assist in the evaluation of the completeness and measurement of the Company’s uncertain tax positions, including evaluating the reasonableness of management’s assessment of the chance of loss related to tax positions and the application of relevant tax laws.

Sint-Stevens-Woluwe, Belgium, March 17, 2021

PwC Bedrijfsrevisoren BV / Reviseurs d’Entreprises SRL  
Represented by

/s/ Koen Hens  
Statutory Auditor

We have served as the Company’s auditor since 2019.



**Report of Independent Registered Public Accounting Firm**

To the shareholders and the Board of Directors of Anheuser-Busch InBev SA/NV

**Opinion on the Financial Statements**

We have audited, before the effects of the retrospective adjustments for the discontinued operations discussed in Note 22 to the consolidated financial statements and in footnote 1 to the consolidated statement of cash flows (together, the “retrospective adjustments for discontinued operations”), the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of Anheuser-Busch InBev SA/NV and subsidiaries (the “Company”) for the year ended 31 December 2018, and the related notes (collectively referred to as the “financial statements”) (the 2018 financial statements before the effects of the retrospective adjustments discussed in Note 22 to the financial statements and in footnote 1 to the consolidated statement of cash flows are not presented herein). In our opinion, the 2018 financial statements, before the effects of the retrospective adjustments for the discontinued operations discussed in Note 22 to the financial statements and in footnote 1 to the consolidated statement of cash flows, present fairly, in all material respects, the results of operations and cash flows of the Company for the year ended 31 December 2018 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union.

We were not engaged to audit, review, or apply any procedures to the retrospective adjustments for the discontinued operations discussed in Note 22 to the consolidated financial statements and in footnote 1 to the consolidated statement of cash flows, and accordingly, we do not express an opinion or any other form of assurance about whether such retrospective adjustments are appropriate and have been properly applied. Those retrospective adjustments were audited by other auditors.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Zaventem, Belgium, 13 March 2019

(23 April 2019 as to the adoption of IFRS 16 Leases and the retrospective adjustments for changes in the composition of reportable segment as described in Note 5 to the financial statements)

/s/ Joël Brehmen

**Deloitte Bedrijfsrevisoren/Réviseurs  
d’Entreprises CVBA/SCRL**  
Represented by Joël Brehmen

We began serving as the Company’s auditor in 2016. In 2019 we became the predecessor auditor.



## Consolidated income statement

For the year ended 31 December

Million US dollar, except earnings per shares in US dollar

	Notes	2020	2019	2018 restated <sup>1</sup>
<b>Revenue</b>		<b>46 881</b>	<b>52 329</b>	<b>53 041</b>
Cost of sales		(19 634)	(20 362)	(19 933)
<b>Gross profit</b>		<b>27 247</b>	<b>31 967</b>	<b>33 108</b>
Distribution expenses		(5 104)	(5 525)	(5 612)
Sales and marketing expenses		(6 861)	(7 348)	(7 774)
Administrative expenses		(3 404)	(3 548)	(3 421)
Other operating income/(expenses)	7	845	875	805
Impairment of goodwill	8	(2 500)	—	—
COVID-19 costs	8	(182)	—	—
Restructuring	8	(157)	(170)	(363)
Business and asset disposal (including impairment losses)	8	(239)	(50)	(26)
Acquisition costs business combinations	8	(25)	(23)	(73)
Brazil state tax regularization program	8	—	(74)	—
Cost related to public offering of minority stake in Budweiser APAC	8	—	(6)	—
Provision for EU investigation	8	—	—	(230)
<b>Profit from operations</b>		<b>9 620</b>	<b>16 098</b>	<b>16 414</b>
Finance cost	11	(8 419)	(5 993)	(9 261)
Finance income	11	722	2 519	435
<b>Net finance income/(cost)</b>		<b>(7 697)</b>	<b>(3 473)</b>	<b>(8 826)</b>
Share of result of associates and joint ventures	16	156	152	153
<b>Profit before tax</b>		<b>2 079</b>	<b>12 776</b>	<b>7 741</b>
Income tax expense	12	(1 932)	(2 786)	(2 585)
<b>Profit from continuing operations</b>		<b>147</b>	<b>9 990</b>	<b>5 157</b>
Profit from discontinued operations	22	2 055	424	531
<b>Profit of the period</b>		<b>2 202</b>	<b>10 414</b>	<b>5 688</b>
Profit from continuing operations attributable to:				
Equity holders of AB InBev		(650)	8 748	3 839
Non-controlling interest		797	1 243	1 318
Profit of the period attributable to:				
Equity holders of AB InBev		1 405	9 171	4 370
Non-controlling interest		797	1 243	1 318
Basic earnings per share	23	0.70	4.62	2.21
Diluted earnings per share	23	0.69	4.53	2.17
Basic earnings per share from continuing operations	23	(0.33)	4.41	1.94
Diluted earnings per share from continuing operations	23	(0.33)	4.32	1.91

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1</sup> In 2019, the consolidated income statement for 2018 was restated to reflect the impact of adoption of IFRS 16 under the full retrospective application and the classification of the Australian operations as discontinued operations.



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Consolidated statement of comprehensive income

For the year ended 31 December  
 Million US dollar

	2020	2019	2018 restated <sup>2</sup>
<b>Profit of the period</b>	<b>2 202</b>	<b>10 414</b>	<b>5 688</b>
<b>Other comprehensive income/(loss): items that will not be reclassified to profit or loss:</b>			
Re-measurements of post-employment benefits	(263)	(182)	99
	<b>(263)</b>	<b>(182)</b>	<b>99</b>
<b>Other comprehensive income/(loss): items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations <sup>1</sup>	(10 951)	947	(7 916)
Effective portion of changes in fair value of net investment hedges	479	(157)	114
Cash flow hedges recognized in equity	739	182	512
Cash flow hedges and cumulative translation adjustments reclassified from equity to profit or loss in relation to Australia divestiture	426	—	—
Cash flow hedges reclassified from equity to profit or loss	(533)	(292)	(565)
	<b>(9 841)</b>	<b>680</b>	<b>(7 855)</b>
<b>Other comprehensive income/(loss), net of tax</b>	<b>(10 104)</b>	<b>498</b>	<b>(7 756)</b>
<b>Total comprehensive income/(loss)</b>	<b>(7 901)</b>	<b>10 912</b>	<b>(2 068)</b>
Attributable to:			
Equity holders of AB InBev	(8 156)	10 044	(2 998)
Non-controlling interest	255	867	930

The accompanying notes are an integral part of these consolidated financial statements.

<sup>1</sup> See Note 23 *Changes in equity and earnings per share*.

<sup>2</sup> In 2019, the consolidated statement of comprehensive income for 2018 was restated to reflect the impact of adoption of IFRS 16 under the full retrospective application.





## Consolidated statement of financial position

As at Million US dollar	Notes	31 December 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	26 419	27 544
Goodwill	14	120 971	128 114
Intangible assets	15	41 527	42 452
Investments in associates and joint ventures	16	6 143	5 861
Investment securities	17	137	110
Deferred tax assets	18	2 019	1 719
Employee benefits	25	6	14
Income tax receivables		869	1 081
Derivatives	29	138	132
Trade and other receivables	20	1 661	807
<b>Total non-current assets</b>		<b>199 891</b>	<b>207 834</b>
<b>Current assets</b>			
Investment securities	17	396	92
Inventories	19	4 482	4 427
Income tax receivables		655	627
Derivatives	29	827	230
Trade and other receivables	20	4 833	6 187
Cash and cash equivalents	21	15 252	7 238
Assets classified as held for sale	22	74	10 013
<b>Total current assets</b>		<b>26 519</b>	<b>28 814</b>
<b>Total assets</b>		<b>226 410</b>	<b>236 648</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	23	1 736	1 736
Share premium		17 620	17 620
Reserves		17 798	24 882
Retained earnings		30 870	31 484
<b>Equity attributable to equity holders of AB InBev</b>		<b>68 024</b>	<b>75 722</b>
Non-controlling interests	33	10 327	8 831
<b>Total equity</b>		<b>78 351</b>	<b>84 553</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	24	95 478	97 564
Employee benefits	25	2 970	2 848
Deferred tax liabilities	18	12 627	12 824
Income tax payables		808	1 022
Derivatives	29	1 759	352
Trade and other payables	28	1 522	1 943
Provisions	27	544	701
<b>Total non-current liabilities</b>		<b>115 707</b>	<b>117 254</b>
<b>Current liabilities</b>			
Bank overdrafts	21	5	68
Interest-bearing loans and borrowings	24	3 081	5 410
Income tax payables		1 036	1 346
Derivatives	29	5 046	3 799
Trade and other payables	28	22 965	22 864
Provisions	27	219	210
Liabilities associated with assets held for sale	22	—	1 145
<b>Total current liabilities</b>		<b>32 352</b>	<b>34 841</b>
<b>Total equity and liabilities</b>		<b>226 410</b>	<b>236 648</b>

The accompanying notes are an integral part of these consolidated financial statements.



## Consolidated statement of changes in equity

	Attributable to equity holders of AB InBev										
	Issued Capital	Share premium	Treasury shares	Reserves	Share- based payments reserves	Other comprehensive income reserves <sup>1</sup>	Deferred share instrument	Retained earnings	Total	Non- controlling interest	Total Equity
Million US dollar											
<b>As per 1 January 2018</b>	<b>1 736</b>	<b>17 620</b>	<b>(8 980)</b>	<b>45 726</b>	<b>1 753</b>	<b>(14 784)</b>	<b>1 119</b>	<b>28 387</b>	<b>72 576</b>	<b>7 624</b>	<b>80 200</b>
Impact of adopting IFRSs 9 and 15	—	—	—	—	—	—	—	(4)	(4)	(42)	(46)
<b>As per 1 January 2018, as adjusted</b>	<b>1 736</b>	<b>17 620</b>	<b>(8 980)</b>	<b>45 726</b>	<b>1 753</b>	<b>(14 784)</b>	<b>1 119</b>	<b>28 383</b>	<b>72 572</b>	<b>7 582</b>	<b>80 154</b>
<b>Profit of the period</b>	—	—	—	—	—	—	—	4 370	4 370	1 318	5 688
<b>Other comprehensive income/(loss)</b>											
Exchange differences on translation of foreign operations (gains/(losses))	—	—	—	—	—	(7 374)	—	—	(7 374)	(429)	(7 802)
Cash flow hedges	—	—	—	—	—	(92)	—	—	(92)	40	(52)
Re-measurements of post-employment benefits	—	—	—	—	—	98	—	—	98	1	99
<b>Total comprehensive income/(loss)</b>	—	—	—	—	—	<b>(7 368)</b>	—	<b>4 370</b>	<b>(2 998)</b>	<b>930</b>	<b>(2 068)</b>
Dividends	—	—	—	—	—	—	(56)	(6 258)	(6 314)	(1 123)	(7 437)
Treasury shares <sup>1</sup>	—	—	2 431	—	—	—	(1 063)	(1 368)	—	—	—
Share-based payments	—	—	—	—	284	—	—	429	284	6	290
Sale/(purchase) of non-controlling interests	—	—	—	—	—	—	—	560	560	345	905
Hyperinflation monetary adjustments	—	—	—	—	—	—	—	(48)	(48)	94	46
Scope and other changes	—	—	—	—	—	—	—	—	—	—	—
<b>As per 31 December 2018</b>	<b>1 736</b>	<b>17 620</b>	<b>(6 549)</b>	<b>45 726</b>	<b>2 037</b>	<b>(22 152)</b>	—	<b>26 068</b>	<b>64 485</b>	<b>7 404</b>	<b>71 889</b>
Attributable to equity holders of AB InBev											
Million US dollar											
<b>As per 1 January 2019</b>	<b>1 736</b>	<b>17 620</b>	<b>(6 549)</b>	<b>45 726</b>	<b>2 037</b>	<b>(22 152)</b>	—	<b>26 068</b>	<b>64 485</b>	<b>7 404</b>	<b>71 889</b>
<b>Profit of the period</b>	—	—	—	—	—	—	—	9 171	9 171	1 243	10 414
<b>Other comprehensive income/(loss)</b>											
Exchange differences on translation of foreign operations (gains/(losses))	—	—	—	—	—	1 143	—	—	1 143	(353)	790
Cash flow hedges	—	—	—	—	—	(97)	—	—	(97)	(13)	(110)
Re-measurements of post-employment benefits	—	—	—	—	—	(173)	—	—	(173)	(9)	(182)
<b>Total comprehensive income/(loss)</b>	—	—	—	—	—	<b>873</b>	—	<b>9 171</b>	<b>10 044</b>	<b>867</b>	<b>10 912</b>
Dividends	—	—	—	—	279	—	—	(4 117)	(4 117)	(1 062)	(5 179)
Treasury shares	—	—	—	—	—	—	—	(279)	—	—	—
Share-based payments	—	—	—	—	290	—	—	—	290	29	319
Sale/(purchase) of non-controlling interest	—	—	—	—	4 378	—	—	—	4 378	1 427	5 805
Hyperinflation monetary adjustments	—	—	—	—	—	—	—	219	219	135	354
Scope and other changes	—	—	—	—	—	—	—	421	421	31	452
<b>As per 31 December 2019</b>	<b>1 736</b>	<b>17 620</b>	<b>(6 270)</b>	<b>50 104</b>	<b>2 327</b>	<b>(21 279)</b>	—	<b>31 484</b>	<b>75 722</b>	<b>8 831</b>	<b>84 553</b>

<sup>1</sup> See Note 23 Changes in equity and earnings per share.



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Attributable to equity holders of AB InBev

	Issued Capital	Share premium	Treasury shares	Reserves	Share-based payments reserves	Other comprehensive income reserves <sup>1</sup>	Deferred share instrument	Retained earnings	Total	Non-controlling interest	Total Equity
Million US dollar											
<b>As per 1 January 2020</b>	<b>1 736</b>	<b>17 620</b>	<b>(6 270)</b>	<b>50 104</b>	<b>2 327</b>	<b>(21 279)</b>		<b>31 484</b>	<b>75 722</b>	<b>8 831</b>	<b>84 553</b>
<b>Profit of the period</b>								<b>1 405</b>	<b>1 405</b>	<b>797</b>	<b>2 202</b>
<b>Other comprehensive income/(loss)</b>											
Exchange differences on translation of foreign operations (gains/(losses))						(9 943)			(9 943)	(529)	(10 473)
Cash flow hedges						198			198	8	206
Cash flow hedges and cumulative translation adjustments reclassified from equity to profit or loss in relation to Australia divestiture											
Re-measurements of post-employment benefits						426			426		426
<b>Total comprehensive income/(loss)</b>						<b>(9 562)</b>		<b>1 405</b>	<b>(8 156)</b>	<b>255</b>	<b>(7 901)</b>
Dividends								(1 118)	(1 118)	(804)	(1 923)
Treasury shares			1 359					(974)	385		385
Share-based payments									3		3
Hyperinflation monetary adjustments								160	160	99	259
Sale/(purchase) of non-controlling interests <sup>2</sup>								1 116	1 116	1 869	2 985
Scope and other changes								(87)	(87)	60	(26)
<b>As per 31 December 2020</b>	<b>1 736</b>	<b>17 620</b>	<b>(4 911)</b>	<b>51 220</b>	<b>2 330</b>	<b>(30 841)</b>		<b>30 870</b>	<b>68 024</b>	<b>10 327</b>	<b>78 351</b>

The accompanying notes are an integral part of these consolidated financial statements.

- See Note 23 *Changes in equity and earnings per share*.
- The 2020 sale of non-controlling interest relates to the issuance of a 49.9% minority stake in the company's US-based metal container operations completed in December 2020 (refer to Note 23 *Changes in equity and earnings per share* for more details).



## Consolidated statement of cash flows

For the year ended 31 December  
Million US dollar

	Notes	2020	2019 <sup>1</sup>	2018 <sup>2</sup> restated
<b>OPERATING ACTIVITIES</b>				
<b>Profit from continuing operations</b>		<b>147</b>	<b>9 990</b>	<b>5 157</b>
Depreciation, amortization and impairment	10	4 829	4 657	4 624
Impairment losses on goodwill	14	2 500	—	—
Impairment losses on receivables, inventories and other assets		218	112	107
Additions/(reversals) in provisions and employee benefits		278	216	504
Net finance cost/(income)	11	7 697	3 473	8 826
Loss/(gain) on sale of property, plant and equipment and intangible assets		(69)	(149)	(82)
Loss/(gain) on sale of subsidiaries, associates and assets held for sale		7	(34)	(20)
Equity-settled share-based payment expense	26	169	340	333
Income tax expense	12	1 932	2 786	2 585
Other non-cash items included in profit		(381)	(220)	(654)
Share of result of associates and joint ventures	16	(156)	(152)	(153)
<b>Cash flow from operating activities before changes in working capital and use of provisions</b>		<b>17 171</b>	<b>21 019</b>	<b>21 227</b>
Decrease/(increase) in trade and other receivables		516	(258)	(105)
Decrease/(increase) in inventories		(427)	(426)	(588)
Increase/(decrease) in trade and other payables		503	679	1 170
Pension contributions and use of provisions		(616)	(715)	(487)
<b>Cash generated from operations</b>		<b>17 147</b>	<b>20 299</b>	<b>21 217</b>
Interest paid		(4 340)	(4 450)	(4 559)
Interest received		255	523	429
Dividends received		51	160	141
Income tax paid		(2 306)	(3 136)	(3 047)
Cash flow from operating activities on Australia discontinued operations	22	84	640	883
<b>Cash flow from operating activities</b>		<b>10 891</b>	<b>14 036</b>	<b>15 064</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment and of intangible assets	13/15	(3 781)	(5 174)	(5 005)
Proceeds from sale of property, plant and equipment and of intangible assets		94	320	437
Acquisition of subsidiaries, net of cash acquired	6	(510)	(385)	(84)
Sale of other subsidiaries, net of cash disposed of	6	—	133	257
Net proceeds from sale/(acquisition) of other assets		(292)	33	538
Proceeds from Australia divestiture	22	10 838	219	—
Cash flow from investing activities on Australia discontinued operations	22	(13)	(77)	(109)
<b>Cash flow from investing activities</b>		<b>6 336</b>	<b>(4 931)</b>	<b>(3 966)</b>
<b>FINANCING ACTIVITIES</b>				
Sale/(purchase) of non-controlling interests	23	3 039	222	(923)
Proceeds from borrowings	24	14 822	22 584	17 782
Payments on borrowings	24	(23 116)	(30 592)	(22 489)
Cash net finance (cost)/income other than interests		(953)	(1 064)	(513)
Payment of lease liabilities		(461)	(441)	(423)
Dividends paid		(1 800)	(5 015)	(7 761)
Proceeds from public offering of minority stake in Budweiser APAC	23	—	5 575	—
Cash flow from financing activities on Australia discontinued operations	22	(6)	(24)	(19)
<b>Cash flow from financing activities</b>		<b>(8 475)</b>	<b>(8 755)</b>	<b>(14 346)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8 752</b>	<b>350</b>	<b>(3 248)</b>
Cash and cash equivalents less bank overdrafts at beginning of year		7 169	6 960	10 356
Effect of exchange rate fluctuations		(674)	(141)	(148)
<b>Cash and cash equivalents less bank overdrafts at end of period</b>	21	<b>15 247</b>	<b>7 169</b>	<b>6 960</b>

The accompanying notes are an integral part of these consolidated financial statements.

<sup>7</sup> The consolidated statement of cash flows for 2019 and 2018 has been restated to include operating, investing and financing activities from discontinued operations separately in the cashflow statement. In addition, the 2019 cash flow from investing activities has been restated to reflect reclassification of the cash flow hedges in relation to the Australia divestiture reported in the financing activities in 2019 and recycled to profit or loss upon the completion of the transaction.

<sup>8</sup> In 2019, the consolidated statement of cash flows for 2018 was restated to reflect the impact of adoption of IFRS 16 under the full retrospective application and the classification of the Australian operations as discontinued operations.



Notes to the consolidated financial statements

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## 1. Corporate information

Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). Our Dream is to bring people together for a better world. Beer, the original social network, has been bringing people together for thousands of years. We are committed to building great brands that stand the test of time and to brewing the best beers using the finest natural ingredients. Our diverse portfolio of well over 500 beer brands includes global brands Budweiser®, Corona® and Stella Artois®; multi-country brands Beck's®, Hoegaarden®, Leffe® and Michelob Ultra®; and local champions such as Aguila®, Antarctica®, Bud Light®, Brahma®, Cass®, Castle®, Castle Lite®, Cristal®, Harbin®, Jupiler®, Modelo Especial®, Quilmes®, Victoria®, Sedrin® and Skol®. Our brewing heritage dates back more than 600 years, spanning continents and generations. From our European roots at the Den Hoorn brewery in Leuven, Belgium. To the pioneering spirit of the Anheuser & Co brewery in St. Louis, US. To the creation of the Castle Brewery in South Africa during the Johannesburg gold rush. To Bohemia, the first brewery in Brazil. Geographically diversified with a balanced exposure to developed and developing markets, we leverage the collective strengths of approximately 164 000 employees based in nearly 50 countries worldwide. For 2020, AB InBev's reported revenue was 46.9 billion US dollar (excluding joint ventures and associates).

The consolidated financial statements of the company for the year ended 31 December 2020 comprise the company and its subsidiaries (together referred to as "AB InBev" or the "company") and the company's interest in associates, joint ventures and operations.

The consolidated financial statements were authorized for issue by the Board of Directors on 17 March 2021.

## 2. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("IASB") and in conformity with International Financial Reporting Standards as adopted by the European Union up to 31 December 2020 (collectively "IFRS"). AB InBev did not early apply any new IFRS requirements that were not yet effective in 2020 and did not apply any European carve-outs from IFRS.

## 3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by the company and its subsidiaries.

In March 2020, the SEC amended Rule 3-10 of Regulation S-X regarding financial disclosure requirements for registered debt offerings involving subsidiaries as either issuers or guarantors and affiliates whose securities are pledged as collateral. We adopted these amendments for the year ended 31 December 2020, which included replacing guarantor condensed consolidating financial information with summarized financial information for the consolidated obligor group (Parent, Issuers and Guarantor Subsidiaries) and no longer requiring guarantor cash flow information, financial information for non-guarantor subsidiaries, or a reconciliation to the consolidated results. The location of the required disclosures has been removed from the Notes to the Consolidated Financial Statements and moved to "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Guarantor Financial Information" of the Form 20-F.

### (A) BASIS OF PREPARATION AND MEASUREMENT

Depending on the applicable IFRS requirements, the measurement basis used in preparing the financial statements is cost, net realizable value, fair value or recoverable amount. Whenever IFRS provides an option between cost and another measurement basis (e.g. systematic re-measurement), the cost approach is applied.

### (B) FUNCTIONAL AND PRESENTATION CURRENCY

Unless otherwise specified, all financial information included in these financial statements has been stated in US dollar and has been rounded to the nearest million. As from 2009, following the combination with Anheuser-Bush, the company changed the presentation currency of the consolidated financial statements from the euro to the US dollar to provide greater alignment of the presentation currency with AB InBev's most significant operating currency and underlying financial performance. The functional currency of the parent company is the euro.

### (C) USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



**(D) PRINCIPLES OF CONSOLIDATION**

Subsidiaries are those entities controlled by AB InBev. AB InBev controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are taken into account. Control is presumed to exist where AB InBev owns, directly or indirectly, more than one half of the voting rights (which does not always equate to economic ownership), unless it can be demonstrated that such ownership does not constitute control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Associates are undertakings in which AB InBev has significant influence over the financial and operating policies, but which it does not control. This is generally evidenced by ownership of between 20% and 50% of the voting rights. A joint venture is an arrangement in which AB InBev has joint control, whereby AB InBev has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for by the equity method of accounting, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When AB InBev's share of losses exceeds the carrying amount of the associate or joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that AB InBev has incurred legal or constructive obligations on behalf of the associate or joint venture.





Joint operations arise when AB InBev has rights to the assets and obligations to the liabilities of a joint arrangement. AB InBev accounts for its share of the assets, liabilities, revenues and expenses as from the moment joint operation commences until the date that joint operation ceases.

The financial statements of the company's subsidiaries, joint ventures, joint operations and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. In exceptional cases when the financial statements of a subsidiary, joint venture, joint operation or associate are prepared as of a different date from that of AB InBev, adjustments are made for the effects of significant transactions or events that occur between that date and the date of AB InBev's financial statements. In such cases, the difference between the end of the reporting period of these subsidiaries, joint ventures, joint operations or associates from AB InBev's reporting period is no more than three months. Results from the company's associates Anadolu Efes and Castel are reported on a three-month lag. Therefore, estimates are made to reflect AB InBev's share in the result of these associates for the last quarter. Such estimates are revisited when required.

Transactions with non-controlling interests are treated as transactions with equity owners of the company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity where there is no loss of control.

All intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated. Unrealized gains arising from transactions with joint ventures, joint operations and associates are eliminated to the extent of AB InBev's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A listing of the company's most important subsidiaries, joint ventures, joint operations and associates is set out in Note 36 *AB InBev companies*.

## (E) SUMMARY OF CHANGES IN ACCOUNTING POLICIES

A number of new standards, amendment to standards and new interpretations became mandatory for the first time for the financial year beginning on 1 January 2020 and have not been listed in these consolidated financial statements as they either do not apply or are immaterial to AB InBev's consolidated financial statements.

In March 2020, the SEC amended its regulations regarding financial information of guarantors and issuers of guaranteed securities registered or being registered. We adopted these amendments for the year ended 31 December 2020, which included replacing guarantor condensed consolidating financial information with summarized financial information for the combined obligor group (Parent, Issuer and Guarantor Subsidiaries) in accordance with the amended regulations and no longer requiring guarantor cash flow information, financial information for non-guarantor subsidiaries, or a reconciliation to the consolidated results. The location of the required disclosures has been removed from the Notes to the Consolidated Financial Statements and moved to "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Guarantor Financial Information" of the Form 20-F.

## (F) FOREIGN CURRENCIES

### Foreign currency transactions

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the date of the balance sheet. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to US dollar at foreign exchange rates prevailing at the dates the fair value was determined.

### Translation of the results and financial position of foreign operations

Assets and liabilities of foreign operations are translated to US dollar at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations, excluding foreign entities in hyperinflationary economies, are translated to US dollar at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to US dollar at period-end exchange rates are taken to other comprehensive income (translation reserves).

### Financial Reporting in hyperinflationary economies

In May 2018, the Argentinean peso underwent a severe devaluation, causing Argentina's three-year cumulative inflation to exceed 100% and thus, triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 *Financial Reporting in Hyperinflationary Economies*. IAS 29 requires that the results of the company's Argentinian operations be reported as if these were highly inflationary as of 1 January 2018.

Under IAS 29, non-monetary assets and liabilities stated at historical cost, equity and income statements of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency, applying a general price index. These re-measured accounts are used for conversion into US dollar at the period closing exchange rate. As a result, the balance sheet and net results of subsidiaries operating in hyperinflation economies are stated in terms of the measuring unit current at the end of the reporting period.



Consequently, the company applied hyperinflation accounting for its Argentinean subsidiaries for the first time in the year-to-date September 2018 unaudited condensed interim financial statements, with effect as of 1 January 2018. The IAS 29 rules are applied as follows:

- Non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity of Argentina were restated using an inflation index. The hyperinflation accounting impacts resulting from changes in the general purchasing power from 1 January 2018 are reported in the income statement in a dedicated account for hyperinflation monetary adjustments in the finance line (see also Note 11 *Finance cost and income*)
- The income statement is adjusted at the end of each reporting period using the change in the general price index. It is converted at the closing exchange rate of each period (rather than the year-to-date average rate which is used for non-hyperinflationary economies), thereby restating the year-to-date income statement account for both inflation index and currency conversion.

The 2020 results, restated for purchasing power, were translated at the December 2020 closing rate of 84.143520 Argentinean pesos per US dollar (2019 results – at 59.890668 Argentinean pesos per US dollar).

**Exchange rates**

The most important exchange rates that have been used in preparing the financial statements are:

	Closing rate			Average rate		
	31 December 2020	31 December 2019	31 December 2018	31 December 2020	31 December 2019	31 December 2018
1 US dollar equals:						
Argentinean peso	84.143520	59.890668	37.807879	—	—	—
Brazilian real	5.196694	4.030696	3.874806	5.133082	3.940998	3.634827
Canadian dollar	1.273981	1.299449	1.362882	1.346594	1.329140	1.293896
Colombian peso	3 438.52	3 272.63	3 246.70	3 689.50	3 305.84	2 967.36
Chinese yuan	6.537798	6.961461	6.877787	6.947936	6.886265	6.581607
Euro	0.814930	0.890155	0.873362	0.878101	0.892577	0.845697
Mexican peso	19.948838	18.845242	19.682728	21.182539	19.334915	19.195084
Pound sterling	0.732646	0.757344	0.781249	0.780195	0.784062	0.750773
Peruvian nuevo sol	3.621009	3.317006	3.369998	3.491580	3.346670	3.284477
South Korean won	1 088.02	1 154.54	1 115.40	1 185.02	1 160.69	1 095.46
South African rand	14.686598	14.044287	14.374909	16.213180	14.512975	13.105486

**(G) INTANGIBLE ASSETS****Research and development**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible, future economic benefits are probable and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization (see below) and impairment losses (refer to accounting policy O).

Amortization related to research and development intangible assets is included within the cost of sales if production related and in sales and marketing if related to commercial activities.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

**Supply and distribution rights**

A supply right is the right for AB InBev to supply a customer and the commitment by the customer to purchase from AB InBev. A distribution right is the right to sell specified products in a certain territory. Acquired distribution rights are measured initially at cost or fair value when obtained through a business combination. Amortization related to supply and distribution rights is included within sales and marketing expenses.

**Brands**

If part of the consideration paid in a business combination relates to trademarks, trade names, formulas, recipes or technological expertise these intangible assets are considered as a group of complementary assets that is referred to as a brand for which one fair value is determined. Expenditure on internally generated brands is expensed as incurred.

**Software**

Purchased software is measured at cost less accumulated amortization. Expenditure on internally developed software is capitalized when the expenditure qualifies as development activities; otherwise, it is recognized in the income statement when incurred. Amortization related to software is included in cost of sales, distribution expenses, sales and marketing expenses or administrative expenses based on the activity the software supports.

**Other intangible assets**

Other intangible assets, acquired by the company, are recognized at cost less accumulated amortization and impairment losses. Other intangible assets also include multi-year sponsorship rights acquired by the company. These are initially recognized at the present value of the future payments and subsequently measured at cost less accumulated amortization and impairment losses.

**Subsequent expenditure**

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.



**Amortization**

Intangible assets with a finite life are amortized using the straight-line method over their estimated useful lives. Licenses, brewing, supply and distribution rights are amortized over the period in which the rights exist. Brands are considered to have an indefinite life unless plans exist to discontinue the brand. Discontinuance of a brand can be either through sale or termination of marketing support. When AB InBev purchases distribution rights for its own products the life of these rights is considered indefinite, unless the company have a plan to discontinue the related brand or distribution. Software and capitalized development costs related to technology are amortized over 3 to 5 years.



Brands are deemed intangible assets with indefinite useful lives and, therefore, are not amortized but tested for impairment on an annual basis (refer to accounting policy O).

#### Gains and losses on sale

Net gains on sale of intangible assets are presented in the income statement as other operating income. Net losses on sale are included as other operating expenses. Net gains and losses are recognized in the income statement when the control has been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the intangible assets.

#### (H) BUSINESS COMBINATIONS

The company applies the acquisition method of accounting to account for acquisitions of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of the cost of the acquisition over the company's interest in the fair value of the identifiable net assets acquired is recorded as goodwill.

The allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions requiring management judgment.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of AB InBev's previously held interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

#### (I) GOODWILL

Goodwill is determined as the excess of the consideration paid over AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity or associate recognized at the date of acquisition. All business combinations are accounted for by applying the purchase method.

In conformity with IFRS 3 *Business Combinations*, goodwill is stated at cost and not amortized but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which goodwill has been allocated, may be impaired (refer to accounting policy O). Goodwill is expressed in the currency of the subsidiary or jointly controlled entity to which it relates and is translated to US dollar using the year-end exchange rate. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

If AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination such excess is recognized immediately in the income statement as required by IFRS 3 *Business Combinations*. Expenditure on internally generated goodwill is expensed as incurred.

#### (J) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer to accounting policy O). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. nonrefundable tax and transport cost). The cost of a self-constructed asset is determined using the same principles as for an acquired asset. The depreciation methods, residual value, as well as the useful lives are reassessed and adjusted if appropriate, annually.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

#### Subsequent expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

#### Depreciation

The depreciable amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Depreciation is calculated from the date the asset is available for use, using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are defined in terms of the asset's expected utility to the company and can vary from one geographical area to another. On average the estimated useful lives are as follows:

Industrial buildings – other real estate properties  
Production plant and equipment:

20 – 50 years



Production equipment	10 – 15 years
Storage, packaging and handling equipment	5 – 7 years
Returnable packaging:	
Kegs	2 – 10 years
Crates	2 – 10 years
Bottles	2 – 5 years
Point of sale furniture and equipment	5 years
Vehicles	5 years
Information processing equipment	3 – 5 years



Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Land is not depreciated as it is deemed to have an indefinite life.

#### **Gains and losses on sale**

Net gains on sale of items of property, plant and equipment are presented in the income statement as other operating income. Net losses on sale are presented as other operating expenses. Net gains and losses are recognized in the income statement when the control has been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

#### **(K) LEASES**

##### **The company as lessee**

The company assesses whether a contract is or contains a lease at inception of a contract. The company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in cash flow from operating activities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the company considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the company is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognized as an expense in the income statement in the period in which the event or condition that triggers those payments occurs.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a renewal and/or purchase option. The corresponding adjustment is made to the related right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated starting at the commencement date over the shorter period of useful life of the underlying asset and lease term (refer to accounting policies J and O).

The lease liability is presented in the 'Interest-bearing loans and borrowings' line and the right-of-use assets are presented in the 'Property, plant and equipment' line in the consolidated statement of financial position. In addition, the principal portion of the lease payments is presented within financing activities and the interest component is presented within operating activities in the consolidated cash flow statement.

##### **The company as lessor**

Leases where the company transfers substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases of assets under which all the risks and rewards of ownership are substantially retained by the company are classified as operating leases. Rental income is recognized in other operating income on a straight-line basis over the term of the lease.

#### **(L) INVENTORIES**

Inventories are valued at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The weighted average method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labor, other direct cost and an allocation of fixed and variable overhead based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs.

Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. The calculation of the net realizable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life, slow-moving indicators, amongst others.

#### **(M) TRADE AND OTHER RECEIVABLES**





Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and generally due for settlement within 30 days. Trade receivables are recognized initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognized at the amount adjusted for the time value of money. The company holds trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest rate method.

Trade and other receivables are carried at amortized cost less impairment losses. To determine the appropriate amount to be impaired factors such as significant financial difficulties of the debtor, probability that the debtor will default, enter into bankruptcy or financial reorganization, or delinquency in payments are considered.

Other receivables are initially recognized at fair value and subsequently measured at amortized cost. Any impairment losses and foreign exchange results are directly recognized in profit or loss.



## (N) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. In the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

## (O) IMPAIRMENT

The carrying amounts of property, plant and equipment, goodwill and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is an indicator of impairment, the asset's recoverable amount is estimated. In addition, goodwill, intangible assets that are not yet available for use and intangibles with an indefinite useful life are tested for impairment annually at the cash-generating unit level (that is a country or group of countries managed as a group below a reporting region). An impairment loss is recognized whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

### Calculation of recoverable amount

The recoverable amount of non-financial assets is determined as the higher of their fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the cash generating units to which the goodwill and the intangible assets with indefinite useful life belong is based on discounted future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses recognized in respect of cash-generating units firstly reduce allocated goodwill and then the carrying amounts of the other assets in the unit on a pro rata basis.

### Reversal of impairment losses

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## (P) FAIR VALUE MEASUREMENT

A number of AB InBev's accounting policies and notes require fair value measurement for both financial and non-financial items.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, AB InBev uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements incorporates significant inputs that are based on unobservable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company applies fair value measurement to the instruments listed below.

### Derivatives

The fair value of exchange traded derivatives (e.g. exchange traded foreign currency futures) is determined by reference to the official prices published by the respective exchanges (e.g. the New York Board of Trade). The fair value of over-the-counter derivatives is determined by commonly used valuation techniques.

### Debt securities

This category includes both debt securities designated at FVOCI and FVPL. The fair value is measured using observable inputs such as interest rates and foreign exchange rates. When it pertains to instruments that are publicly traded, the fair value is determined by reference to observable quotes. In circumstances where debt securities are not publicly traded, the main valuation technique is the discounted cash flow. The company may apply other valuation techniques or combination of valuation techniques if the fair value results are more relevant.

### Equity securities designated as at FVOCI



Investments in equity securities comprise quoted and unquoted securities. When liquid quoted prices are available, these are used to fair value investments in quoted securities. The unquoted securities are fair valued using primarily the discounted cash flow method.

**Non-derivative financial liabilities**

The fair value of non-derivative financial liabilities is generally determined using unobservable inputs and therefore fall into level 3. In these circumstances, the valuation technique used is discounted cash flow, whereby the projected cash flows are discounted using a risk adjusted rate.

**(Q) SHARE CAPITAL**

**Repurchase of share capital**

When AB InBev buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity under treasury shares.



## Dividends

Dividends paid are recognized in the consolidated financial statements on the date that the dividends are declared unless minimum statutory dividends are required by local legislation or the bylaws of the company's subsidiaries. In such instances, statutory minimum dividends are recognized as a liability.

## Share issuance costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## (R) PROVISIONS

Provisions are recognized when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## Restructuring

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

## Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Such provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

## Disputes and Litigations

A provision for disputes and litigation is recognized when it is more likely than not that the company will be required to make future payments as a result of past events, such items may include but are not limited to, several claims, suits and actions relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities related to indirect taxes, and alcohol industry litigation matters.

## (S) EMPLOYEE BENEFITS

### Post-employment benefits

Post-employment benefits include pensions, post-employment life insurance and post-employment medical benefits. The company operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-managed funds. The pension plans are generally funded by payments from employees and the company, and, for defined benefit plans taking account of the recommendations of independent actuaries. AB InBev maintains funded and unfunded pension plans.

#### a) Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which AB InBev pays fixed contributions into a fund. AB InBev has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### b) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least every three years. The amounts charged to the income statement include current service cost, net interest cost (income), past service costs and the effect of any curtailments or settlements. Past service costs are recognized at the earlier of when the amendment / curtailment occurs or when the company recognizes related restructuring or termination costs. The pension obligations recognized in the balance sheet are measured at the present value of the estimated future cash outflows using interest rates based on high quality corporate bond yields, which have terms to maturity approximating the terms of the related liability, less the fair value of any plan assets. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest) are recognized in full in the period in which they occur in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.



Where the calculated amount of a defined benefit liability is negative (an asset), AB InBev recognizes such pension asset to the extent that economic benefits are available to AB InBev either from refunds or reductions in future contributions.

**Other post-employment obligations**

Some of AB InBev's companies provide post-employment medical benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

**Termination benefits**

Termination benefits are recognized as an expense at the earlier when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date and when the company recognizes costs for a restructuring. Termination benefits for voluntary redundancies are recognized if the company has made an offer encouraging voluntary redundancy and when the company can no longer withdraw the offer of termination, which is the earlier of either when the employee accepts the offer or when a legal, regulatory or contractual requirement or restriction on the company's ability to withdraw the offer takes effect.

**Bonuses**

Bonuses received by company employees and management are based on pre-defined company and individual target achievement. The estimated amount of the bonus is recognized as an expense in the period the bonus is earned. To the extent that bonuses are settled in shares of the company, they are accounted for as share-based payments.

**(T) SHARE-BASED PAYMENTS**

Different share and share option programs allow company senior management and members of the board to acquire shares of the company and some of its affiliates. The fair value of the share options is estimated at grant date, using an option pricing model that is most appropriate for the respective option. Based on the expected number of options that will vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the amount of the proceeds received.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the company obtains the goods or the counterparty renders the service.

**(U) INTEREST-BEARING LOANS AND BORROWINGS**

Interest-bearing loans and borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost with any difference between the initial amount and the maturity amount being recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis.

**(V) TRADE AND OTHER PAYABLES**

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**(W) INCOME TAX**

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

In accordance with IAS 12 *Income Taxes* deferred taxes are provided using the so-called balance sheet liability method. This means that, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet a deferred tax liability or asset is recognized. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognized (i) on initial recognition of goodwill, (ii) at the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and (iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and to the extent that the company is able to control the timing of the reversal. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

The company recognizes deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Effective 1 January 2019, AB InBev adopted IFRIC 23 *Uncertainty over Income Tax Treatments* and is presenting income tax provisions in income tax liabilities, consistent with the discussions held at the IFRS Interpretation Committee, which concluded that an entity is required to present assets and liabilities for uncertain tax treatments as current tax assets/liabilities or deferred tax assets/liabilities.

**(X) INCOME RECOGNITION****Goods sold**

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognizes revenue when performance obligations are satisfied, meaning when the company transfers control of a product to a customer.

Specifically, revenue recognition follows the following five-step approach:



- Identification of the contracts with a customer
- Identification of the performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contracts
- Revenue recognition when performance obligations are satisfied

Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to receive in exchange for those goods. Contracts can include significant variable elements, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses and penalties. Such trade incentives are treated as variable consideration. If the consideration includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer. Variable consideration is only included in the transaction price if it is highly probable that the amount of revenue recognized would not be subject to significant future reversals when the uncertainty is resolved.



**Royalty income**

The company recognizes the sales-based or usage-based royalties in other operating income when the later of the following events occurs: (a) the customer's subsequent sales or usage; and (b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

**Rental income**

Rental income is recognized in other operating income on a straight-line basis over the term of the lease.

**Government grants**

A government grant is recognized in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are recognized as other operating income on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the company for the acquisition of an asset are presented by deducting them from the acquisition cost of the related asset.

**Finance income**

Finance income comprises interest received or receivable on funds invested, dividend income, foreign exchange gains, losses on currency hedging instruments offsetting currency gains, gains on hedging instruments that are not part of a hedge accounting relationship, gains on financial assets measured at FVPL as well as any gains from hedge ineffectiveness (refer to accounting policy Z).

Interest income is recognized as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

**Dividend income**

Dividend income is recognized in the income statement on the date that the dividend is declared.

**(Y) EXPENSES****Finance costs**

Finance costs comprise interest payable on borrowings, calculated using the effective interest rate method, foreign exchange losses, gains on currency hedging instruments offsetting currency losses, results on interest rate hedging instruments, losses on hedging instruments that are not part of a hedge accounting relationship, losses on financial assets classified as trading, impairment losses on financial assets as well as any losses from hedge ineffectiveness (refer to accounting policy Z).

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance costs. Any difference between the initial amount and the maturity amount of interest-bearing loans and borrowings, such as transaction costs and fair value adjustments, are recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis (refer to accounting policy V). The interest expense component of lease payments is also recognized in the income statement (in accretion expense) using the effective interest rate method.

**Research and development, advertising and promotional costs and systems development costs**

Research, advertising and promotional costs are expensed in the year in which these costs are incurred. Development costs and systems development costs are expensed in the year in which these costs are incurred if they do not meet the criteria for capitalization (refer to accounting policy G).

**Purchasing, receiving and warehousing costs**

Purchasing and receiving costs are included in the cost of sales, as well as the costs of storing and moving raw materials and packaging materials. The costs of storing finished products at the brewery as well as costs incurred for subsequent storage in distribution centers are included within distribution expenses.

**(Z) FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING**

AB InBev uses derivative financial instruments to mitigate the transactional impact of foreign currencies, interest rates, equity prices and commodity prices on the company's performance. AB InBev's financial risk management policy prohibits the use of derivative financial instruments for trading purposes and the company does therefore not hold or issue any such instruments for such purposes.

**Classification and measurement**

Except for certain trade receivables, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset. Debt financial instruments are subsequently



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measured at amortized cost, FVOCI or FVPL. The classification is based on two criteria: the objective of the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The classification and measurement of the company's financial assets is as follows:

- *Debt instruments at amortized cost:* comprise investments in debt securities where the contractual cash flows are solely payments of principal and interest and the company's business model is to collect contractual cash flows. Interest income, foreign exchange gains and losses and any impairment charges for such instruments are recognized in profit or loss.
- *Debt instruments at FVOCI with gains or losses recycled to profit or loss on derecognition:* comprise investments in debt securities where the contractual cash flows are solely payments of principal and interest and the company's business model is achieved by both collecting contractual cash flows and selling financial assets. Interest income, foreign exchange gains and losses and any impairment charges on such instruments are recognized in profit or loss. All other fair value gains and losses are recognized in other comprehensive income. On disposal of these debt securities, any related balance within FVOCI reserve is reclassified to profit or loss.



- *Equity instruments designated at FVOCI, with no recycling of gains or losses to profit or loss on derecognition:* these instruments are undertakings in which the company does not have significant influence or control and is generally evidenced by ownership of less than 20% of the voting rights. The company designates these investments on an instrument by instrument basis as equity securities at FVOCI because they represent investments held for long term strategic purposes. Investments in unquoted companies are subsequently measured at cost, when appropriate. These investments are non-monetary items and gains or losses presented in the other comprehensive income include any related foreign exchange component. Dividends received are recognized in the profit or loss. These investments are not subject to impairment testing and upon disposal, the cumulative gain or loss accumulated in other comprehensive income are not reclassified to profit or loss.
- Financial assets and liabilities at FVPL: comprise derivative instruments and equity instruments which were not designated as FVOCI. This category also includes debt instruments which do not meet the cash flow or the business model tests.

### Hedge accounting

The company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, interest rates and commodity prices. To hedge changes in the fair value of recognized assets, liabilities and firm commitments, the company designates certain derivatives as part of fair value hedge. The company also designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At the inception of the hedging relationships, the company documents the risk management objective and strategy for undertaking the hedge. Hedge effectiveness is measured at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedged item and hedging instrument.

For the different type of hedges in place, the company generally enters into hedge relationships where the critical terms of the hedging instrument match exactly the terms of the hedged item. Therefore, the hedge ratio is typically 1:1. The company performs a qualitative assessment of effectiveness. In circumstances where the terms of the hedged item no longer exactly match the critical terms of the hedging instrument, the company uses a hypothetical derivative method to assess effectiveness. Possible sources of ineffectiveness are changes in the timing of the forecasted transaction, changes in the quantity of the hedged item or changes in the credit risk of either parties to the derivative contract.

### Cash flow hedge accounting

Cash flow hedge accounting is applied when a derivative hedges the variability in cash flows of a highly probable forecasted transaction, foreign currency risk of a firm commitment or a recognized asset or liability (such as variable interest rate instrument).

When the hedged forecasted transaction or firm commitment subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserves is included directly in the initial carrying amount of the non-financial item when it is recognized.

For all other hedged transactions, the amount accumulated in the hedging reserves is reclassified to profit or loss in the same period during which the hedged item affects profit or loss (e.g. when the variable interest expense is recognized).

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss (at that point) remains in equity and is reclassified to profit or loss when the hedged transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss immediately.

Any ineffectiveness is recognized immediately in profit or loss.

### Fair value hedge accounting

When a derivative hedges the variability in fair value of a recognized asset or liability (such as a fixed rate instrument) or a firm commitment, any resulting gain or loss on the hedging instrument is recognized in the profit or loss. The carrying amount of the hedged item is also adjusted for fair value changes in respect of the risk being hedged, with any gain or loss being recognized in profit or loss. The fair value adjustment to the carrying amount of the hedged item is amortized to profit or loss from the date of discontinuation.

### Net investment hedge accounting

When a non-derivative foreign currency liability hedges a net investment in a foreign operation, exchange differences arising on the translation of the liability to the functional currency are recognized directly in other comprehensive income (translation reserves).

When a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be effective is recognized directly in other comprehensive income (translation reserves) and is reclassified to profit or loss upon disposal of the foreign operation, while the ineffective portion is reported in profit or loss.

### Offsetting



Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a currently legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**(AA) SEGMENT REPORTING**

Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by senior management. The company has six operating segments.

AB InBev's operating segment reporting format is geographical because the company's risks and rates of return are affected predominantly by the fact that AB InBev operates in different geographical areas. The company's management structure and internal reporting system to the Board of Directors is set up accordingly. The company's five geographic regions are North America, Middle Americas, South America, EMEA and Asia Pacific.

The aggregation criteria applied are based on similarities in the economic indicators (e.g. margins) that have been assessed in determining that the aggregated operating segments share similar economic characteristics, as prescribed in IFRS 8. Furthermore, management assessed additional factors such as management's views on the optimal number of reporting segments, AB InBev historical geographies, peer comparison (e.g. Asia Pacific and EMEA being a commonly reported regions amongst the company's peers), as well as management's view on the optimal balance between practical and more granular information.



The results of Global Export and Holding Companies, which includes the company's global headquarters and the export businesses in countries in which AB InBev has no operations are reported separately. The company's five geographic regions plus the Global Export and Holding Companies comprise the company's six reportable segments for financial reporting purposes.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

**(BB) EXCEPTIONAL ITEMS**

Exceptional items are those that in management's judgment need to be disclosed separately by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement or separately disclosed in the notes to the financial statements. Transactions which may give rise to exceptional items are principally restructuring activities, impairments, gains or losses on disposal of investments and the effect of the accelerated repayment of certain debt facilities.

**(CC) DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE**

A discontinued operation is a component of the company that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to dispose of or is a subsidiary acquired exclusively with a view to resale.

AB InBev classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 are met. A disposal group is defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortized.

**(DD) RECENTLY ISSUED IFRS**

To the extent that new IFRS requirements are expected to be applicable in the future, they have not been applied in preparing these consolidated financial statements for the year ended 31 December 2020.

A number of amendments to standards are effective for annual periods beginning after 1 January 2020, and have not been discussed either because of their non-applicability or immateriality to AB InBev's consolidated financial statements.



#### 4. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or, if the revision affects both current and future periods, in the period of the revision and future periods.

Although each of its significant accounting policies reflects judgments, assessments or estimates, AB InBev believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and understanding results: business combinations, intangible assets, goodwill, impairment, provisions, share-based payments, employee benefits and accounting for current and deferred tax.

The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows.

The company uses its judgment to select a variety of methods including the discounted cash flow method and option valuation models and makes assumptions about the fair value of financial instruments that are mainly based on market conditions existing at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used in calculating pension and other long-term employee benefit expenses and liabilities. These factors include assumptions with respect to interest rates, rates of increase in health care costs, rates of future compensation increases, turnover rates, and life expectancy.

The company is subject to income tax in numerous jurisdictions. Significant judgment is required to determine the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some subsidiaries within the group are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the balance sheet date and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax provisions to be recognized in the financial statements, estimates are made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period that such determination is made.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the following year are further discussed in the relevant notes hereafter.

In preparing these consolidated financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of uncertainty relate mainly to the following: accounting for the COVID-19 pandemic impact on the company's results (including goodwill impairment), the divestiture of the Australian operations and the issuance of a minority stake in the company's US-based metal container operations as discussed below.

##### (A) COVID-19 PANDEMIC IMPACT

The company's business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the COVID-19 pandemic. The public health crisis caused by the COVID-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and are expected to continue to have, certain negative impacts on the company's results including, without limitation: a negative impact on volume sold and revenue, a negative impact on cost of sales per hectoliter driven by non-variable cost and the loss of operational efficiencies due to volume declines, impairment losses on inventories, impairment losses on trade and other receivables, a series of cost incurred exclusively as a result of the COVID-19 pandemic and goodwill impairment charges referred to below and reported in exceptional items – see also Note 8 *Exceptional items*, Note 14 *Goodwill*, Note 20 *Trade and other receivables* and Note 19 *Inventories*.

Management considered the impact of COVID-19 and the current economic environment on the basis of preparation of these consolidated financial statements. Although the company has noticed an adverse impact on its financial position, results of operations, and cash flows during 2020, it continues to adequately manage its liquidity and capital resources (refer to Note 21 *Cash and cash equivalents*, Note 24 *Interest-bearing loans and borrowings* and Note 29 *Risks arising from financial instruments*). As such, management concluded the company is able to continue as a going concern.

##### Goodwill impairment

The COVID-19 pandemic resulted in a sharp contraction of sales during the second quarter of 2020 in many countries in which the company operates. The decline in performance resulting from the COVID-19 pandemic is viewed as a triggering event for impairment testing in accordance with IAS 36 *Impairment of Assets*. Consequently, the company conducted an impairment test during the second quarter of 2020 for the cash-generating units showing the highest invested capital to EBITDA multiples: Colombia, Rest of Middle Americas, South Africa, Rest of Africa and Rest of Asia Pacific.



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During its interim goodwill impairment testing, the company considered several scenarios of the recovery of sales for the different cash-generating units being tested and ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate. These scenarios were based on management's assumptions by 30 June 2020, on the recovery in a base case (which the company deemed to be the most likely case at the time of the impairment test), a best case and a worst case scenario per cash generating unit following the common recovery shapes: L, U and V where the letters describe the trajectory of key assumptions tracking economic conditions. In view of the uncertainties, management assumed a 15 to 30% probability for the worst case scenario, dependent on the cash generating units in this interim impairment testing.





Based upon the results of the impairment test and considering the assumptions described in Note 14 *Goodwill*, the company concluded that no goodwill impairment was warranted under the base and best case scenarios. Nevertheless, under the worst case scenario ran with higher discount rates to factor the heightened business risk, the company concluded that the recoverable amounts were below the carrying value for the South Africa and Rest of Africa cash-generating units. As a consequence, management concluded, based on the valuations performed, that it was prudent in view of the uncertainties to record an impairment of goodwill of (1.5) billion US dollar for the South Africa cash generating unit and (1.0) billion US dollar for the Rest of Africa cash generating unit applying a 30% probability of occurrence. Refer to Note 14 *Goodwill*.

The company did not recognize any additional impairment of goodwill based on the results of its annual impairment testing conducted in the fourth quarter of 2020.

#### **COVID-19 costs**

As required by IAS 1 *Presentation of financial statements*, the company has assessed the impact of the COVID-19 outbreak on its performance for the year ended 31 December 2020, and reported (182)m US dollar of costs in exceptional items as a result of the pandemic. These expenses mainly comprise costs related to personal protection equipment for the company's employees, charitable donations and other costs incurred as a direct consequence of the COVID-19 pandemic. Refer to Note 8 *Exceptional items*.

#### **(B) DIVESTITURE OF AUSTRALIA BUSINESS TO ASAHI**

On 19 July 2019, AB InBev announced an agreement to divest its Australia business (Carlton & United Breweries ("CUB")) to Asahi at 16 billion AUD in enterprise value. As part of this transaction, the company granted Asahi rights to commercialize its portfolio of global and international brands in Australia. The transaction closed on 1 June 2020.

As of 31 December 2019, AB InBev classified the assets and liabilities associated with the Australian operations as assets held for sale and liabilities associated with assets held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. In addition, since the results of the Australian operations represented a separate major line of business, these were accounted for as discontinued operations, as required by IFRS 5 and presented in a separate line in the consolidated income statement ("profit from discontinued operations"), up to 31 May 2020. Refer to Note 22 *Assets classified as held for sale, liabilities associated with assets held for sale and discontinued operations*. On 1 June 2020, following the closing of the transaction, the company recognized a net gain on disposal of 1.9 billion US dollar in discontinued operations. Refer to Note 22 *Assets classified as held for sale, liabilities associated with assets held for sale and discontinued operations*.

#### **(C) ISSUANCE OF MINORITY STAKE IN US-BASED METAL CONTAINER OPERATIONS**

On 31 December 2020, AB InBev completed the issuance of a 49.9% minority stake in its US-based metal container operations to Apollo Global Management, Inc. for net proceeds of 3.0 billion USD. This transaction allowed the company to create additional shareholder value by optimizing its business at an attractive price and generate proceeds to repay debt, in line with its deleveraging commitments. AB InBev retained operational control of its US-based metal container operations.

As required by IFRS 10 *Consolidated Financial Statements*, the transaction was reported in the equity statement resulting in recognition of 1.9 billion US dollar in Non-controlling interest and 1.1 billion US dollar in Reserves. Refer to Note 23 *Changes in equity and earnings per share* for more details.

**5. Segment reporting**

Segment information is presented by geographical segments, consistent with the information available to and regularly evaluated by the chief operating decision maker. AB InBev operates its business through six business segments. Regional and operating company management is responsible for managing performance, underlying risks, and the effectiveness of operations. Internally, AB InBev's management uses performance indicators such as normalized profit from operations (normalized EBIT) and normalized EBITDA as measures of segment performance and to make decisions regarding the allocation of resources. The organizational structure effective as of 1 January 2019 comprises five regions: North America, Middle Americas, South America, EMEA and Asia Pacific. In addition to these five geographic regions, the company uses a sixth segment, Global Export and Holding Companies, for all financial reporting purposes.

In 2019, AB InBev restated the 2018 results (referred to as "2018 restated") to reflect:

- the new company organizational structure effective 1 January 2019;
- the new IFRS rules on lease accounting as if the company had applied the new standard as of 1 January 2018; and
- the classification of the Australian operations as a disposal group held for sale as if the classification had been applied as of 1 January 2018, in line with IFRS rules.

On 19 July 2019, AB InBev announced the agreement to divest CUB, its Australian subsidiary, to Asahi. Consequently, as at 31 December 2019, the company classified the assets and liabilities associated with the Australian operations as assets held for sale and liabilities associated with assets held for sale, respectively. In addition, since the results of the Australian operations represented a separate major line of business, these were accounted for as discontinued operations ("profit from discontinued operations") up to 31 May 2020. The transaction closed on 1 June 2020.

All figures in the tables below are stated in million US dollar, except volume (million hls) and Normalized EBITDA margin (in %).

	North America			Middle Americas			South America			EMEA			Asia Pacific		
	2020	2019	2018 restated	2020	2019	2018 restated	2020	2019	2018 restated	2019	2018 restated	2020	2019	2018 restated	
<b>Volume</b>	<b>107</b>	<b>108</b>	<b>111</b>	<b>121</b>	<b>134</b>	<b>129</b>	<b>144</b>	<b>140</b>	<b>136</b>	<b>76</b>	<b>86</b>	<b>87</b>	<b>82</b>	<b>93</b>	<b>96</b>
<b>Revenue</b>	<b>15 622</b>	<b>15 488</b>	<b>15 504</b>	<b>10 032</b>	<b>11 912</b>	<b>11 614</b>	<b>8 092</b>	<b>9 790</b>	<b>10 238</b>	<b>6 835</b>	<b>7 911</b>	<b>8 368</b>	<b>5 648</b>	<b>6 544</b>	<b>6 735</b>
<b>Normalized EBITDA</b>	<b>6 172</b>	<b>6 185</b>	<b>6 199</b>	<b>5 014</b>	<b>6 356</b>	<b>6 033</b>	<b>3 179</b>	<b>4 145</b>	<b>4 696</b>	<b>1 895</b>	<b>2 781</b>	<b>3 184</b>	<b>1 737</b>	<b>2 287</b>	<b>2 178</b>
<b>Normalized EBITDA margin %</b>	<b>39.5%</b>	<b>39.9%</b>	<b>40.0%</b>	<b>50.0%</b>	<b>53.4%</b>	<b>51.9%</b>	<b>39.3%</b>	<b>42.3%</b>	<b>45.9%</b>	<b>27.7%</b>	<b>35.2%</b>	<b>38.1%</b>	<b>30.8%</b>	<b>35.0%</b>	<b>32.3%</b>
<b>Depreciation, amortization and impairment</b>	<b>(803)</b>	<b>(833)</b>	<b>(834)</b>	<b>(1 017)</b>	<b>(921)</b>	<b>(844)</b>	<b>(767)</b>	<b>(955)</b>	<b>(1 008)</b>	<b>(988)</b>	<b>(974)</b>	<b>(936)</b>	<b>(646)</b>	<b>(648)</b>	<b>(734)</b>
<b>Normalized profit from operations</b>	<b>5 369</b>	<b>5 352</b>	<b>5 365</b>	<b>3 997</b>	<b>5 435</b>	<b>5 189</b>	<b>2 412</b>	<b>3 190</b>	<b>3 688</b>	<b>907</b>	<b>1 807</b>	<b>2 248</b>	<b>1 091</b>	<b>1 639</b>	<b>1 444</b>
<b>Exceptional items (see Note 8)</b>	<b>(222)</b>	<b>(11)</b>	<b>(10)</b>	<b>(112)</b>	<b>(51)</b>	<b>(151)</b>	<b>(62)</b>	<b>(96)</b>	<b>1</b>	<b>(2 629)</b>	<b>(61)</b>	<b>(370)</b>	<b>(29)</b>	<b>(41)</b>	<b>(43)</b>
<b>Profit from operations (EBIT)</b>	<b>5 147</b>	<b>5 341</b>	<b>5 355</b>	<b>3 885</b>	<b>5 384</b>	<b>5 038</b>	<b>2 350</b>	<b>3 094</b>	<b>3 689</b>	<b>(1 722)</b>	<b>1 746</b>	<b>1 878</b>	<b>1 062</b>	<b>1 598</b>	<b>1 401</b>





	Global Export and Holding companies			AB InBev Worldwide		
	2020	2019	2018 restated	2020	2019	2018 restated
<b>Volume</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>531</b>	<b>561</b>	<b>560</b>
<b>Revenue</b>	<b>652</b>	<b>685</b>	<b>582</b>	<b>46 881</b>	<b>52 329</b>	<b>53 041</b>
<b>Normalized EBITDA</b>	<b>(677)</b>	<b>(676)</b>	<b>(558)</b>	<b>17 321</b>	<b>21 078</b>	<b>21 732</b>
Normalized EBITDA margin %	—	—	—	36.9%	40.3%	41.0%
Depreciation, amortization and impairment	(376)	(325)	(269)	(4 598)	(4 657)	(4 624)
<b>Normalized profit from operations (EBIT)</b>	<b>(1 053)</b>	<b>(1 001)</b>	<b>(827)</b>	<b>12 723</b>	<b>16 421</b>	<b>17 107</b>
Exceptional items (see Note 8)	(50)	(63)	(119)	(3 103)	(323)	(692)
<b>Profit from operations (EBIT)</b>	<b>(1 103)</b>	<b>(1 064)</b>	<b>(946)</b>	<b>9 620</b>	<b>16 098</b>	<b>16 414</b>
Net finance income/(cost)				(7 697)	(3 473)	(8 826)
Share of results of associates and joint ventures				156	152	153
Income tax expense				(1 932)	(2 786)	(2 585)
<b>Profit from continuing operations</b>				<b>147</b>	<b>9 990</b>	<b>5 157</b>
Discontinued operations results				2 055	424	531
<b>Profit/(loss)</b>				<b>2 202</b>	<b>10 414</b>	<b>5 688</b>
Segment assets (non-current)	2 024	1 597	1 631	199 891	207 834	215 587
Gross capex	303	312	224	3 781	5 174	5 005
FTE	5 166	4 574	4 683	163 695	171 915	172 776

For the year ended 31 December 2020, net revenue from the beer business amounted to 43 044m US dollar (31 December 2019: 47 984m US dollar; 31 December 2018: 48 602m US dollar) while the net revenue from the non-beer business (soft drinks and other business) accounted for 3 837m US dollar (31 December 2019: 4 345m US dollar; 31 December 2018: 4 439m US dollar). Additionally, for the year ended 31 December 2020, net revenue from the company's business in the United States amounted to 13 815m US dollar (31 December 2019: 13 693m US dollar; 31 December 2018: 13 624m US dollar) and net revenue from the company's business in Brazil amounted to 5 868 m US dollar (31 December 2019: 7 277m US dollar; 31 December 2018: 7 375m US dollar).

On the same basis, net revenue from external customers attributable to AB InBev's country of domicile (Belgium) represented 501m US dollar (31 December 2019: 668m US dollar; 31 December 2018: 710m US dollar) and non-current assets located in the country of domicile represented 2 496m US dollar (31 December 2019: 2 215m US dollar ; 31 December 2018: 2 117m US dollar).



**6. Acquisitions and disposals of subsidiaries**

The table below summarizes the impact of acquisitions and disposals on the statement of financial position and cash flows of AB InBev for the year ended 31 December 2020 and 31 December 2019:

Million US dollar	2020 Acquisitions	2019 Acquisitions	2020 Disposals	2019 Disposals
<b>Non-current assets</b>				
Property, plant and equipment	149	44	—	(1)
Intangible assets	162	128	—	(29)
Investments in associates	(7)	(15)	—	—
<b>Current assets</b>				
Inventories	33	43	—	(7)
Trade and other receivables	9	19	—	(1)
Cash and cash equivalents	5	40	—	—
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	(74)	(11)	—	—
Trade and other payables	(34)	(110)	—	—
Deferred tax liabilities	(6)	(33)	—	9
<b>Current liabilities</b>				
Interest-bearing loans and borrowings	(4)	—	—	—
Trade and other payables	(59)	(65)	—	2
<b>Net identifiable assets and liabilities</b>	<b>174</b>	<b>40</b>	<b>—</b>	<b>(27)</b>
<b>Non-controlling interest</b>	<b>—</b>	<b>(12)</b>	<b>—</b>	<b>2</b>
Goodwill on acquisitions and goodwill disposed of	185	682	—	(22)
Loss/(gain) on disposal	—	—	—	(21)
Consideration to be (paid)/received	(14)	(275)	—	—
Net cash paid/(received) on prior years acquisitions/(disposals)	170	16	—	(65)
<b>Consideration paid/(received)</b>	<b>515</b>	<b>451</b>	<b>—</b>	<b>(133)</b>
Cash (acquired)/disposed of	(5)	(40)	—	—
<b>Net cash outflow / (inflow)</b>	<b>510</b>	<b>411</b>	<b>—</b>	<b>(133)</b>
Net cash outflow / (inflow) on continuing operations	510	385	—	(133)
Net cash outflow / (inflow) on discontinued operations	—	26	—	—

On 1 June 2020, AB InBev completed the divestiture of CUB to Asahi – see Note 22 *Assets classified as held for sale, liabilities associated with assets held for sale and discontinued operations*.

On 30 September 2020, AB InBev completed the acquisition of the remaining 68.8% shares of Craft Brew Alliance for the net consideration of 0.2 billion US dollar and hence obtained 100% control over the acquiree.

The company undertook a series of additional acquisitions and disposals during 2020 and 2019, with no significant impact in the company’s consolidated financial statements.



**7. Other operating income/(expenses)**

Million US dollar	2020	2019	2018 restated
Brazilian tax credits	481	—	—
Government grants	227	280	317
Net gain on disposal of property, plant and equipment, intangible assets and assets held for sale	56	172	80
License income	22	30	45
Net (additions to)/reversals of provisions	(14)	(10)	(11)
Net rental and other operating income	72	402	374
<b>Other operating income/(expenses)</b>	<b>845</b>	<b>875</b>	<b>805</b>

In the fourth quarter of 2020, Ambev, a subsidiary of AB InBev, concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). The decision refers to the period between November 2009 and April 2015. As a result of this judicial decision and other tax credit adjustments, Ambev recognized 481m US dollar income in Other operating income and 315m US dollar of interest income in Finance income (refer to Note 11 *Finance cost and income*) for the year ended 31 December 2020.

The income from government grants primarily relate to fiscal incentives given by certain Brazilian states and Chinese provinces, based on the company's operations and developments in those regions.

Net gain on disposal of property, plant and equipment, intangible assets and assets held for sale, and net rental and other operating income decreased to 128m US dollar in 2020 as a result of the COVID-19 pandemic.

In 2020, the company expensed 296m US dollar in research, compared to 291m US dollar in 2019 and 276m US dollar in 2018. The spend focused on product innovations, market research, as well as process optimization and product development.



## 8. Exceptional items

IAS 1 *Presentation of financial statements* requires that material items of income and expense be disclosed separately. Exceptional items are items that in management's judgment need to be disclosed by virtue of their size or incidence so that a user can obtain a proper understanding of the company's financial information. The company considers these items to be significant and accordingly, management has excluded them from their segment measure of performance as noted in Note 5 *Segment Reporting*.

The exceptional items included in the income statement are as follows:

Million US dollar	2020	2019	2018
Impairment of goodwill	(2 500)	—	—
COVID-19 costs	(182)	—	—
Restructuring	(157)	(170)	(363)
Business and asset disposal (including exceptional impairment losses)	(239)	(50)	(26)
Acquisition costs business combinations	(25)	(23)	(73)
Brazil State tax regularization program	—	(74)	—
Cost related to public offering of minority stake in Budweiser APAC	—	(6)	—
Provision for EU investigation	—	—	(230)
<b>Impact on profit from operations</b>	<b>(3 103)</b>	<b>(323)</b>	<b>(692)</b>
Gain on disposal of Australia	1 919	—	—
<b>Impact on profit from discontinued operations</b>	<b>(1 184)</b>	<b>—</b>	<b>—</b>

In the second quarter of 2020, the company recognized (2 500)m US dollar of goodwill impairment for its South Africa and Rest of Africa cash-generating units (see Note 4 *Use of estimates and judgments* and Note 14 *Goodwill* for further details).

COVID-19 costs amount to (182)m US dollar for the year ended 31 December 2020. These expenses mainly comprise costs related to personal protection equipment for the company's employees, charitable donations and other costs incurred as a direct consequence of the COVID-19 pandemic.

The exceptional restructuring charges for the year ended 31 December 2020 total (157)m US dollar (31 December 2019: (170)m US dollar; 31 December 2018: (363)m US dollar). These charges primarily relate to organizational alignments. These changes aim to eliminate overlapping organizations or duplicated processes, taking into account the matching of employee profiles with new organizational requirements. These one-time expenses provide the company with a lower cost base and bring a stronger focus to AB InBev's core activities, quicker decision-making and improvements to efficiency, service and quality.

Business and asset disposals amount to (239)m US dollar for the year ended 31 December 2020 mainly comprising impairment of tangible assets classified as held for sale as of 31 December 2020, intangible assets sold in 2020 and other intangibles. Business and asset disposals amounted to (50)m US dollar for the year ended 31 December 2019, mainly comprising of costs incurred in relation to the completion of 2018 disposals. Business and asset disposals amounted to (26)m US dollar in 2018, mainly related to the costs incurred related to the IFRS treatment of the 50:50 merger of AB InBev's and Anadolu Efes' Russia and Ukraine businesses and the related transaction costs.

The acquisition costs of business combinations amount to (25)m US dollar for the year ended 31 December 2020 and mainly relate to the acquisition of Craft Brew Alliance. The acquisition costs of business combinations amounted to (23)m US dollar for the year ended 31 December 2019, primarily related to costs incurred to facilitate the combination with SAB (31 December 2018: (73)m US dollar).

In 2019, Ambev made a payment of (74)m US dollar to the State of Mato Grosso in relation to the Special Value-added Tax (ICMS) Amnesty Program in Brazil in accordance with the Brazilian State Tax Regularization Program.

For the year ended 31 December 2019, the company incurred (117)m US dollar of fees related to the initial public offering of a minority stake of its Asia Pacific subsidiary, Budweiser APAC, of which (6)m US dollar were reported in the income statement and (111)m US dollar were capitalized in equity. In addition, AB InBev also reported (58)m US dollar stamp duties in equity that are directly attributable to the public offering of Budweiser APAC.

In 2016, the European Commission announced an investigation into alleged abuse of a dominant position by AB InBev in Belgium through certain practices aimed at restricting trade from other European Union member states to Belgium. In connection with these proceedings, a provision of 230m US was recognized in 2018 and settled in 2019. Refer also to Note 27 *Provisions*.

On 1 June 2020, the company completed the previously announced sale of CUB to Asahi resulting in a net exceptional gain of 1 919m US dollar reported in discontinued operations. For more details, refer to Note 22 *Assets classified as held for sale, liabilities associated with assets held for sale and discontinued operations*.

The company incurred an exceptional net finance cost of (1 738)m US dollar for the year ended 31 December 2020 (31 December 2019: net finance income of 882m US dollar; 31 December 2018: net finance cost of (1 982)m US dollar) – see Note 11 *Finance cost and income*.

All the amounts referenced above are before income taxes. The exceptional items for the year ended 31 December 2020 decreased income taxes by 155m US dollar (31 December 2019: increase of income taxes by 6m US dollar; 31 December 2018: decrease of income taxes by 240m US dollar).





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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PFL-1837 14.4.13.0	ADG vijas2dc	18-Mar-2021 02:43 EST	<b>106470 FIN 30</b>	10*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C

Non-controlling interest on the exceptional items amounts to 228m US dollar for the year ended 31 December 2020 (31 December 2019: 108m US dollar ; 31 December 2018: 32m US dollar).

**9. Payroll and related benefits**

Million US dollar	2020	2019	2018 restated
Wages and salaries	(4 124)	(4 563)	(4 638)
Social security contributions	(582)	(683)	(694)
Other personnel cost	(637)	(678)	(708)
Pension expense for defined benefit plans	(218)	(193)	(192)
Share-based payment expense	(169)	(340)	(353)
Contributions to defined contribution plans	(91)	(101)	(109)
<b>Payroll and related benefits</b>	<b>(5 821)</b>	<b>(6 558)</b>	<b>(6 694)</b>

The number of full time equivalents can be split as follows:

	2020	2019	2018
AB InBev NV/SA (parent company)	204	204	180
Other subsidiaries	163 491	171 711	172 596
<b>Total number of FTE</b>	<b>163 695</b>	<b>171 915</b>	<b>172 776</b>

**10. Additional information on operating expenses by nature**

Depreciation, amortization and impairment charges are included in the following line items of the 2020 consolidated income statement:

Million US dollar	Depreciation and impairment of property, plant and equipment	Amortization and impairment of intangible assets	Depreciation and impairment of right-of-use asset	Impairment of goodwill, tangible and intangible assets
Cost of sales	2 625	91	16	—
Distribution expenses	141	3	108	—
Sales and marketing expenses	339	291	224	—
Administrative expenses	310	323	125	—
Other operating expenses	3	—	—	—
Exceptional items	—	—	—	2 733
<b>Depreciation, amortization and impairment</b>	<b>3 418</b>	<b>708</b>	<b>473</b>	<b>2 733</b>

Depreciation, amortization and impairment charges are included in the following line items of the 2019 consolidated income statement:

Million US dollar	Depreciation and impairment of property, plant and equipment	Amortization and impairment of intangible assets	Depreciation and impairment of right-of-use asset	Impairment of goodwill, tangible and intangible assets
Cost of sales	2 751	86	11	—
Distribution expenses	155	4	191	—
Sales and marketing expenses	379	247	160	—
Administrative expenses	277	290	98	—
Other operating expenses	8	—	—	—
<b>Depreciation, amortization and impairment</b>	<b>3 570</b>	<b>627</b>	<b>460</b>	<b>—</b>

Depreciation, amortization and impairment charges are included in the following line items of the 2018 restated consolidated income statement:

Million US dollar (restated)	Depreciation and impairment of property, plant and equipment	Amortization and impairment of intangible assets	Depreciation and impairment of right-of-use asset	Impairment of goodwill, tangible and intangible assets
Cost of sales	2 807	67	—	—
Distribution expenses	166	3	186	—
Sales and marketing expenses	414	165	153	—
Administrative expenses	285	254	116	—
Other operating expenses	8	—	—	—
<b>Depreciation, amortization and impairment</b>	<b>3 680</b>	<b>489</b>	<b>455</b>	<b>—</b>

The depreciation, amortization and impairment of property, plant and equipment included a full-cost reallocation of (5)m US dollar in 2020 from the aggregate depreciation, amortization and impairment expense to cost of goods sold (2019: 5m US dollar; 2018: 1m US dollar).



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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PFL-1837 14.4.13.0	ADG vijas2dc	18-Mar-2021 02:44 EST	<b>106470 FIN 31</b>	7*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C

**11. Finance cost and income**

The finance cost and income included in the income statement are as follows:

Million US dollar	2020	2019	2018 restated
<b>Interest expense</b>	<b>(4 016)</b>	<b>(4 168)</b>	<b>(4 141)</b>
Capitalization of borrowing costs	12	19	23
Net interest on net defined benefit liabilities	(82)	(95)	(94)
Accretion expense	(564)	(650)	(511)
Net losses on hedging instruments that are not part of a hedge accounting relationship	(502)	(393)	(449)
Net foreign exchange results (net of the effect of foreign exchange derivative instruments)	—	(180)	—
Tax on financial transactions	(103)	(79)	(110)
Net mark-to-market results on derivatives related to the hedging of share-based payment programs	(1 211)	—	(1 774)
Other financial costs, including bank fees	(135)	(225)	(242)
<b>Finance cost excluding exceptional items</b>	<b>(6 601)</b>	<b>(5 771)</b>	<b>(7 298)</b>
Exceptional finance cost	(1 818)	(222)	(1 982)
<b>Finance cost</b>	<b>(8 419)</b>	<b>(5 993)</b>	<b>(9 280)</b>
Interest income	150	292	326
Interest income on Brazilian tax credits	315	118	7
Hyperinflation monetary adjustments	76	86	46
Market-to-market gains on derivatives related to the hedging of share-based payment programs	—	898	—
Net foreign exchange results (net of the effect of foreign exchange derivative instruments)	43	—	19
Other financial income	58	21	56
<b>Finance income excluding exceptional items</b>	<b>642</b>	<b>1 415</b>	<b>454</b>
Exceptional finance income	80	1 104	—
<b>Finance income</b>	<b>722</b>	<b>2 519</b>	<b>454</b>
<b>Net finance income/(cost) excluding exceptional items</b>	<b>(5 959)</b>	<b>(4 355)</b>	<b>(6 844)</b>
<b>Net finance income/(cost)</b>	<b>(7 697)</b>	<b>(3 473)</b>	<b>(8 826)</b>

Net finance costs, excluding exceptional items, were 5 959m US dollar in 2020 compared to 4 355m US dollar in 2019 and 6 844m US dollar in 2018. The increase was predominantly due to a mark-to-market loss of 1 211m US dollar in 2020, compared to a gain of 898m US dollar in 2019, resulting in a swing of 2 109m US dollar. In 2018, the mark-to-market on such derivatives amounted to a loss of 1 774m US dollar.

Borrowing costs capitalized relate to the capitalization of interest expenses directly attributable to the acquisition and construction of qualifying assets mainly in China. Interest is capitalized at a borrowing rate ranging from 3% to 4%.

In 2020, accretion expense mainly includes interest on lease liabilities of 116m US dollar (2019: 124m US dollar; 2018: 111m US dollar), unwind of discounts of 306m US dollar (2019: 374m US dollar; 2018: 245m US dollar), bond fees of 102m US dollar (2019: 110m US dollar; and 2018: 116m US dollar), interest on provisions of 41m US dollar (2019: 42m US dollar; 2018: 38m US dollar).

Interest expenses are presented net of the effect of interest rate derivative instruments hedging AB InBev's interest rate risk – see also Note 29 *Risks arising from financial instruments*.

In the fourth quarter of 2020, Ambev, a subsidiary of AB InBev, concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). The decision refers to the period between November 2009 and April 2015. As a result of this judicial decision and other tax credit adjustments, Ambev recognized 481m US dollar income in Other operating income (refer to Note 7 *Other operating income/(expenses)*) and 315m US dollar of interest income in Finance income for the year ended 31 December 2020.

Exceptional finance income/cost for 2020 includes:

- 1 008m US dollar loss resulting from mark-to-market adjustments on derivative instruments entered into to hedge the shares issued in relation to the combination with Grupo Modelo and the restricted shares issued in connection with the combination with SAB (2019: 878m US dollar gain; 2018: 1 722m US dollar loss);
- 795m US dollar loss resulting from the early termination of certain bonds (2019: 84m US dollar gain; 2018: 260m US dollar loss);
- 15m US dollar loss write-off on the company's investment in Delta Corporation Ltd due to the hyperinflation economy in Zimbabwe (2019: 188m US dollar loss, 2018: nil);
- 80m US dollar gain related to remeasurement of deferred considerations on prior year acquisitions (2019: 90m US dollar gain; 2018: nil).

Besides the items mentioned above, the exceptional finance income/cost for 2019 includes:



- 34m US dollar loss on interest paid to the State of Mato Grosso in relation to the Special Value-added Tax (ICMS) Amnesty Program in Brazil in accordance with the Brazilian State Tax Regularization Program.



- 52m US dollar foreign exchange translation gain on intragroup loans that were historically reported in equity and were recycled to profit and loss account upon the reimbursement of these loans.

No interest income was recognized on impaired financial assets.

The interest income stems from the following financial assets:

Million US dollar	2020	2019	2018
Cash and cash equivalents	103	237	256
Investment debt securities held for trading	1	9	22
Other loans and receivables	46	46	48
<b>Total</b>	<b>150</b>	<b>292</b>	<b>326</b>

The interest income on other loans and receivables includes the interest accrued on cash deposits as guarantees for certain legal proceedings pending resolution.

For further information on instruments hedging AB InBev's foreign exchange risk see Note 29 *Risks arising from financial instruments*.

**12. Income taxes**

Income taxes recognized in the income statement can be detailed as follows:

Million US dollar	2020	2019	2018
Current year	(2 082)	(2 863)	(2 704)
(Underprovided)/overprovided in prior years	119	58	101
<b>Current tax expense</b>	<b>(1 963)</b>	<b>(2 805)</b>	<b>(2 603)</b>
Origination and reversal of temporary differences	(30)	(21)	(148)
(Utilization)/recognition of deferred tax assets on tax losses	13	13	120
Recognition of previously unrecognized tax losses	48	27	46
<b>Deferred tax (expense)/income</b>	<b>31</b>	<b>19</b>	<b>18</b>
<b>Total income tax expense</b>	<b>(1 932)</b>	<b>(2 786)</b>	<b>(2 585)</b>

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarized as follows:

Million US dollar	2020	2019	2018
Profit before tax	2 079	12 776	7 741
Deduct share of results of associates and joint ventures	156	152	153
<b>Profit before tax and before share of results of associates and joint ventures</b>	<b>1 924</b>	<b>12 624</b>	<b>7 588</b>
<b>Adjustments to the tax basis</b>			
Government incentives	(428)	(709)	(742)
Non-deductible/(non-taxable) marked to market on derivatives	2 219	(1 776)	3 496
Non-deductible impairment of goodwill	2 500	—	—
Other expenses not deductible for tax purposes	1 512	1 223	1 796
Other non-taxable income	(250)	(282)	(158)
	<b>7 477</b>	<b>11 080</b>	<b>11 980</b>
<b>Aggregate weighted nominal tax rate</b>	<b>27.7%</b>	<b>26.2%</b>	<b>26.5%</b>
Tax at aggregated nominal tax rate	(2 069)	(2 901)	(3 172)
<b>Adjustments on tax expense</b>			
Utilization of tax losses not previously recognized	13	13	120
Recognition of deferred taxes on previous years' tax losses	48	27	46
Write-down of deferred tax assets on losses and current year losses for which no deferred tax asset is recognized	(386)	(137)	(125)
(Underprovided)/overprovided in prior years	119	58	101
Deductions from interest on equity	431	666	471
Deductions from goodwill	16	20	17
Other tax deductions	218	259	400
US Tax reform (change in tax rate and other)	—	—	116
Change in tax rate	61	(95)	144
Withholding taxes	(423)	(505)	(403)
Other tax adjustments	39	(191)	(300)
	<b>(1 932)</b>	<b>(2 786)</b>	<b>(2 585)</b>
<b>Effective tax rate</b>	<b>100.4%</b>	<b>22.1%</b>	<b>34.1%</b>

The total income tax expense for 2020 amounts to 1 932m US dollar compared to 2 786m US dollar for 2019 and 2 585m US dollar for 2018. The effective tax rate is 100.4% for 2020 compared to 22.1% for 2019 and 34.1% for 2018.

The 2020 effective tax rate is negatively impacted by the non-deductible, non-cash goodwill impairment loss and the non-deductible losses from derivatives. These derivatives relate to the hedging of share-based payment programs and the hedging of the shares issued in a transaction related to the combination with Grupo Modelo and SAB. The 2019 effective tax rate was positively impacted by non-taxable gains from these derivatives. The 2018 effective tax rate was negatively impacted by non-deductible losses from these derivatives.

During 2018, the company finalized the re-measurement of current and deferred taxes resulting from the US Tax reform enacted on 22 December 2017, based on published regulation and guidance. Such remeasurement resulted in an adjustment of 116m US dollar in 2018 to the reported current and deferred taxes.

The company benefits from tax exempted income and tax credits which are expected to continue in the future. The company does not have significant benefits coming from low tax rates in any particular jurisdiction.





Income taxes were directly recognized in other comprehensive income as follows:

Million US dollar	2020	2019	2018
Re-measurements of post-employment benefits	58	19	22
Exchange differences, cash flow and net investment hedges	304	88	108
<b>Income tax (losses)/gains</b>	<b>361</b>	<b>107</b>	<b>130</b>



### 13. Property, plant and equipment

Property, plant and equipment comprises owned and leased assets, as follows:

Million US dollar	31 December 2020	31 December 2019
Property, plant and equipment owned	24 191	25 515
Property, plant and equipment leased (right-of-use assets)	2 228	2 029
<b>Total property, plant and equipment</b>	<b>26 419</b>	<b>27 544</b>

Million US dollar	31 December 2020				31 December 2019
	Land and buildings	Plant and equipment, fixtures and fittings	Under construction	Total	Total
<b>Acquisition cost</b>					
<b>Balance at end of previous year</b>	<b>12 216</b>	<b>34 381</b>	<b>2 160</b>	<b>48 757</b>	<b>47 969</b>
Effect of movements in foreign exchange	(393)	(1 086)	(165)	(1 644)	(485)
Acquisitions	24	856	2 308	3 188	4 451
Acquisitions through business combinations	40	56	16	111	24
Disposals	(68)	(1 186)	(19)	(1 274)	(1 987)
Disposals through the sale of subsidiaries	—	—	—	—	(4)
Transfer (to)/from other asset categories and other movements <sup>1</sup>	419	1 955	(2 519)	(145)	(1 211)
<b>Balance at end of the period</b>	<b>12 237</b>	<b>34 976</b>	<b>1 780</b>	<b>48 993</b>	<b>48 757</b>
<b>Depreciation and impairment losses</b>					
<b>Balance at end of previous year</b>	<b>(3 604)</b>	<b>(19 638)</b>	<b>—</b>	<b>(23 242)</b>	<b>(22 331)</b>
Effect of movements in foreign exchange	54	570	—	625	310
Depreciation	(387)	(2 862)	—	(3 250)	(3 370)
Disposals	23	1 108	—	1 130	1 734
Disposals through the sale of subsidiaries	—	—	—	—	3
Impairment losses	(31)	(114)	—	(145)	(87)
Transfer to/(from) other asset categories and other movements <sup>1</sup>	(4)	84	—	80	499
<b>Balance at end of the period</b>	<b>(3 950)</b>	<b>(20 852)</b>	<b>—</b>	<b>(24 802)</b>	<b>(23 242)</b>
<b>Carrying amount</b>					
<b>at 31 December 2019</b>	<b>8 612</b>	<b>14 743</b>	<b>2 160</b>	<b>25 515</b>	<b>25 515</b>
<b>at 31 December 2020</b>	<b>8 287</b>	<b>14 124</b>	<b>1 780</b>	<b>24 191</b>	<b>—</b>

As at 31 December 2020, the carrying amount of property, plant and equipment subject to restrictions on title amounted to 2m US dollar (31 December 2019: 4m US dollar).

Contractual commitments to purchase property, plant and equipment amounted to 528m US dollar as at 31 December 2020 compared to 457m US dollar as at 31 December 2019.

AB InBev's net capital expenditures in the statement of cash flow amounted to 3 687m US dollar in 2020 compared to 4 854m US dollar for the same period last year. Out of the total 2020 capital expenditures approximately 41% was used to improve the company's production facilities while 44% was used for logistics and commercial investments and 15% for improving administrative capabilities and for the purchase of hardware and software.

<sup>1</sup> The transfer (to)/from other asset categories and other movements relates mainly to transfers from assets under construction to their respective asset categories, to contributions of assets to pension plans, to the separate presentation in the balance sheet of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations* and to the restatement of non-monetary assets under hyperinflation accounting in line with IAS 29 *Financial reporting in hyperinflationary economies*. Accordingly, the transfers include the balances of Australian operations reclassified to assets held for sale as at 31 December 2019 and disposed of upon the completion of the sale on 1 June 2020.



Property, plant and equipment leased by the company (right-of-use assets) is detailed as follows:

Million US dollar	2020		
	Land and buildings	Machinery, equipment and other	Total
Net carrying amount at 31 December	1 726	502	2 228
Depreciation for the year ended 31 December	(343)	(156)	(499)

  

Million US dollar	2019		
	Land and buildings	Machinery, equipment and other	Total
Net carrying amount at 31 December	1 723	306	2 029
Depreciation for the year ended 31 December	(329)	(160)	(489)

Additions to right-of-use assets for 2020 were 381m US dollar (2019: 420m US dollar).

Following the sale of Dutch and Belgian pub real estate to Cofinimmo in October 2007, AB InBev entered into lease agreements with a term of 27 years. Furthermore, the company leases a number of warehouses, trucks, factory facilities and other commercial buildings, which typically run for a period of five to ten years. Lease payments are increased annually to reflect market rentals, if applicable. None of the leases include contingent rentals.

The company leases out pub real estate for an average outstanding period of 6 to 8 years and part of its own property under operating leases.

The expense related to short-term and low-value leases and variable lease payments that are not included in the measurement of the lease liabilities is not significant.

#### 14. Goodwill

Million US dollar	31 December 2020	31 December 2019
<b>Acquisition cost</b>		
<b>Balance at end of previous year</b>	<b>128 119</b>	<b>133 316</b>
Effect of movements in foreign exchange	(4 723)	53
Acquisitions through business combinations	185	682
Disposals through the sale of subsidiaries	—	(22)
Hyperinflation monetary adjustments	120	171
Reclassified as held for sale	—	(6 081)
<b>Balance at end of the period</b>	<b>123 702</b>	<b>128 119</b>
<b>Impairment losses</b>		
<b>Balance at end of previous year</b>	<b>(5)</b>	<b>(5)</b>
Effect of movements in foreign exchange	(226)	—
Impairment losses	(2 500)	—
<b>Balance at end of the period</b>	<b>(2 731)</b>	<b>(5)</b>
<b>Carrying amount</b>		
<b>at 31 December 2019</b>	<b>128 114</b>	<b>128 114</b>
<b>at 31 December 2020</b>	<b>120 971</b>	<b>—</b>

During 2020, AB InBev recognized goodwill on acquisitions of subsidiaries of 185m US dollar (2019: 682m US dollar) – see also Note 6 *Acquisitions and disposals of subsidiaries*.

Goodwill, which accounted for approximately 53% of AB InBev total assets as at 31 December 2020, is tested for impairment at the cash-generating unit level (that is one level below the operating segments). The cash-generating unit level is the lowest level at which goodwill is monitored for internal management purposes. Except in cases where the initial allocation of goodwill has not been concluded by the end of the initial reporting period following the business combination, goodwill is allocated as from the acquisition date to each of AB InBev's cash-generating units that are expected to benefit from the synergies of the combination whenever a business combination occurs.

#### Interim impairment testing

The COVID-19 pandemic resulted in a sharp contraction of sales during the second quarter of 2020 in many countries in which the company operates. The decline in performance resulting from the COVID-19 pandemic was viewed as a triggering event for impairment testing in accordance with IAS 36 *Impairment of Assets*. Consequently, the company conducted an impairment test during the second quarter of 2020 for the cash-generating units showing the highest invested capital to EBITDA multiples: Colombia, Rest of Middle Americas, South Africa, Rest of Africa and Rest of Asia Pacific.



By 30 June 2020, the uncertain course of the pandemic in the absence of effective vaccines or treatments, had caused extraordinary economic uncertainty, including how different countries would be affected, the speed of their recovery, the financial and fiscal measures these countries could implement and the longer term impact on the weighted average cost of capital and terminal growth rate of these countries.



During its interim goodwill impairment testing, the company considered several scenarios of the recovery of sales for the different cash-generating units being tested and ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate. These scenarios were based on management's assumptions at the time on the recovery in a base case (which the company deemed to be the most likely case at the time of the interim impairment test), a best case and a worst case scenario per cash generating unit following the common recovery shapes: L, U and V where the letters describe the trajectory of key assumptions tracking economic conditions. In view of the uncertainties, management assumed a 15 to 30% probability for the worst case scenario, dependent on the cash generating units in this interim impairment testing.

Based upon the results of the interim impairment test and considering the assumptions described below, the company concluded that no goodwill impairment was warranted under the base and best case scenarios. Nevertheless, under the worst case scenario ran with higher discount rates to factor the heightened business risk, the company concluded that the recoverable amounts were below the carrying value for the South Africa and Rest of Africa cash-generating units. As a consequence, management concluded, based on the valuations performed, that it was prudent in view of the uncertainties to record an impairment of goodwill of (1.5) billion US dollar for the South Africa cash generating unit and (1.0) billion US dollar for the Rest of Africa cash generating unit applying a 30% probability of occurrence. The impairment charge was allocated to the company's EMEA reportable segment as at 30 June 2020.

In the sensitivity analyses carried out as at 30 June 2020, based on the worst case discounted cash flow calculations, an adverse change of 1% in the WACC applied would lead to a reduction of the recoverable amount below the carrying amount for the South Africa, Rest of Africa, Columbia and Rest of Middle Americas cash generating units and would give rise to an additional impairment of 0.6 billion US dollar for the South Africa and Rest of Africa cash generating units, applying a 30% probability of occurrence. The company would therefore be faced with a risk of future impairment under the worst case scenario at these higher WACC assumptions.

A 5% increase/(decrease) in probability applied for the worst case scenario (holding all other assumptions constant) would lead to an additional/(reduced) impairment of 0.4 billion US dollar for the South Africa and Rest of Africa cash-generating units in aggregate.

These calculations were based on management's assessment of reasonably possible adverse changes in key assumptions at the time of the interim impairment testing, yet they are hypothetical and should not be viewed as an indication that these factors are likely to change. The sensitivity analyses should therefore be interpreted with caution.

#### Annual impairment testing

The company performed a new impairment testing during the fourth quarter of 2020 for its cash-generating units and ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate. The impairment testing considered a single scenario based on management's assumptions of the future performance of its cash-generating units and applied the assumptions described below.

Based on the annual goodwill impairment testing reperformed by management during the fourth quarter of 2020 in accordance with the methodology discussed above, no additional impairment charge was warranted.

#### Impairment testing methodology

The company performed its interim and annual goodwill impairment test at cash generating unit level, which is the lowest level at which goodwill is monitored for internal management purposes.

AB InBev's impairment testing methodology is in accordance with IAS 36 *Impairment of Assets*, in which fair-value-less-cost-to-sell and value in use approaches are taken into consideration. This consists in applying a discounted cash flow approach based on acquisition valuation models for the cash-generating units showing an invested capital to EBITDA multiple above 9x and valuation multiples for the other cash-generating units.

The key judgments, estimates and assumptions used in the discounted cash flow calculations were generally as follows:

- In the first three years of the model, cash flows are based on AB InBev's 1-year plan as approved by key management and management assumptions for the following 2 years. The three-year plan model is prepared per cash-generating unit and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions. For the interim goodwill impairment testing, the company assumed a base case, best case and worst case scenario for each cash-generating unit being tested and ran sensitivities. For the annual impairment testing, the company considered a single scenario;
- For the subsequent seven years of the model, data from each scenario was extrapolated generally using simplified assumptions such as macro-economic and industry assumptions, variable cost per hectoliter and fixed cost linked to inflation, as obtained from external sources;
- Cash flows after the first ten-year period are extrapolated generally using expected annual long-term GDP growth rates, based on external sources, in order to calculate the terminal value, considering sensitivities on this metric;
- Projections are discounted at the unit's weighted average cost of capital (WACC), considering sensitivities on this metric with more conservative assumptions in the worst case scenario interim impairment testing to factor the heightened business risk;
- Cost to sell is assumed to reach 2% of the entity value based on historical precedents.

For the main cash generating units, the terminal growth rate applied generally ranged between 2% and 5%.



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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PFL-1837 14.4.13.0	ADG vijas2dc	18-Mar-2021 02:44 EST	<b>106470 FIN 38</b>	5*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C



The WACC applied in US dollar nominal terms were as follow:

Cash-generating unit	31 December 2020	30 June 2020 <sup>1</sup>	31 December 2019
Colombia	6%	6% - 7%	6%
Rest of Middle Americas	9%	10% - 11%	9%
South Africa	7%	7% - 8%	7%
Rest of Africa	10%	10% - 12%	10%
Rest of Asia Pacific	6%	8%	—

While a change in the weighted average cost of capital and the terminal growth rate used in impairment testing could have a material impact on the calculation of the fair values and trigger an impairment charge, based on the sensitivity analysis performed for the fourth quarter discounted cash flow calculations, the company is not aware of any reasonably possible change in the key assumptions that would cause the cash-generating units' carrying amount to exceed its recoverable amount.

In the sensitivity analysis performed by management during the annual impairment testing in 2019 and 2020, an adverse change of 1% in WACC would not cause a cash-generating unit's carrying amount to exceed its recoverable amount.

Goodwill impairment testing relies on a number of critical judgments, estimates and assumptions. AB InBev believes that all of its estimates are reasonable: they are consistent with the company's internal reporting and reflect management's current best estimates. However, inherent uncertainties exist, including the rate of recovery of the countries following the COVID-19 pandemic, and other factors that management may not be able to control. If the company's current assumptions and estimates, including projected revenues growth rates, competitive and consumer trends, weighted average cost of capital, terminal growth rates, and other market factors, are not met, or if valuation factors outside of the company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential further impairment in the future.

Although AB InBev believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or market or macro-economic conditions.

The carrying amount of goodwill was allocated to the different cash-generating units as follows:

Million US dollar	31 December 2020	31 December 2019
United States	33 552	33 451
Rest of North America	2 105	1 984
Mexico	12 446	13 175
Colombia	17 748	18 647
Rest of Middle Americas	24 036	25 257
Brazil	3 521	4 539
Rest of South America	1 061	1 101
Europe	2 444	2 277
South Africa	11 110	13 500
Rest of Africa	4 990	6 691
China	3 291	3 095
Rest of Asia Pacific	4 059	4 397
Global Export and Holding Companies	608	—
<b>Total carrying amount of goodwill</b>	<b>120 971</b>	<b>128 114</b>

<sup>1</sup> With the higher WACC applied in the worst case scenario in the interim impairment testing.





15. Intangible assets

Million US dollar	31 December 2020					31 December 2019
	Brands	Commercial intangibles	Software	Other	Total	Total
<b>Acquisition cost</b>						
<b>Balance at end of previous year</b>	<b>40 074</b>	<b>2 774</b>	<b>2 594</b>	<b>666</b>	<b>46 108</b>	<b>48 465</b>
Effect of movements in foreign exchange	(839)	(6)	42	14	(789)	(79)
Acquisitions through business combinations	157	—	—	5	162	99
Acquisitions and expenditures	35	190	53	279	557	631
Disposals	—	(23)	(38)	(81)	(142)	(259)
Disposals through the sale of subsidiaries	—	—	—	—	—	(29)
Transfer (to)/from other asset categories and other movements <sup>1</sup>	—	96	321	(428)	(11)	(2 720)
<b>Balance at end of period</b>	<b>39 427</b>	<b>3 031</b>	<b>2 972</b>	<b>455</b>	<b>45 885</b>	<b>46 108</b>
<b>Amortization and impairment losses</b>						
<b>Balance at end of previous year</b>	<b>(32)</b>	<b>(1 595)</b>	<b>(1 851)</b>	<b>(178)</b>	<b>(3 656)</b>	<b>(3 634)</b>
Effect of movements in foreign exchange	—	12	(29)	1	(16)	41
Amortization	—	(297)	(364)	(54)	(715)	(622)
Impairment	(9)	(156)	—	—	(165)	—
Disposals	—	18	35	9	62	254
Disposals through the sale of subsidiaries	—	—	—	—	—	—
Transfer to/(from) other asset categories and other movements <sup>1</sup>	—	(54)	28	158	132	305
<b>Balance at end of period</b>	<b>(41)</b>	<b>(2 072)</b>	<b>(2 181)</b>	<b>(64)</b>	<b>(4 358)</b>	<b>(3 656)</b>
<b>Carrying value</b>						
<b>at 31 December 2019</b>	<b>40 042</b>	<b>1 179</b>	<b>743</b>	<b>488</b>	<b>42 452</b>	<b>42 452</b>
<b>at 31 December 2020</b>	<b>39 386</b>	<b>959</b>	<b>791</b>	<b>391</b>	<b>41 527</b>	<b>—</b>

During 2020, AB InBev recognized intangible assets on acquisitions of subsidiaries of 162m US dollar (2019: 128m US dollar) – see also Note 6 *Acquisitions and disposals*. In addition, during 2020, the company recognized (165)m US dollar impairment on intangible sold during 2020 and other intangibles (31 December 2019: nil) – see also Note 8 *Exceptional items*.

AB InBev is the owner of some of the world’s most valuable brands in the beer industry. As a result, brands and certain distribution rights are expected to generate positive cash flows for as long as the company owns the brands and distribution rights. Given AB InBev’s more than 600-year history, brands and certain distribution rights have been assigned indefinite lives.

Acquisitions and expenditures of commercial intangibles mainly represent supply and distribution rights, exclusive multi-year sponsorship rights and other commercial intangibles.

Intangible assets with indefinite useful lives are comprised primarily of brands and certain distribution rights that AB InBev purchased for its own products. These were tested for impairment in the second and the fourth quarter of 2020. Based on the impairment testing results, no impairment loss was allocated to intangible assets with indefinite useful lives – refer to Note 14 *Goodwill*.

As at 31 December 2020, the carrying amount of the intangible assets amounted to 41 527m US dollar (31 December 2019: 42 452m US dollar) of which 39 395m US dollar was assigned an indefinite useful life (31 December 2019: 40 217m US dollar) and 2 132m US dollar a finite life (31 December 2019: 2 235m US dollar).

<sup>1</sup> The transfer (to)/from other asset categories and other movements mainly relates to transfers from assets under construction to their respective asset categories, to contributions of assets to pension plans, to the separate presentation in the balance sheet of intangible assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations* and to the restatement of non-monetary assets under hyperinflation accounting in line with IAS 29 *Financial reporting in hyperinflationary economies*. Accordingly, the 2019 transfers include the balances of Australian operations reclassified to assets held for sale as at 31 December 2019 and disposed of upon the completion of the sale on 1 June 2020.



The carrying amount of intangible assets with indefinite useful lives was allocated to the cash-generating units as follows:

Million US dollar Cash-generating unit	2020	2019
United States	22 172	22 124
Rest of North America	42	66
Mexico	3 067	3 243
Colombia	3 320	3 488
Rest of Middle Americas	3 655	3 915
Brazil	1	3
Rest of South America	681	714
Europe	461	489
South Africa	3 289	3 417
Rest of Africa	1 068	1 228
China	427	410
Rest of Asia Pacific	1 212	1 120
<b>Total carrying amount of intangible assets with indefinite useful lives</b>	<b>39 395</b>	<b>40 217</b>

Intangible assets with indefinite useful lives have been tested for impairment using the same methodology and assumptions as disclosed in Note 14 *Goodwill*. Based on the assumptions described in that note, AB InBev concluded that no impairment charge is warranted. While a change in the estimates used could have a material impact on the calculation of the fair values and trigger an impairment charge, the company is not aware of any reasonably possible change in a key assumption used that would cause a cash-generating unit's carrying amount to exceed its recoverable amount.

## 16. Investments in associates

A reconciliation of the summarized financial information to the carrying amount of the company's interests in material associates is as follows:

Million US dollar	2020			2019		
	AB InBev Efes	Castel	Efes	AB InBev Efes	Castel	Efes
<b>Balance at 1 January</b>	<b>1 132</b>	<b>3 239</b>	<b>451</b>	<b>1 159</b>	<b>3 279</b>	<b>479</b>
Effect of movements in foreign exchange	—	270	(92)	—	(56)	(59)
Dividends received	—	(19)	—	(15)	(95)	(11)
Share of results of associates	3	76	32	(11)	111	42
<b>Balance at 31 December</b>	<b>1 135</b>	<b>3 566</b>	<b>391</b>	<b>1 133</b>	<b>3 239</b>	<b>451</b>

Summarized financial information of the company's material associates is as follows:

Million US dollar	2020			2019		
	AB InBev Efes	Castel	Efes	AB InBev Efes	Castel	Efes
Current assets	351	4 048	2 156	377	4 044	2 266
Non-current assets	603	3 775	4 642	767	4 255	5 618
Current liabilities	(591)	(1 531)	(1 639)	(652)	(1 631)	(1 859)
Non-current liabilities	(75)	(671)	(1 852)	(109)	(743)	(1 986)
Non-controlling interests	—	(687)	(1 627)	—	(723)	(1 909)
<b>Net assets</b>	<b>288</b>	<b>4 934</b>	<b>1 679</b>	<b>383</b>	<b>5 201</b>	<b>2 130</b>
Revenue	1 276	4 879	3 847	1 388	5 107	4 015
Profit (loss)	(20)	700	224	23	719	276
Other comprehensive income (loss)	—	(134)	392	—	(372)	(431)
Total comprehensive income (loss)	(20)	566	617	23	347	(155)

In 2020, associates that are not individually material contributed 45m US dollar to the results of investment in associates (2019: 10m US dollar; 2018: 51m US dollar).

Following the entry of Zimbabwe in a hyperinflation economy in 2019, the company recorded an impairment of 15m US dollar in 2020 on its investment in Delta Corporation Ltd (2019: 188m US dollar). The impairment is recorded as an exceptional net finance cost. Refer to Note 11 *Finance cost and income*.

Additional information related to the significant associates is presented in Note 36 *AB InBev Companies*.

**17. Investment securities**

Million US dollar	31 December 2020	31 December 2019
Investment in unquoted companies	115	86
Investment on debt securities	22	25
<b>Non-current investments</b>	<b>137</b>	<b>111</b>
Investment on debt securities	396	91
<b>Current investments</b>	<b>396</b>	<b>91</b>

As of 31 December 2020, current debt securities of 396m US dollar mainly represented investments in government bonds (31 December 2019: 91m US dollar). The company's investments in such short-term debt securities are primarily to facilitate liquidity and for capital preservation.

**18. Deferred tax assets and liabilities**

The amount of deferred tax assets and liabilities by type of temporary difference can be detailed as follows:

Million US dollar	2020		
	Assets	Liabilities	Net
Property, plant and equipment	398	(2 487)	(2 089)
Intangible assets	106	(10 007)	(9 901)
Inventories	86	(65)	22
Trade and other receivables	62	—	62
Interest-bearing loans and borrowings	858	(603)	255
Employee benefits	648	(8)	640
Provisions	525	(30)	495
Derivatives	13	(46)	(33)
Other items	312	(1 152)	(840)
Loss carry forwards	782	—	782
<b>Gross deferred tax assets/(liabilities)</b>	<b>3 790</b>	<b>(14 398)</b>	<b>(10 607)</b>
<b>Netting by taxable entity</b>	<b>(1 771)</b>	<b>1 771</b>	<b>—</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>2 019</b>	<b>(12 627)</b>	<b>(10 607)</b>

Million US dollar	2019		
	Assets	Liabilities	Net
Property, plant and equipment	415	(2 550)	(2 135)
Intangible assets	112	(10 327)	(10 215)
Inventories	119	(67)	52
Trade and other receivables	52	(1)	51
Interest-bearing loans and borrowings	706	(603)	103
Employee benefits	631	(3)	628
Provisions	467	(22)	445
Derivatives	23	(21)	2
Other items	311	(861)	(550)
Loss carry forwards	515	—	515
<b>Gross deferred tax assets/(liabilities)</b>	<b>3 350</b>	<b>(14 455)</b>	<b>(11 105)</b>
<b>Netting by taxable entity</b>	<b>(1 631)</b>	<b>1 631</b>	<b>—</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>1 719</b>	<b>(12 824)</b>	<b>(11 105)</b>



The change in net deferred taxes recorded in the consolidated statement of financial position can be detailed as follows:

Million US dollar	2020	2019	2018 restated
<b>Balance at 1 January</b>	<b>(11 105)</b>	<b>(11 648)</b>	<b>(11 857)</b>
Recognized in profit or loss	32	19	95
Recognized in other comprehensive income	361	109	(130)
Acquisitions through business combinations	(6)	(18)	(23)
Reclassified as held for sale	(1)	363	—
Other movements and effect of changes in foreign exchange rates	112	70	267
<b>Balance at 31 December</b>	<b>(10 607)</b>	<b>(11 105)</b>	<b>(11 648)</b>

Most of the temporary differences are related to the fair value adjustment on intangible assets with indefinite useful lives and property, plant and equipment acquired through business combinations. The realization of such temporary differences is unlikely to revert within 12 months. The net deferred tax liabilities attributable to the US business amounted to 6.6 billion US dollar as of 31 December 2020.

Tax losses carried forward and deductible temporary differences on which no deferred tax asset is recognized amount to 3 464m US dollar in 2020 (2019: 4 734m US dollar; 2018: 5 280m US dollar). 1 082m US dollar of these tax losses and deductible temporary differences do not have an expiration date, 303m US dollar, 221m US dollar and 239m US dollar expire within respectively 1, 2 and 3 years, while 1 618m US dollar have an expiration date of more than 3 years. Deferred tax assets have not been recognized on these items because it is not probable that future taxable profits will be available against which these tax losses and deductible temporary differences can be utilized and the company has no tax planning strategy currently in place to utilize these tax losses and deductible temporary differences.

#### 19. Inventories

Million US dollar	31 December 2020	31 December 2019
Prepayments	92	105
Raw materials and consumables	2 499	2 478
Work in progress	439	405
Finished goods	1 256	1 257
Goods purchased for resale	197	182
<b>Inventories</b>	<b>4 482</b>	<b>4 427</b>
<b>Inventories other than work in progress</b>		
Inventories stated at net realizable value	214	171

The cost of inventories recognized as an expense in 2020 amounts to 19 634m US dollar, included in cost of sales (2019: 20 362m US dollar; 2018: 19 933m US dollar).

Impairment losses on inventories recognized in 2020 amount to 117m US dollar. The impairment loss includes the write off of obsolete work in progress and finished goods as a result of the COVID-19 pandemic (2019: 59m US dollar; 2018: 72m US dollar).



**20. Trade and other receivables**

Million US dollar	31 December 2020	31 December 2019
Cash deposits for guarantees	184	219
Loans to customers	25	58
Tax receivable, other than income tax	99	96
Brazilian tax credits and interest receivables	997	70
Trade and other receivables	357	363
<b>Non-current trade and other receivables</b>	<b>1 661</b>	<b>807</b>
Trade receivables and accrued income	3 284	4 046
Interest receivables	4	21
Tax receivable, other than income tax	552	821
Loans to customers	117	119
Prepaid expenses	354	563
Other receivables	522	616
<b>Current trade and other receivables</b>	<b>4 833</b>	<b>6 187</b>

Ambev's tax credits and interest receivables are expected to be collected over a period exceeding 12 months after the balance sheet date. As of 31 December 2020, the total amount of such credits and interest receivables represented 997m US dollar (31 December 2019: 70m US dollar). Refer to Note 7 Other operating income/(expenses) and Note 11 Finance cost and income for more details.

The carrying amount of trade and other receivables is a good approximation of their fair value as the impact of discounting is not significant.

The ageing of the current trade receivables and accrued income, interest receivable, other receivables and current and non-current loans to customers can be detailed as follows for 2020 and 2019 respectively:

	Net carrying amount as of 31 December 2020	Of which: neither impaired nor past due on the reporting date	Of which not impaired as of the reporting date and past due			
			Less than 30 days	30 Between and 59 days	Between 60 and 89 days	More than 90 days
Trade receivables and accrued income	3 285	3 074	155	37	10	8
Loans to customers	142	86	3	2	50	—
Interest receivable	4	4	—	—	—	—
Other receivables	522	416	2	16	5	83
	<b>3 953</b>	<b>3 580</b>	<b>161</b>	<b>55</b>	<b>66</b>	<b>91</b>

	Net carrying amount as of 31 December 2019	Of which: neither impaired nor past due on the reporting date	Of which not impaired as of the reporting date and past due			
			Less than 30 days	30 Between and 59 days	Between 60 and 89 days	More than 90 days
Trade receivables and accrued income	4 046	3 690	261	44	44	7
Loans to customers	177	172	1	2	2	—
Interest receivable	21	21	—	—	—	—
Other receivables	616	582	9	16	5	4
	<b>4 860</b>	<b>4 465</b>	<b>271</b>	<b>62</b>	<b>51</b>	<b>11</b>

The above analysis of the age of financial assets that are past due as at the reporting date but not impaired also includes non-current loans to customers. Past due amounts were not impaired when collection is still considered likely, for instance because the amounts can be recovered from the tax authorities, AB InBev has sufficient collateral, or the customer entered into a payment plan. Impairment losses on trade and other receivables recognized in 2020 amount to 99m US dollar (2019: 51m US dollar; 2018: 43m US dollar). The impairment loss recognized in 2020 includes AB InBev's estimate of overdue receivables the company will not be able to collect from defaulting customers as a result of the COVID-19 pandemic.

AB InBev's exposure to credit, currency and interest rate risks is disclosed in Note 29 *Risks arising from financial instruments*.

**21. Cash and cash equivalents and investment securities**

Million US dollar	31 December 2020	31 December 2019
Short-term bank deposits	3 319	2 236
Treasury Bills	6 800	—
Cash and bank accounts	5 132	5 002
<b>Cash and cash equivalents</b>	<b>15 252</b>	<b>7 238</b>
<b>Bank overdrafts</b>	<b>(5)</b>	<b>(68)</b>
	<b>15 247</b>	<b>7 169</b>

The company's investment in Treasury Bills is to facilitate liquidity and for capital preservation.

The cash outstanding as at 31 December 2020 includes restricted cash for an amount of 84m US dollar (31 December 2019: 78m US dollar). This restricted cash relates to an outstanding consideration payable to former Anheuser-Busch shareholders that have not yet claimed the proceeds from the 2008 combination (1m US dollar) and amounts deposited on a blocked account in respect to the state aid investigation into the Belgian excess profit ruling system (83m US dollar).

**22. Assets classified as held for sale, liabilities associated with assets held for sale and discontinued operations****ASSETS CLASSIFIED AS HELD FOR SALE**

Million US dollar	31 December 2020	31 December 2019
<b>Balance at the end of previous year</b>	<b>10 013</b>	<b>39</b>
Reclassified to assets held for sale in the period	210	9 692
Disposals	(9 665)	(59)
Effect of movements in foreign exchange	(484)	341
<b>Balance at the end of year</b>	<b>74</b>	<b>10 013</b>

**LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE**

Million US dollar	31 December 2020	31 December 2019
<b>Balance at end of previous year</b>	<b>1 145</b>	<b>—</b>
Reclassified to liabilities associated with assets held for sale	(46)	1 106
Disposals	(1 044)	—
Effect of movements in foreign exchange	(55)	39
<b>Balance at end of the period</b>	<b>—</b>	<b>1 145</b>

On 19 July 2019, AB InBev announced the agreement to divest CUB, its Australian subsidiary, to Asahi for 16.0 billion AUD on a cash free, debt free basis. Consequently, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, as at 31 December 2019, assets and liabilities associated with the Australian operations were reclassified to assets held for sale and liabilities associated with assets held for sale. Furthermore, the results of the Australian operations were accounted for as discontinued operations and presented in a separate line in the consolidated income statement ("profit from discontinued operations") up to 31 May 2020.

Upon the closing of the transaction on 1 June 2020, the company received 10.8 billion US dollar proceeds net of disposal costs, derecognized (8.5) billion US dollar of net assets in relation to its former Australian operations, recycled (0.4) billion US dollar of the cumulative foreign exchange differences on its former Australian operations and cashflow hedges from equity to profit or loss, resulting in a net gain on disposal of 1.9 billion US dollar recognized in discontinued operations.

**ASSETS AND LIABILITIES HELD FOR SALE**

Assets and liabilities relating to the Australian operations were classified as held for sale on the consolidated statement of financial position as at 31 December 2019 and disposed of upon the completion of the sale on 1 June 2020. The relevant assets and liabilities are detailed in the table below:

Million US dollar	1 June 2020	31 December 2019
<b>Assets</b>		
Property, plant and equipment	581	625
Goodwill and intangible assets	8 584	9 030
Other assets	371	310
<b>Assets classified as held for sale</b>	<b>9 537</b>	<b>9 965</b>
<b>Liabilities</b>		
Trade and other payables	(581)	(659)
Deferred tax liabilities	(363)	(380)
Other liabilities	(101)	(106)
<b>Liabilities associated with assets held for sale</b>	<b>(1 044)</b>	<b>(1 145)</b>
<b>Net assets disposed of</b>	<b>8 493</b>	<b>—</b>
Exceptional gain on divestiture of Australia (discontinued operations)	1 919	—
Recycling of CTA and cashflow hedges	426	—
<b>Consideration received</b>	<b>10 838</b>	<b>—</b>

**RESULTS FROM DISCONTINUED OPERATIONS**

The following table summarizes the results of the Australian operations included in the consolidated income statements and presented as discontinued operations:

For the period ended Million US dollar	31 May 2020	31 December 2019	31 December 2018
Revenue	477	1 394	1 577
Profit from operations	178	632	775
Profit from discontinued operations	136	424	531

**CASH FLOW FROM DISCONTINUED OPERATIONS**

Cash flows attributable to the operating, investing and financing activities of the Australian operations are summarized as follows:

For the period ended Million US dollar	31 May 2020	31 December 2019 <sup>1</sup>	31 December 2018
Cash flow from operating activities	84	640	883
Cash flow from investing activities – proceeds from Australia divestiture	10 838	219	—
Cash flow from investing activities – other	(13)	(77)	(109)
Cash flow from financing activities	(6)	(24)	(19)
<b>Net increase in cash and cash equivalents</b>	<b>10 903</b>	<b>758</b>	<b>755</b>

**23. Changes in equity and earnings per share****STATEMENT OF CAPITAL**

The tables below summarize the changes in issued capital and treasury shares during 2020:

Issued capital	Issued capital	
	Million shares	Million US dollar
At the end of the previous year	2 019	1 736
Changes during the period	—	—
	<b>2 019</b>	<b>1 736</b>
<b>Of which:</b>		
Ordinary shares	1 693	
Restricted shares	326	

<sup>1</sup> The 2019 cash flow from investing activities has been restated to reflect reclassification of the cash flow hedges in relation to the Australia divestiture reported in the financing activities in 2019 and recycled to profit or loss upon the completion of the transaction.





Treasury shares	Treasury shares		Result on the use
	Million shares	Million US dollar	of treasury shares Million US dollar
At the end of the previous year	59.9	(6 270)	(2 556)
Changes during the period	(12.9)	1 359	(974)
	<b>47.0</b>	<b>(4 911)</b>	<b>(3 530)</b>

As at 31 December 2020, the share capital of AB InBev amounts to 1 238 608 344.12 euro (1 736 million US dollar). It is represented by 2 019 241 973 shares without nominal value, of which 46 992 567 are held in treasury by AB InBev and its subsidiaries. All shares are ordinary shares, except for 325 999 817 restricted shares. As at 31 December 2020, the total of authorized, unissued capital amounts to 37m euro.

The treasury shares held by the company are reported in equity in Treasury shares.

The holders of ordinary and restricted shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. In respect of the company's shares that are held by AB InBev and its subsidiaries, the economic and voting rights are suspended.

The restricted shares are unlisted, not admitted to trading on any stock exchange, and are subject to, among other things, restrictions on transfer until converted into new ordinary shares. The restricted shares will be convertible at the election of the holder into new ordinary shares on a one-for-one basis with effect from the fifth anniversary of completion of the SAB combination (i.e. as from 11 October 2021). From completion of the SAB combination, such restricted shares will rank equally with the ordinary shares with respect to dividends and voting rights.

The shareholders' structure is based on the notifications made to the company pursuant to the Belgian Law of 2 May 2007, which governs the disclosure of significant shareholdings in listed companies. It is included in the *Corporate Governance* section of AB InBev's annual report.

#### CHANGES IN OWNERSHIP INTERESTS

In compliance with IFRS 10, the acquisition or disposal of additional shares in a subsidiary is accounted for as an equity transaction with owners.

On 31 December 2020, AB InBev completed the issuance of a 49.9% minority stake in its US-based metal container operations to Apollo Global Management, Inc. for the net proceeds of 3.0 billion USD. This transaction allowed the company to create additional shareholder value by optimizing its business at an attractive price and generate proceeds to repay debt, in line with its deleveraging commitments. AB InBev retained operational control of its US-based metal container operations.

As required by IFRS 10 *Consolidated Financial Statements*, the transaction was reported in the equity statement resulting in recognition of 1.9 billion US dollar in Non-controlling interest and 1.1 billion US dollar in Reserves.

On 30 September 2019, the initial public offering (the "IPO") of a minority stake in Budweiser Brewing Company APAC Limited, AB InBev's Asia Pacific subsidiary, was completed and Budweiser APAC commenced the listing of its shares on the Hong Kong Stock Exchange. In addition, on 3 October 2019, the over-allotment option in connection with the IPO of Budweiser APAC was fully exercised by the international underwriters.

The final number of shares issued in the IPO was 1 669 459 000 shares comprising of 72 586 000 shares issued under the Hong Kong public offering, 1 379 118 000 shares placed under the international offering, and 217 755 000 shares issued under the over-allotment option fully exercised by the international underwriters.

Following the completion of the IPO and after the exercise of the over-allotment option, AB InBev retained an 87.22% controlling interest of the issued share capital of Budweiser APAC. As presented in the consolidated statement of changes in equity, the transaction resulted in a 4.4 billion US dollar increase in equity and a 1.2 billion US dollar increase in non-controlling interest representing 12.78% of the net assets of Budweiser APAC.

The net proceeds of the offering (after deducting the underwriting commissions and other expenses in connection with the IPO and the issuance of the new shares) amount to 5.6 billion US dollar and were used to repay debt of AB InBev.

During 2020, there were no significant purchases of non-controlling interests in subsidiaries.

#### ACQUISITIONS AND DISPOSALS OF OWN SHARES (REPORT ACCORDING TO ARTICLE 7:220 OF THE BELGIAN COMPANIES CODE OF COMPANIES AND ASSOCIATIONS) AND BORROWINGS OF OWN SHARES— PURCHASE OF OWN SHARES

During 2020, the company has not acquired any treasury shares in accordance with article 7:215 of the Belgian Code of Companies and Associations (former article 620 of the Belgian Companies Code) and has proceeded with the following disposals of its own shares.

#### Treasury shares

The company has used 9 520 966 treasury shares to settle the participants' obligations related to the Zenzele Scheme (refer to Note 31 *Collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other* for more details). As a result, as at 31 December 2020, the group owned 46 992 567 own shares of which 38 779 160 were held directly by AB InBev. The par value of the share is 0.61



euro. As a consequence, the treasury shares used to settle the obligations during 2020 represented 7 126 734 US dollar (5 807 966 euro) of the subscribed capital and the shares that the company still owned at the end of 2020 represented 35 175 372 US dollar (28 665 466 euro) of the subscribed capital.

**Borrowed shares**

In order to fulfill AB InBev's commitments under various outstanding stock option plans, during the course of 2020, the company had stock lending arrangements in place for up to 30 million shares, which were fully used to fulfill stock option plan commitments. The company shall pay any dividend equivalent after tax in respect of such borrowed shares. This payment will be reported through equity as dividend.

**DIVIDENDS**

On 24 February 2021, a dividend of 0.50 euro per share or 1 003m euro was proposed by the Board of Directors, and will be subject to approval at the shareholder' meeting on 28 April 2021.

On 24 October 2019, an interim dividend of 0.80 euro per share or approximately 1 588m euro was approved by the Board of Directors. This interim dividend was paid out on 21 November 2019. On 3 June 2020, in addition to the interim dividend paid on 21 November 2019, a dividend of 0.50 euro per share or 1 002m euro was approved at the shareholder' meeting, reflecting a total dividend payment for the 2019 fiscal year of 1.30 euro per share or 2 590m euro. The dividend was paid out as of 11 June 2020.

On 24 October 2018, an interim dividend of 0.80 euro per share or approximately 1 565m euro was approved by the Board of Directors. This interim dividend was paid out on 29 November 2018. On 24 April 2019, in addition to the interim dividend paid on 29 November 2018, a dividend of 1.00 euro per share (or 1 978m euro) was approved at the shareholder' meeting, reflecting a total dividend payment for the 2018 fiscal year of 1.80 euro per share (or 3 557m euro). The dividend was paid out on 9 May 2019.

**TRANSLATION RESERVES**

The translation reserves comprise all foreign currency exchange differences arising from the translation of the financial statements of foreign operations. The translation reserves also comprise the portion of the gain or loss on the foreign currency liabilities and on the derivative financial instruments determined to be effective net investment.

**HEDGING RESERVES**

The hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedges to the extent that the hedged risk has not yet impacted profit or loss. On 1 June 2020, upon the Australia divestiture, the company recycled 370m US dollar of cash flow hedges in relation to its former Australia operations from equity to profit or loss.

**TRANSFERS FROM SUBSIDIARIES**

The amount of dividends payable to AB InBev by its operating subsidiaries is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. Capital transfer restrictions are also common in certain emerging market countries and may affect AB InBev's flexibility in implementing a capital structure it believes to be efficient. As at 31 December 2020, the restrictions above mentioned were not deemed significant on the company's ability to access or use the assets or settle the liabilities of its operating subsidiaries.

Dividends paid to AB InBev by certain of its subsidiaries are also subject to withholding taxes. Withholding taxes, if applicable, generally do not exceed 15%.

**DEFERRED SHARE INSTRUMENT**

In a transaction related to the combination with Grupo Modelo, selected Grupo Modelo shareholders committed, upon tender of their Grupo Modelo shares, to acquire 23 076 922 AB InBev shares to be delivered within 5 years for a consideration of approximately 1.5 billion US dollar. The consideration was paid on 5 June 2013.

On 21 May 2018, AB InBev delivered the shares that were due under the deferred share instruments through the use of AB InBev treasury shares.

Until the delivery of the AB InBev shares, AB InBev paid a coupon on each undelivered AB InBev share, so that the Deferred Share Instrument holders were compensated on an after-tax basis, for dividends they would have received had the AB InBev shares been delivered to them prior to the record date for such dividend.

The deferred share instrument was classified as an equity instrument, in line with IAS 32, because the number of shares and consideration received are fixed. The coupon to compensate for the dividend equivalent is reported through equity. On 3 May 2018, the company paid a coupon of 2.00 euro per share (approximately 56m US dollar).

**OTHER COMPREHENSIVE INCOME RESERVES**

The changes in the other comprehensive income reserves are as follows:



Million US dollar	Translation Reserves	Hedging reserves	Post-employment benefits	Total OCI Reserves
<b>As per 1 January 2020</b>	<b>(19 936)</b>	<b>397</b>	<b>(1 740)</b>	<b>(21 279)</b>
<b>Other comprehensive income/(loss)</b>				
Exchange differences on translation of foreign operations (gains/ losses)	(9 943)	—	—	(9 943)
Cash flow hedges	—	198	—	198
Cash flow hedges and cumulative translation adjustments reclassified from equity to profit or loss in relation to Australia divestiture	645	(219)	—	426
Re-measurements of post-employment benefits	—	—	(243)	(243)
<b>Total comprehensive income/(loss)</b>	<b>(9 298)</b>	<b>(21)</b>	<b>(243)</b>	<b>(9 562)</b>
<b>As per 31 December 2020</b>	<b>(29 234)</b>	<b>376</b>	<b>(1 983)</b>	<b>(30 841)</b>



The increase in translation reserves is primarily related to the combined effect of the weakening of the closing rates of the Mexican pesos, the South African rand, the Colombian pesos, the Brazilian real and the Peruvian sol, and the strengthening of the Euro which resulted in a foreign exchange translation adjustment of 9 943m US dollar as of 31 December 2020 (decrease of equity).

Million US dollar	Translation Reserves	Hedging reserves	Post-employment benefits	Total OCI Reserves
<b>As per 1 January 2019</b>	<b>(21 079)</b>	<b>494</b>	<b>(1 567)</b>	<b>(22 152)</b>
<b>Other comprehensive income/(loss)</b>				
Exchange differences on translation of foreign operations (gains/ losses)	1 143	—	—	1 143
Cash flow hedges	—	(97)	—	(97)
Re-measurements of post-employment benefits	—	—	(173)	(173)
<b>Total comprehensive income/(loss)</b>	<b>1 143</b>	<b>(97)</b>	<b>(173)</b>	<b>873</b>
<b>As per 31 December 2019</b>	<b>(19 936)</b>	<b>397</b>	<b>(1 740)</b>	<b>(21 279)</b>
<b>As per 1 January 2018</b>	<b>(13 705)</b>	<b>586</b>	<b>(1 665)</b>	<b>(14 784)</b>
<b>Other comprehensive income/(loss)</b>				
Exchange differences on translation of foreign operations (gains/ losses)	(7 374)	—	—	(7 374)
Cash flow hedges	—	(92)	—	(92)
Re-measurements of post-employment benefits	—	—	98	98
<b>Total comprehensive income/(loss)</b>	<b>(7 374)</b>	<b>(92)</b>	<b>98</b>	<b>(7 368)</b>
<b>As per 31 December 2018</b>	<b>(21 079)</b>	<b>494</b>	<b>(1 567)</b>	<b>(22 152)</b>

#### EARNINGS PER SHARE

The calculation of basic earnings per share for 2020 is based on the profit attributable to equity holders of AB InBev of 1 405m US dollar (2019: 9 171m US dollar; 2018: 4 370m US dollar) and a weighted average number of ordinary and restricted shares outstanding (including deferred share instruments and stock lending) per end of the period, calculated as follows:

Million shares	2020	2019	2018
Issued ordinary and restricted shares at 1 January, net of treasury shares	1 959	1 957	1 934
Effect of stock lending	30	25	18
Effect of undelivered shares under the deferred share instrument	—	—	9
Effect of delivery of treasury shares	9	2	14
<b>Weighted average number of ordinary and restricted shares at 31 December</b>	<b>1 998</b>	<b>1 984</b>	<b>1 975</b>

The calculation of diluted earnings per share for 2020 is based on the profit attributable to equity holders of AB InBev of 1 405m US dollar (2019: 9 171m US dollar; ; 2018: 4 370m US dollar) and a weighted average number of ordinary and restricted shares (diluted) outstanding (including deferred share instruments and stock lending) at the end of the period, calculated as follows:

Million shares	2020	2019	2018
Weighted average number of ordinary and restricted shares at 31 December	1 998	1 984	1 975
Effect of share options, warrants and restricted stock units	39	42	36
<b>Weighted average number of ordinary and restricted shares (diluted) at 31 December</b>	<b>2 037</b>	<b>2 026</b>	<b>2 011</b>

The calculation of earnings per share before exceptional items and discontinued operations is based on the profit from continuing operations attributable to equity holders of AB InBev. A reconciliation of the profit before exceptional items and discontinued operations, attributable to equity holders of AB InBev to the profit attributable to equity holders of AB InBev is calculated as follows:

Million US dollar	2020	2019	2018
Profit before exceptional items and discontinued operations, attributable to equity holders of AB InBev	3 807	8 086	6 248
Exceptional items, before taxes (refer to Note 8)	(3 103)	(323)	(692)
Exceptional finance income/(cost), before taxes (refer to Note 11)	(1 738)	882	(1 982)
Exceptional taxes (refer to Note 8)	155	(6)	233
Exceptional non-controlling interest (refer to Note 8)	228	108	32
Profit from discontinued operations (refer to Note 22)	2 055	424	531
<b>Profit attributable to equity holders of AB InBev</b>	<b>1 405</b>	<b>9 171</b>	<b>4 370</b>



The calculation of the Underlying EPS is based on the profit before exceptional items, discontinued operations, mark-to-market gains/losses and hyperinflation impacts attributable to equity holders of AB InBev. A reconciliation of the profit before exceptional items, discontinued operations, mark-to-market gains/losses and hyperinflation impacts, attributable to equity holders of AB InBev to the profit before exceptional items and discontinued operations, attributable to equity holders of AB InBev, is calculated as follows:

Million US dollar	2020	2019	2018
Profit before exceptional items, discontinued operations, mark-to-market gains/losses and hyperinflation impacts, attributable to equity holders of AB InBev	5 022	7 196	8 099
Mark-to-market (losses)/gains on certain derivatives related to the hedging of share-based payment programs (refer to Note 11)	(1 211)	898	(1 774)
Hyperinflation impacts	(4)	(7)	(77)
<b>Profit before exceptional items and discontinued operations, attributable to equity holders of AB InBev</b>	<b>3 807</b>	<b>8 086</b>	<b>6 248</b>

The table below sets out the EPS calculation:

Million US dollar	2020	2019	2018
Profit attributable to equity holders of AB InBev	1 405	9 171	4 370
Weighted average number of ordinary and restricted shares	1 998	1 984	1 975
<b>Basic EPS from continuing and discontinued operations</b>	<b>0.70</b>	<b>4.62</b>	<b>2.21</b>
Profit from continuing operations attributable to equity holders of AB InBev	(650)	8 748	3 839
Weighted average number of ordinary and restricted shares	1 998	1 984	1 975
<b>Basic EPS from continuing operations</b>	<b>(0.33)</b>	<b>4.41</b>	<b>1.94</b>
Profit from continuing operations before exceptional items and discontinued operations, attributable to equity holders of AB InBev	3 807	8 086	6 248
Weighted average number of ordinary and restricted shares	1 998	1 984	1 975
<b>Basic EPS from continuing operations before exceptional items</b>	<b>1.91</b>	<b>4.08</b>	<b>3.16</b>
Profit before exceptional items, discontinued operations, mark-to-market gains/losses and hyperinflation impacts, attributable to equity holders of AB InBev	5 022	7 196	8 099
Weighted average number of ordinary and restricted shares	1 998	1 984	1 975
<b>Underlying EPS</b>	<b>2.51</b>	<b>3.63</b>	<b>4.10</b>
Profit attributable to equity holders of AB InBev	1 405	9 171	4 370
Weighted average number of ordinary and restricted shares (diluted)	2 037	2 026	2 011
<b>Diluted EPS from continuing and discontinued operations</b>	<b>0.69</b>	<b>4.53</b>	<b>2.17</b>
Profit from continuing operations attributable to equity holders of AB InBev	(650)	8 748	3 839
Weighted average number of ordinary and restricted shares (diluted) <sup>1</sup>	1 998	2 026	2 011
<b>Diluted EPS from continuing operations</b>	<b>(0.33)</b>	<b>4.32</b>	<b>1.91</b>
Profit from continuing operations before exceptional items and discontinued operations, attributable to equity holders of AB InBev	3 807	8 086	6 248
Weighted average number of ordinary and restricted shares (diluted)	2 037	2 026	2 011
<b>Diluted EPS from continuing operations before exceptional items</b>	<b>1.87</b>	<b>3.99</b>	<b>3.11</b>

The average market value of the company's shares for purposes of calculating the dilutive effect of share options and restricted stock units was based on quoted market prices for the period that the options and restricted stock units were outstanding. For the calculation of Diluted EPS from continuing operations before exceptional items, 76m share options were anti-dilutive and not included in the calculation of the dilutive effect as at 31 December 2020 (31 December 2019: 59m share options, 31 December 2018: 63m share options)

<sup>1</sup> In accordance with the guidance provided by IAS 33 *Earnings per Share*, for the 2020 calculation of Diluted EPS from continuing operations, the potential dilutive effect of share options, warrants and restricted stock units was disregarded considering the negative results in the period.



**24. Interest-bearing loans and borrowings**

This note provides information about the company’s interest-bearing loans and borrowings. For more information about the company’s exposure to interest rate and foreign exposure currency risk - refer to Note 29 *Risks arising from financial instruments*.

<b>Non-current liabilities</b>		
Million US dollar	31 December 2020	31 December 2019
Secured bank loans	46	71
Unsecured bank loans	—	50
Unsecured bond issues	93 523	95 674
Unsecured other loans	73	77
Lease liabilities	1 837	1 692
<b>Non-current interest-bearing loans and borrowings</b>	<b>95 478</b>	<b>97 564</b>

  

<b>Current liabilities</b>		
Million US dollar	31 December 2020	31 December 2019
Secured bank loans	656	790
Commercial papers	1 522	1 599
Unsecured bank loans	294	135
Unsecured bond issues	202	2 532
Unsecured other loans	10	20
Lease liabilities	397	333
<b>Current interest-bearing loans and borrowings</b>	<b>3 081</b>	<b>5 410</b>

The current and non-current interest-bearing loans and borrowings amount to 98.6 billion US dollar as at 31 December 2020, compared to 103.0 billion US dollar as at 31 December 2019.

In March 2020, the company drew the full 9.0 billion US dollar commitment under the 2010 Senior Facilities Agreement, in order to proactively safeguard its liquidity position by holding cash on its balance sheet through the period of significant financial market volatility and uncertainty as a result of the COVID-19 virus pandemic. The revolving credit facilities were repaid in full in the second quarter of 2020. On 18 February 2021, the company announced the successful signing of a new 10.1 billion US dollar Sustainable-Linked Loan Revolving Credit Facility (“SLL RCF”) with an initial five-year term, replacing the aforementioned 9.0 billion US dollar of committed long-term credit facilities (refer to Note 35 *Events after the balance sheet date*).

Commercial papers amount to 1.5 billion US dollar as at 31 December 2020 (31 December 2019: 1.6 billion US dollar) and include programs in US dollar and euro with a total authorized issuance up to 5.0 billion US dollar and 3.0 billion euro, respectively.

On 2 April 2020 and 3 April 2020, Anheuser-Busch InBev NV/SA (ABISA) and Anheuser-Busch InBev Worldwide Inc. (ABIWW) respectively, completed the issuance of the following series of bonds:

Issue date	Issuer (abbreviated)	Maturity date	Currency	Aggregate principal amount (in millions)	Interest rate
2 April 2020	ABISA	2 December 2027	EUR	1 000	2.125%
2 April 2020	ABISA	2 April 2032	EUR	1 750	2.875%
2 April 2020	ABISA	2 April 2040	EUR	1 750	3.700%
3 April 2020	ABIWW	1 June 2030	USD	1 750	3.500%
3 April 2020	ABIWW	1 June 2040	USD	1 000	4.350%
3 April 2020	ABIWW	1 June 2050	USD	2 250	4.500%
3 April 2020	ABIWW	1 June 2060	USD	1 000	4.600%

On 7 July 2020, the company completed the tender offers of seven series of notes issued by Anheuser-Busch InBev NV/SA (ABISA) and Anheuser-Busch InBev Finance Inc. (ABIFI) and repurchased 3.0 billion US dollar aggregate principal amount of these notes. The total principal amount accepted in the tender offers is set out in the table below:

Date of redemption	Issuer (abbreviated)	Title of series of notes issued/exchanged	Currency	Original principal amount outstanding (in million)	Principal amount redeemed (in million)	Principal amount not redeemed (in million)
7 July 2020	ABISA	4.000% Notes due 2021	EUR	750	231	519
7 July 2020	ABISA	1.950% Notes due 2021	EUR	650	123	527
7 July 2020	ABISA	0.875% Notes due 2022	EUR	2 000	356	1 644
7 July 2020	ABISA	0.800% Notes due 2023	EUR	1 000	356	644
7 July 2020	ABIFI	Floating Rate Notes due 2021	USD	311	129	182
7 July 2020	ABIFI	2.625% Notes due 2023	USD	643	167	476
7 July 2020	ABIFI	3.300% Notes due 2023	USD	2 799	1 467	1 332





On 15 September 2020, the company completed the tender offers of six series of notes issued by Anheuser-Busch InBev NV/SA (ABISA), Anheuser-Busch InBev Finance Inc. (ABIFI) and Anheuser-Busch InBev Worldwide Inc. (ABIWW) and repurchased 2.1 billion US dollar aggregate principal amount of these notes. The total principal amount accepted in the tender offers is set out in the table below:

Date of redemption	Issuer (abbreviated)	Title of series of notes issued exchanged	Currency	Original principal amount outstanding (in million)	Principal amount redeemed (in million)	Principal amount not redeemed (in million)
17 September 2020	ABIWW	Floating rate notes due 2024	USD	229	113	116
17 September 2020	ABIWW	3.500% Notes due 2024	USD	654	404	250
17 September 2020	ABIFI	3.700% Notes due 2024	USD	865	376	489
17 September 2020	ABISA	Floating rate notes due 2024	EUR	1 500	517	983
17 September 2020	ABISA	2.875% Notes due 2024	EUR	750	195	555
17 September 2020	ABISA	1.500% Notes due 2025	EUR	2 500	353	2 147

These tender offers were financed with cash.

During 2020, the company announced that Anheuser-Busch InBev NV/SA (ABISA) and its wholly-owned subsidiaries Anheuser-Busch InBev Worldwide Inc (ABIWW), Anheuser-Busch InBev Finance Inc. (ABIFI) and Anheuser-Busch North American Holding Corporation (ABNA) were exercising their options to redeem the outstanding principal amount for an aggregate principle amount of 10.0 billion US dollar indicated in the table below of the following series of notes:

Date of redemption	Issuer (abbreviated)	Title of series of notes issued exchanged	Currency	Original principal amount outstanding (in million)	Principal amount redeemed (in million)
29 July 2020	ABIWW	3.250% Notes due 2022	AUD	550	550
12 August 2020	ABIWW	4.375% Notes due 2021	USD	285	285
12 August 2020	ABIWW	2.500% Notes due 2022	USD	454	454
12 August 2020	ABIFI	3.375% Notes due 2023	CAD	600	600
12 August 2020	ABNA	3.750% Notes due 2022	USD	150	150
25 September 2020	ABISA	1.750% Notes due 2025	GBP	650	650
8 October 2020	ABIFI	2.600% Notes due 2024	CAD	1 300	1 300
8 October 2020	ABISA	1.950% Notes due 2021	EUR	527	527
8 October 2020	ABISA	0.875% Notes due 2022	EUR	1 644	1 644
3 December 2020	ABISA	4.000% Notes due 2021	EUR	519	519
3 December 2020	ABISA	0.800% Notes due 2023	EUR	644	644
16 December 2020	ABIFI	2.625% Notes due 2023	USD	476	476
16 December 2020	ABIFI	3.300% Notes due 2023	USD	1 332	1 332
16 December 2020	ABIFI	3.700% Notes due 2024	USD	489	489
16 December 2020	ABIWW	3.500% Notes due 2024	USD	250	250

The redemption of these notes was financed with cash.

Net debt is defined as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash and cash equivalents. Net debt is a financial performance indicator that is used by AB InBev's management to highlight changes in the company's overall liquidity position.

AB InBev's net debt decreased to 82.7 billion US dollar as at 31 December 2020, from 95.5 billion US dollar as at 31 December 2019. Aside from operating results that are net of capital expenditures, the net debt is impacted mainly by the payment of interests and taxes (6.4 billion US dollar), settlement of derivatives (0.7 billion US dollar increase of net debt), dividend payments to shareholders of AB InBev and Ambev (1.8 billion US dollar), foreign exchange impact on net debt (3.4 billion US dollar increase of net debt), the proceeds from the divestiture of the Australian business (10.8 billion US dollar decrease of net debt) and the proceeds related to the issuance of a 49.9% minority stake in the company's US-based metal container operations (3.0 billion US dollar decrease of net debt).

The following table provides a reconciliation of AB InBev's net debt as at the dates indicated:

Million US dollar	31 December 2020	31 December 2019
Non-current interest-bearing loans and borrowings	95 478	97 564
Current interest-bearing loans and borrowings	3 081	5 410
<b>Interest-bearing loans and borrowings</b>	<b>98 559</b>	<b>102 974</b>
Bank overdrafts	5	68
Cash and cash equivalents	(15 252)	(7 238)
Interest bearing loans granted and other deposits (included within Trade and other receivables)	(173)	(146)
Debt securities (included within Investment securities)	(418)	(117)
<b>Net debt</b>	<b>82 722</b>	<b>95 542</b>

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the company's consolidated cash flow statement from financing activities.

Million US dollar	Long-term debt, net of current portion	Short-term debt and current portion of long-term debt
<b>Balance at 1 January 2020</b>	<b>97 564</b>	<b>5 410</b>
Proceeds from borrowings	11 226	3 596
Payments on borrowings	(13 596)	(9 520)
Capitalization / (payment) of lease liabilities	394	(484)
Amortized cost	71	17
Unrealized foreign exchange effects	2 521	241
Current portion of long-term debt	(3 744)	3 744
Other movements	1 042	77
<b>Balance at 31 December 2020</b>	<b>95 478</b>	<b>3 081</b>

Million US dollar	Long-term debt, net of current portion	Short-term debt and current portion of long-term debt
<b>Balance at 1 January 2019</b>	<b>106 997</b>	<b>4 584</b>
Proceeds from borrowings	17 939	4 645
Payments on borrowings	(22 339)	(8 253)
Capitalization / (payment) of lease liabilities	420	(441)
Amortized cost	75	13
Unrealized foreign exchange effects	(538)	(39)
Current portion of long-term debt	(4 769)	4 769
Liabilities associated with assets held for sale	(69)	(15)
Other movements	(152)	147
<b>Balance at 31 December 2019</b>	<b>97 564</b>	<b>5 410</b>

**25. Employee benefits**

AB InBev sponsors various post-employment benefit plans worldwide, which include both defined contribution plans, defined benefit plans, and other post-employment benefits. In accordance with IAS 19 *Employee Benefits* post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.

**DEFINED CONTRIBUTION PLANS**

For defined contribution plans, AB InBev pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the group has no further payment obligation. The regular contributions constitute an expense for the year in which they are due. For 2020, contributions paid into defined contribution plans for the company amounted to 91m US dollar compared to 101m US dollar for 2019 and 109m US dollar for 2018.

**DEFINED BENEFIT PLANS**

During 2020, the company contributed to 81 defined benefit plans, of which 60 are retirement or leaving service plans, 17 are medical cost plans and 4 other long-term employee benefit plans. Most plans provide retirement and leaving service benefits related to pay and years of service. In many of the countries the plans are partially funded. When plans are funded, the assets are held in legally separate funds set up in accordance with applicable legal requirements and common practice in each country. The medical cost plans in Brazil, Canada, Colombia, South Africa and US provide medical benefits to employees and their families after retirement. Many of the defined benefit plans are closed to new entrants.

The present value of funded obligations includes a 126m US dollar liability related to two medical plans in Brazil, for which the benefits are provided through the Fundação Antonio Helena Zerrenner ("FAHZ"). The FAHZ is a legally distinct entity which provides medical, dental, educational and social assistance to current and retired employees of Ambev. As at 31 December 2020, the actuarial liabilities related to the benefits provided by the FAHZ are fully offset by an equivalent amount of assets existing in the fund. The net liability recognized in the balance sheet is nil.

The employee benefit net liability amounts to 2 964m US dollar as at 31 December 2020 compared to 2 834m US dollar as at 31 December 2019. In 2020, the fair value of the plan assets increased by 207m US dollar and the defined benefit obligations increased by 353m US dollar. The increase in the employee benefit net liability is mainly driven by decreases in the discount rates.



The company's net liability for post-employment and long-term employee benefit plans comprises the following as at 31 December 2020 and 2019:

Million US dollar	2020	2019
Present value of funded obligations	(7 703)	(7 333)
Fair value of plan assets	5 649	5 442
<b>Present value of net obligations for funded plans</b>	<b>(2 054)</b>	<b>(1 891)</b>
Present value of unfunded obligations	(793)	(810)
<b>Present value of net obligations</b>	<b>(2 847)</b>	<b>(2 701)</b>
Unrecognized asset	(31)	(74)
<b>Net liability</b>	<b>(2 878)</b>	<b>(2 775)</b>
Other long term employee benefits	(86)	(59)
<b>Total employee benefits</b>	<b>(2 964)</b>	<b>(2 834)</b>
<b>Employee benefits amounts in the balance sheet:</b>		
Liabilities	(2 970)	(2 848)
Assets	6	14
<b>Net liability</b>	<b>(2 964)</b>	<b>(2 834)</b>

The changes in the present value of the defined benefit obligations are as follows:

Million US dollar	2020	2019	2018
<b>Defined benefit obligation at 1 January</b>	<b>(8 143)</b>	<b>(7 568)</b>	<b>(8 410)</b>
Current service costs	(72)	(67)	(72)
Interest cost	(250)	(326)	(322)
Past service gain/(cost)	16	(9)	(3)
Settlements	153	109	45
Benefits paid	519	596	493
Contribution by plan participants	(2)	(2)	(3)
Actuarial gains/(losses) – demographic assumptions	20	61	27
Actuarial gains/(losses) – financial assumptions	(690)	(912)	350
Experience adjustments	(12)	29	14
Exchange differences	(35)	(86)	313
Transfers and other movements	—	32	—
<b>Defined benefit obligation at 31 December</b>	<b>(8 496)</b>	<b>(8 143)</b>	<b>(7 568)</b>

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately 1.8 billion US dollar relating to active employees, 1.9 billion US dollar relating to deferred members and 4.8 billion US dollar relating to members in retirement.

The changes in the fair value of plan assets are as follows:

Million US dollar	2020	2019	2018
<b>Fair value of plan assets at 1 January</b>	<b>5 442</b>	<b>5 059</b>	<b>5 623</b>
Interest income	168	218	225
Administration costs	(19)	(23)	(14)
Return on plan assets exceeding interest income	332	579	(333)
Contributions by AB InBev	394	294	307
Contributions by plan participants	2	2	3
Benefits paid net of administration costs	(519)	(596)	(493)
Assets distributed on settlements	(146)	(107)	(45)
Exchange differences	(9)	46	(214)
Transfers and other movements	4	(30)	—
<b>Fair value of plan assets at 31 December</b>	<b>5 649</b>	<b>5 442</b>	<b>5 059</b>

Actual return on plans assets amounted to a gain of 500m US dollar in 2020 compared to a gain of 797m US dollar in 2019.

The changes in the unrecognized asset are as follows:

Million US dollar	2020	2019	2018
<b>Irrecoverable surplus impact at 1 January</b>	<b>(74)</b>	<b>(77)</b>	<b>(111)</b>
Interest expense	(4)	(7)	(10)
Changes excluding amounts included in interest expense	47	9	44
<b>Irrecoverable surplus impact at 31 December</b>	<b>(31)</b>	<b>(74)</b>	<b>(77)</b>



The expense recognized in the income statement with regard to defined benefit plans can be detailed as follows:

Million US dollar	2020	2019	2018
Current service costs	(72)	(67)	(72)
Administration costs	(19)	(23)	(14)
Past service cost due to plan amendments and curtailments	16	66	(3)
(Losses)/gains due to experience and demographic assumption changes	6	1	3
<b>Profit from operations</b>	<b>(69)</b>	<b>(23)</b>	<b>(86)</b>
Net finance cost	(87)	(114)	(107)
<b>Total employee benefit expense</b>	<b>(156)</b>	<b>(137)</b>	<b>(193)</b>

The employee benefit expense is included in the following line items of the income statement:

Million US dollar	2020	2019	2018
Cost of sales	(28)	(17)	(26)
Distribution expenses	(9)	(5)	(11)
Sales and marketing expenses	(18)	(4)	(16)
Administrative expenses	(20)	3	(28)
Other operating (expense)/income	(1)	—	(6)
Exceptional items	7	—	1
Net finance cost	(87)	(114)	(107)
	<b>(156)</b>	<b>(137)</b>	<b>(193)</b>

Weighted average assumptions used in computing the benefit obligations of the company's significant plans at the balance sheet date are as follows:

Million US dollar	2020					
	United States	Canada	Mexico	Brazil	United Kingdom	AB InBev
Discount rate	2.5%	2.4%	6.3%	6.9%	1.4%	2.6%
Price inflation	2.5%	2.0%	3.5%	3.3%	3.1%	2.6%
Future salary increases	—	1.0%	4.3%	6.9%-5.0%	—	3.7%
Future pension increases	—	2.0%	3.5%	3.3%	2.9%	2.6%
Medical cost trend rate	5.5%-4.5%	4.5%	—	6.9%	—	6.0%-5.7%
Life expectation for a 65 year old male	86	87	82	85	87	85
Life expectation for a 65 year old female	87	90	85	88	89	88

Million US dollar	2019					
	United States	Canada	Mexico	Brazil	United Kingdom	AB InBev
Discount rate	3.3%	3.1%	7.5%	7.2%	2.0%	3.3%
Price inflation	2.5%	2.0%	3.5%	3.8%	3.1%	2.7%
Future salary increases	—	1.0%	4.3%	7.4%-5.4%	—	3.8%
Future pension increases	—	2.0%	3.5%	3.8%	2.9%	2.7%
Medical cost trend rate	6.5%-4.5%	4.5%	—	7.4%	—	6.6%-6.1%
Life expectation for a 65 year old male	85	87	82	85	87	85
Life expectation for a 65 year old female	87	89	85	88	89	87

Through its defined benefit pension plans and post-employment medical plans, the company is exposed to a number of risks, the most significant are detailed below:

**INVESTMENT STRATEGY**

In case of funded plans, the company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligation.

**ASSET VOLATILITY**

In general, the company's funded plans are invested in a combination of equities and bonds, generating high but volatile returns from equities and at the same time stable and liability-matching returns from bonds. As the plans mature, the company usually reduces the level of investment risk by investing more in assets that better match the liabilities. Since 2015, the company started the implementation of a pension de-risking strategy to reduce the risk profile of certain plans by reducing gradually the current exposure to equities and shifting those assets to fixed income securities.



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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PFL-1837 14.4.13.0	ADG vijas2dc	18-Mar-2021 02:46 EST	<b>106470 FIN 55</b>	7*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C

**CHANGES IN BOND YIELDS**

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

**INFLATION RISK**

Some of the company's pension obligations, mainly in the UK, are linked to inflation, and higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation could potentially increase the company's net benefit obligation.

**LIFE EXPECTANCY**

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The weighted average duration of the defined benefit obligation in 2020 is 13.9 years (2019: 13.8 years).

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Million US dollar	2020		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	(552)	607
Price inflation	0.5%	211	(214)
Future salary increase	0.5%	36	(33)
Medical cost trend rate	1%	38	(33)
Longevity	One year	283	(280)

The above are purely hypothetical changes in individual assumptions holding all other assumptions constant: economic conditions and changes therein will often affect multiple assumptions at the same time and the effects of changes in key assumptions are not linear.

Sensitivities are reasonably possible changes in assumptions, and they are calculated using the same approach as was used to determine the defined benefit obligation. Therefore, the above information is not necessarily a reasonable representation of future results.

The fair value of plan assets at 31 December consists of the following:

Million US dollar	2020			2019		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Government bonds	33%	—	33%	33%	—	33%
Corporate bonds	34%	—	34%	35%	—	35%
Equity instruments	25%	—	25%	23%	—	23%
Property	—	3%	3%	—	4%	4%
Insurance contracts and others	3%	2%	5%	4%	1%	5%
	<b>95%</b>	<b>5%</b>	<b>100%</b>	<b>95%</b>	<b>5%</b>	<b>100%</b>

AB InBev expects to contribute approximately 289m US dollar for its funded defined benefit plans and 74m US dollar in benefit payments to its unfunded defined benefit plans and post-retirement medical plans in 2021.



## 26. Share-based payments<sup>1</sup>

Different share and share option programs allow company senior management and members of the board of directors to receive or acquire shares of AB InBev, Ambev or Budweiser APAC. AB InBev has three primary share-based compensation plans, the share-based compensation plan (“Share-Based Compensation Plan”), the long-term restricted stock unit plan for directors (“Restricted Stock Units Plan for Directors”), and the long-term incentive plan for executives (“LTI Plan Executives”). For all option plans, the fair value of share-based payment compensation is estimated at grant date, using a binomial Hull model, modified to reflect the IFRS 2 *Share-based Payment* requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option. All the company share-based payment plans are equity-settled.

Share-based payment transactions resulted in a total expense of 169m US dollar for 2020, as compared to 340m US dollar for 2019 and 353m US dollar for 2018. As a result of the COVID-19 pandemic, the company reversed accrued cost for performance-related LTIs for which the conditions will not be met.

### AB INBEV SHARE-BASED COMPENSATION PROGRAMS

#### Share-Based Compensation Plan for Executives

As from 1 January 2010, the structure of the Share-Based Compensation Plan for certain executives in the general headquarters, has been modified. From 1 January 2011 onwards, the new plan structure applies to all other senior management. Under this plan, members of the Executive Committee and other senior employees receive their bonus in cash but have the choice to invest some or all of the value of their bonus in AB InBev shares with a five-year lock-up period, referred to as bonus shares. With respect to bonuses for the financial year 2020 onwards, half of the bonus shares will be subject to a lock-up period of three years and the other half to a lock-up period of 5 years. This voluntary investment of the bonus in AB InBev shares leads to a 10% discount to the market price of the shares. With respect to bonuses for the financial year 2020 onwards, the discount will amount to maximum 20%. The company also matches such voluntary investment by granting three matching shares for each bonus share voluntarily invested in, up to a limited total percentage of each participant’s bonus. The percentage of the variable compensation that is entitled to get matching shares varies depending on the position of the executive. The matching is based on the gross amount of the variable compensation invested. The discount shares and matching shares are granted in the form of restricted stock units which have a five-year vesting period. With respect to bonuses for the financial year 2020 onwards, the restricted stock units will be subject to a vesting period of three years for half of them and five years for the other half. Additionally, the holders of the restricted stock units may be entitled to receive from AB InBev additional restricted stock units equal to the dividends declared since the restricted stock units were granted.

In 2020, AB InBev issued 0.2m of matching restricted stock units in relation to bonuses granted to company employees and management (2019: 1.6m of matching restricted stock units). These matching restricted stock units are valued at the share price as of the grant date, represent a fair value of approximately 9m US dollar and cliff vest after five years (2019: 153m US dollar).

#### Restricted Stock Units Plan for Directors

Since the annual shareholder meeting of 24 April 2019, the share-based portion of the remuneration of the directors of the company has been granted in the form of restricted stock units and will no longer be granted in the form of stock options as was previously the case. Such restricted stock units vest after 5 years and, upon vesting, entitle their holders to one AB InBev share per restricted stock unit.

During 2020, 0.1m restricted stock units with an estimated fair value of 4m US dollar were granted to directors (2019: 0.1m with an estimated fair value of 4m US dollar).

#### Annual and Exceptional LTI Plans for Executives

As from 1 July 2009, senior employees are eligible for an annual long-term incentive to be paid out in LTI stock options (or, in the future, similar share-based instruments), depending on management’s assessment of the employee’s performance and future potential.

In 2020, AB InBev issued 38.1m LTI stock options with an estimated fair value of 287m US dollar (2019: 8.1m LTI stock options with an estimated fair value of 91m US dollar) as an exceptional long-term retention incentive. Out of these stock options, 3.6m stock options were granted to members of the Executive Committee (2019: 0.4m stock options).

As from 1 December 2020, under a sub-plan of the company’s new base long-term Restricted Stock Units program, senior employees are eligible for an annual long-term incentive paid out in Restricted Stock Units, depending on management’s assessment of the employee’s performance and future potential. Half of the Restricted Stock Units cliff vest over a three-year period and the other half cliff vest over a five-year period. In 2020, AB InBev issued 1.7m Restricted Stock Units with an estimated fair value of 116m US dollar under this plan (2019: nil). Out of these Restricted Stock Units, 0.1m Restricted Stock Units were granted to members of the Executive Committee (2019: nil).

#### Recurring LTI Restricted Stock Units Plans for Executives

AB InBev has specific recurring long-term Restricted Stock Units incentive programs in place, including:





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- A program allowing for the offer of restricted stock units to certain members of senior management in certain specific circumstances, e.g. as a special retention incentive or to compensate for assignments of expatriates in countries with difficult living conditions. The restricted stock units vest after five years and in the event that an employee's service is terminated before the vesting date, special forfeiture rules apply. In 2020, 7m restricted stock units with an estimated fair value of 307m US dollar were granted under these programs (2019: 0.9m restricted stock units with an estimated fair value of 74m US dollar). Out of these, 0.8m restricted stock units were granted to members of the Executive Committee (2019: nil).
- A program allowing for the exceptional offer of restricted stock units to certain members of senior management in order to provide a long-term retention incentive for key employees of the company. Members of senior management eligible to receive a grant under this program receive two series of restricted stock units, with the first series of the restricted stock units vesting after five years, and the second series vesting after ten years. Alternatively, under this program, the restricted stock units may be granted with a shorter vesting period of 2.5 to 3 years for the first series and 5 years for the second series of the restricted

<sup>1</sup> Amounts have been converted to US dollar at the average rate of the period, unless otherwise indicated.



stock units. In the event that an employee's service is terminated before the vesting date, special forfeiture rules apply. As at 2017, instead of restricted stock units, stock options may be granted under the program with similar vesting and forfeiture rules. Each option gives the grantee the right to purchase one existing AB InBev share. In 2020, no restricted stock units nor stock options were granted (2019: 0.1m stock options with an estimated fair value of 2m US dollar).

- A program allowing for certain employees to purchase company shares at a discount and that is aimed at providing 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) newly hired employees. The voluntary investment in company shares leads to the grant of an amount of matching restricted stock units or stock options which vest after 5 years. In the event that an employee's service is terminated before the vesting date, special forfeiture rules apply. In 2020, employees purchased 0.1m shares under this program for the equivalent of 1m US dollar (2019: 0.1m shares for the equivalent of 1m US dollar).
- A program allowing for the offer of performance-based Restricted Stock Units (Performance RSUs) to certain members of the company's senior management. Upon vesting, each Performance RSU gives the executive the right to receive one existing AB InBev share. The Performance RSUs can have a vesting period of five or ten years. The shares resulting from the vesting of the Performance RSUs will only be delivered provided a performance test is met by the company. Forfeiture rules apply if the employee leaves the company before the vesting date or if the performance test is not achieved by a certain date. These Performance RSUs are subject to an organic EBITDA compounded annual growth rate target set by the Board. Other performance test criteria may be used for future grants, but they will remain in line with the company's high-performance culture and the creation of long-term sustainable value for its shareholders. In 2020, no restricted stock units were granted under this program (2019: nil).
- A series of sub-plans under the Company's new base long-term Restricted Stock Units program allowing for the offer of Restricted Stock Units to certain members of the company's senior management in certain specific circumstances, e.g. as a special retention incentive or to compensate for assignments of expatriates in certain limited countries. This program was created in 2020 and will replace the programs listed under items 1 and 2 above for the purposes of grants made as from 1 December 2020. Under this new program, Restricted Stock Units can be granted under sub-plans with specific terms and conditions and for specific purposes. The Restricted Stock Units in principle vest after five years without a performance test and in the event of termination of service before the vesting date, forfeiture rules apply. The Board may set shorter or longer vesting periods for specific sub-plans or introduce performance tests similar to those described under the program above. In 2020, 1.7m restricted stock units with an estimated fair value of 120m US dollar were granted under this program (2019: nil). No restricted stock units were granted to members of the Executive Committee (2019: nil).

#### Performance related incentive plan for ZX Ventures

In 2016, the company implemented a new performance related incentive plan which substitutes the long-term incentive stock option plan for executives of ZX Ventures. ZX Ventures is our global growth and innovation group whose mandate is to invest in, incubate and develop new products and businesses that address emerging consumer needs.

In 2020, 1.2m performance units were granted to senior management of ZX Ventures (2019: 3.8m performance units). The value of the performance units will depend on the return of ZX Ventures.

These units vest after 5 years provided that a performance test is met. Specific forfeiture rules apply in the event that the executive leaves the company.

#### Other programs

In order to maintain the consistency of benefits granted to executives and to encourage the international mobility of executives, an option exchange program can be executed whereby unvested options are exchanged for restricted shares that remain locked-up until 5 years after the end of the initial vesting period. The shares that result from the exercise of the options must in principle remain locked-up until 31 December 2023. In 2020, no options were exchanged for ordinary blocked shares (2019: nil).

The Board has also approved the early release of vesting conditions of unvested stock options or restricted stock units that are vesting within 6 months of the executives' relocation. The shares that result from the early exercise of the options or the early vesting of the restricted stock units must remain blocked until the end of the initial vesting period. In 2020, 0.1m restricted stock units were accelerated under this program for members of the senior management (2019: 0.1m stock options and restricted stock units).

The weighted average fair value of the options and assumptions used in applying the AB InBev option pricing model for the 2020, 2019 and 2018 grants of awards described above are as follows:

Amounts in US dollar unless otherwise indicated	2020	2019	2018
Fair value of options granted	7.54	11.79	16.92
Share price	46.35	78.46	98.66
Exercise price	46.35	78.46	98.66
Expected volatility	25%	23%	23%
Expected dividends	3.00%	3.00%	3.00%
Risk-free interest rate	-0.32%	0.43%	0.39%



Expected volatility is based on historical volatility calculated over a 10-year period. The binomial Hull model assumes that all employees would immediately exercise their options if the AB InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.



The total number of outstanding AB InBev options developed as follows:

Million options	2020	2019	2018
Options outstanding at 1 January	88.7	92.6	93.0
Options issued during the year	38.1	13.8	5.2
Options exercised during the year	(3.9)	(10.7)	(1.7)
Options forfeited during the year	(9.0)	(7.0)	(4.0)
<b>Options outstanding at the end of December</b>	<b>113.3</b>	<b>88.7</b>	<b>92.6</b>

The range of exercise prices of the outstanding options is between 10.32 euro (12.66 US dollar)<sup>1</sup> and 121.95 euro (149.64 US dollar) while the weighted average remaining contractual life is 7.38 years.

Out of the 113.3m outstanding options, 21.8m are vested at 31 December 2020.

The weighted average exercise price of the AB InBev options is as follows:

Amounts in US dollar	2020	2019	2018
Options outstanding at 1 January	79.66	94.74	98.32
Granted during the year	53.41	83.33	104.77
Exercised during the year	29.92	29.27	44.96
Forfeited during the year	117.82	108.44	113.19
Outstanding at the end of December	71.22	79.66	94.74
Exercisable at the end of December	99.54	65.33	21.40

For share options exercised during 2020, the weighted average share price at the date of exercise was 45.23 euro (55.51 US dollar)<sup>1</sup>.

The total number of outstanding AB InBev restricted stock units developed as follows:

Million restricted stock units	2020	2019	2018
Restricted stock units outstanding at 1 January	9.9	6.0	5.4
Restricted stock units issued during the year	10.9	5.5	2.3
Restricted stock units exercised during the year	(0.7)	(1.0)	(0.5)
Restricted stock units forfeited during the year	(0.9)	(0.7)	(1.2)
<b>Restricted stock units outstanding at the end of December</b>	<b>19.1</b>	<b>9.9</b>	<b>6.0</b>

### AMBEV SHARE-BASED COMPENSATION PROGRAMS

Since 2005, Ambev has had in place a plan which is substantially similar to the Share-based compensation plan under which bonuses granted to company employees and management are partially settled in shares. Under the Share-based compensation plan, Ambev issued 0.2m deferred stock units with an estimated fair value of 1m US dollar in 2020 (2019: 0.2m deferred stock units with an estimated fair value of 1m US dollar).

Since 2018, Ambev has had in place a plan which is substantially similar to the Share-based compensation plan under which bonuses granted to company employees and management are partially settled in shares. Under the Share-based compensation plan, Ambev issued 21.1m restricted stock units in 2020 with an estimated fair value of 61m US dollar (2019: 11.8m restricted stock units with an estimated fair value of 54m US dollar).

As of 2010, senior employees are eligible for an annual long-term incentive to be paid out in Ambev LTI stock options (or, in the future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential. In 2020, Ambev granted 22 thousand LTI stock options (2019: 24.6m LTI stock options with an estimated fair value of 28m US dollar).

The weighted fair value of the options and assumptions used in applying a binomial option pricing model for the 2020 Ambev grants are as follows:

Amounts in US dollar unless otherwise indicated <sup>1</sup>	2020	2019	2018
Fair value of options granted	0.78	1.12	1.47
Share price	3.47	4.38	4.66
Exercise price	3.47	4.38	4.66
Expected volatility	22%	24%	26%
Expected dividends	0.00% - 5.00%	0.00% - 5.00%	0.00% - 5.00%
Risk-free interest rate	6.8%	7.8%	9.6%

<sup>1</sup> Amounts have been converted to US dollar at the closing rate of the respective period.



The total number of outstanding Ambev options developed as follows:

Million options	2020	2019	2018
Options outstanding at 1 January	141.8	141.3	135.2
Options issued during the year	—	24.6	19.9
Options exercised during the year	(5.7)	(7.8)	(10.0)
Options forfeited during the year	(8.8)	(16.3)	(3.8)
<b>Options outstanding at the end of December</b>	<b>127.3</b>	<b>141.8</b>	<b>141.3</b>

The range of exercise prices of the outstanding options is between 11.97 Brazilian real (2.30 US dollar) and 43.95 Brazilian real (8.46 US dollar) while the weighted average remaining contractual life is 6.43 years.

Of the 127.3m outstanding options 36.5m options are vested at 31 December 2020.

The weighted average exercise price of the Ambev options is as follows:

Amounts in US dollar	2020	2019	2018
Options outstanding at 1 January	4.60	4.17	3.94
Granted during the year	3.47	4.48	4.66
Exercised during the year	1.60	2.25	1.93
Forfeited during the year	4.42	5.27	4.79
Outstanding at the end of December	3.81	4.60	4.17
Exercisable at the end of December	4.56	4.74	0.58

For share options exercised during 2020, the weighted average share price at the date of exercise was 15.23 Brazilian real (2.93 US dollar).

The total number of outstanding Ambev deferred and restricted stock units developed as follows:

Million restricted stock units	2020	2019	2018
Restricted stock units outstanding at 1 January	31.7	25.0	16.3
Restricted stock units issued during the year	21.3	12.0	13.5
Restricted stock units vested during the year	(1.9)	(4.2)	(3.7)
Restricted stock units forfeited during the year	(1.5)	(1.1)	(1.1)
<b>Restricted stock units outstanding at the end of December</b>	<b>49.6</b>	<b>31.7</b>	<b>25.0</b>

Additionally, as a means of creating a long term incentive (wealth incentive) for certain senior employees and members of management considered as having “high potential”, share appreciation rights in the form of phantom stocks have been granted to those employees, pursuant to which the beneficiary shall receive two separate lots – Lot A and Lot B – subject to lockup periods of five and ten years, respectively. In 2020, Ambev did not issue any share appreciation rights.

During 2020, a limited number of Ambev shareholders who are part of the senior management of AB InBev were given the opportunity to exchange Ambev shares against a total of 0.1m AB InBev shares (2019: 0.1m AB InBev shares) at a discount of 16.66% provided that they stay in service for another five years. The fair value of this transaction amounts to approximately 1m US dollar (2019: 1m US dollar) and is expensed over the five years’ service period. The fair values of the Ambev and AB InBev shares were determined based on the market price.

## BUDWEISER APAC SHARE-BASED COMPENSATION PROGRAM

### LTI Stock Option Plans for Executives

In December 2019, Budweiser APAC set up a new long-term incentive plan in which certain employees are eligible for an annual grant to be paid out in Budweiser APAC stock options (or, in the future, similar share-based instruments), depending on management’s assessment of the employee’s performance and future potential. In 2020, Budweiser APAC granted 69.7m stock options with an estimated fair value of 52m US dollar (2019: 9.0m LTI stock options with an estimated fair value of 10m US dollar).

### Discretionary Restricted Stock Units Plan

In December 2019, Budweiser APAC set up a new discretionary restricted stock units plan which allows for the offer of restricted stock units to certain employees in certain specific circumstances, at the discretion of the Board, e.g. as a special retention incentive. The restricted stock units vest after three to five years and in the event that an employee’s service is terminated before the vesting date, special forfeiture rules apply. In 2020, 29.7m restricted stock units with an estimated fair value of 84m US dollar were granted under this program to a selected number of employees (2019: 4.0m restricted stock units with an estimated fair value of 13m US dollar).

### Share-Based Compensation Plan



In March 2020, Budweiser APAC set up a program allowing for certain employees to invest some or all of their variable compensation in Budweiser APAC shares (Voluntary Shares). As an additional reward, employees who invest in Voluntary Shares also receive a company shares match of three matching shares for each Voluntary Share invested up to a limited total percentage of each employee's variable compensation. During 2020, Budweiser APAC issued 0.2m matching restricted stock units in relation to bonuses granted to Budweiser APAC employees. These matching restricted stock units are valued at the share price at the day of grant representing a fair value of approximately 1m US dollar and cliff vest after five years.



**People Bet Plan**

In March 2020, Budweiser APAC set up a program allowing for certain employees to purchase Budweiser APAC shares at a discount which is aimed at providing a long-term retention incentive for high-potential employees of the company, who are at a mid-manager level (“People bet share purchase program”). The voluntary investment in company shares leads to the grant of an amount of matching restricted stock units which vest after 5 years. In the event that an employee’s service is terminated before the vesting date, special forfeiture rules apply. In 2020, 0.6m restricted stock units with an estimated fair value of 2m US dollar were granted under this program to a selected number of Budweiser APAC employees.

**New Restricted Stock Units Plan**

In November 2020, Budweiser APAC set up a new restricted stock units plan which allows for the offer of restricted stock units to certain eligible employees in certain specific circumstances, at the discretion of the Board, e.g. as a long term incentive. The vesting period of the restricted stock units is in principle five years without a performance test and in the event of termination of service before the vesting date, forfeiture rules apply. The Board may set shorter or longer periods for specific grants or introduce performance tests similar to other programs in the company. During the year ended 31 December 2020, 6.8m restricted stock units with an estimated fair value of 23m US dollar were granted under this program to a selected number of employees (2019: nil).

**27. Provisions**

Million US dollar	Restructuring	Disputes	Other	Total
<b>Balance at 1 January 2020</b>	<b>103</b>	<b>436</b>	<b>372</b>	<b>911</b>
Effect of movements in foreign exchange	8	(40)	(24)	(56)
Provisions made	55	102	107	264
Provisions used	(54)	(80)	(91)	(225)
Provisions reversed	(7)	(24)	(1)	(32)
Other movements	(1)	95	(193)	(99)
<b>Balance at 31 December 2020</b>	<b>104</b>	<b>489</b>	<b>170</b>	<b>763</b>

Million US dollar	Restructuring	Disputes	Other	Total
<b>Balance at 1 January 2019</b>	<b>130</b>	<b>1 077</b>	<b>711</b>	<b>1 918</b>
Effect of movements in foreign exchange	(2)	(13)	—	(15)
Provisions made	69	234	2	305
Provisions used	(78)	(128)	(293)	(499)
Provisions reversed	(16)	(92)	(38)	(146)
Other movements	—	(642)	(10)	(552)
<b>Balance at 31 December 2019</b>	<b>103</b>	<b>436</b>	<b>372</b>	<b>911</b>

The restructuring provisions are primarily explained by the organizational alignments - see also Note 8 *Exceptional items*. Provisions for disputes mainly relate to various disputed taxes other than income taxes and to claims from former employees.

In 2016, the European Commission announced an investigation into the alleged abuse of a dominant position by AB InBev in Belgium through certain practices aimed at restricting trade from other European Union member states to Belgium. In connection with these ongoing proceedings, AB InBev recognized a provision of 230m US dollar in 2018. On 13 May 2019, the European Commission announced that it had fined AB InBev a total of 200m euro (226m US dollar) for breaching EU antitrust rules. The fine was paid in August 2019.

Effective 1 January 2019, AB InBev adopted IFRIC 23 *Uncertainty over Income Tax Treatments* and has elected to apply IFRIC 23 retrospectively. The cumulative effect of the interpretation was recognized at the date of initial application and the company has not restated comparative periods in the year of initial application. AB InBev reviewed the income tax treatments in order to determine whether the interpretation could have an impact on the consolidated financial statements. In that respect, as at 31 December 2019, the company reclassified 573m US dollar of its existing income tax provisions into income tax liabilities, consistently with the discussions held at the IFRS Interpretation Committee, which concluded that an entity is required to present assets and liabilities for uncertain tax treatments as current tax assets/liabilities or deferred tax assets/liabilities.

The provisions are expected to be settled within the following time windows:

Million US dollar	Total	< 1 year	1-2 years	2-5 years	> 5 years
<b>Restructuring</b>	<b>104</b>	<b>54</b>	<b>15</b>	<b>14</b>	<b>21</b>
Indirect taxes	109	8	55	1	45
Labor	125	15	26	74	10
Commercial	31	9	14	6	2
Environmental	5	5	—	—	—
Excise duties	24	—	17	7	—
Other disputes	<b>195</b>	<b>46</b>	<b>134</b>	<b>15</b>	<b>—</b>
<b>Disputes</b>	<b>489</b>	<b>83</b>	<b>246</b>	<b>103</b>	<b>57</b>
<b>Other provisions</b>	<b>170</b>	<b>82</b>	<b>84</b>	<b>4</b>	<b>—</b>
<b>Total provisions</b>	<b>763</b>	<b>219</b>	<b>345</b>	<b>121</b>	<b>78</b>





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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PFL-1837 14.4.13.0	ADG vijas2dc	18-Mar-2021 02:47 EST	<b>106470 FIN 61</b>	8*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C



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AB InBev is subject to the greenhouse gas emission allowance trading scheme in force in the European Union and a similar scheme in South Korea. Acquired emission allowances are recognized at cost as intangible assets. To the extent that it is expected that the number of allowances needed to settle the CO<sub>2</sub> emissions exceeds the number of emission allowances owned, a provision is recognized. Such provision is measured at the estimated amount of the expenditure required to settle the obligation.

## 28. Trade and other payables

Million US dollar	31 December 2020	31 December 2019
Indirect taxes payable	252	174
Trade payables	98	237
Deferred consideration on acquisitions	1 082	1 418
Other payables	90	113
<b>Non-current trade and other payables</b>	<b>1 522</b>	<b>1 943</b>
Trade payables and accrued expenses	15 898	15 876
Payroll and social security payables	800	736
Indirect taxes payable	2 629	2 708
Interest payable	1 625	1 679
Consigned packaging	1 010	1 106
Dividends payable	427	338
Deferred income	27	21
Deferred consideration on acquisitions	301	221
Other payables	249	179
<b>Current trade and other payables</b>	<b>22 965</b>	<b>22 864</b>

As at 31 December 2020, deferred consideration on acquisitions is mainly comprised of 0.7 billion US dollar for the put option included in the 2012 shareholders' agreement between Ambev and ELJ, which may result in Ambev acquiring additional shares in Cervecería Nacional Dominicana S.A. ("CND") (31 December 2019: 0.7 billion US dollar). The terms of the shareholders' agreement were amended as described in Note 29 *Risk arising from financial instruments*.

**29. Risks arising from financial instruments****FINANCIAL ASSETS AND FINANCIAL LIABILITIES**Set out below is an overview of financial assets<sup>1</sup> held by the company as at the dates indicated:

Million US dollar	31 December 2020				31 December 2019			
	At amortized cost	At fair value through profit or loss	At fair value through OCI	Total	At amortized cost	At fair value through profit or loss	At fair value through OCI	Total
Trade and other receivables	4 493	—	—	4 493	5 444	—	—	5 444
Unquoted debt (debt instruments)	22	—	—	22	25	—	—	25
Quoted debt (debt instruments)	—	396	—	396	—	91	—	91
Unquoted companies (equity instruments)	—	—	115	115	—	—	85	85
<b>Derivatives not designated in hedge accounting relationships:</b>								
Equity swaps	—	27	—	27	—	17	—	17
Interest rate swaps	—	45	—	45	—	18	—	18
Cross currency interest rate swaps	—	7	—	7	—	102	—	102
<b>Derivatives designated in hedge accounting relationships:</b>								
Foreign exchange forward contracts	—	—	480	480	—	—	112	112
Foreign currency futures	—	—	36	36	—	—	7	7
Interest rate swaps	—	—	35	35	—	—	—	—
Cross currency interest rate swaps	—	—	100	100	—	—	55	55
Commodities	—	—	235	235	—	—	52	52
<b>Financial assets</b>	<b>4 515</b>	<b>474</b>	<b>1 001</b>	<b>5 991</b>	<b>5 469</b>	<b>229</b>	<b>311</b>	<b>6 009</b>
Non-current	588	79	174	841	664	136	81	881
Current	3 928	396	827	5 150	4 803	93	230	5 126
Trade and other payables	20 807	—	—	20 807	21 187	—	—	21 187
<b>Interest-bearing loans and borrowings:</b>								
Secured bank loans	702	—	—	702	861	—	—	861
Unsecured bank loans	294	—	—	294	185	—	—	185
Unsecured bond issues	93 725	—	—	93 725	98 206	—	—	98 206
Unsecured other loans	83	—	—	83	97	—	—	97
Commercial paper	1 522	—	—	1 522	1 599	—	—	1 599
Bank overdrafts	5	—	—	5	68	—	—	68
Lease liabilities	2 234	—	—	2 234	2 026	—	—	2 026
<b>Derivatives not designated in hedge accounting relationships:</b>								
Equity swaps	—	5 353	—	5 353	—	3 146	—	3 146
Cross currency interest rate swaps	—	446	—	446	—	140	—	140
Other derivatives	—	321	—	321	—	156	—	156
<b>Derivatives designated in hedge accounting relationships:</b>								
Foreign exchange forward contracts	—	—	370	370	—	—	435	435
Cross currency interest rate swaps	—	—	264	264	—	—	35	35
Interest rate swaps	—	—	—	—	—	—	4	4
Commodities	—	—	26	26	—	—	97	97
Equity swaps	—	—	21	21	—	—	31	31
Other derivatives	—	—	5	5	—	—	107	107
<b>Financial liabilities</b>	<b>119 372</b>	<b>6 119</b>	<b>685</b>	<b>126 176</b>	<b>124 228</b>	<b>3 442</b>	<b>709</b>	<b>128 379</b>
Non-current	96 748	1 758	—	98 506	99 335	349	—	99 684
Current	22 623	4 361	685	27 670	24 893	3 092	709	28 696

<sup>1</sup> Cash and short-term deposits are not included in this overview.



**DERIVATIVES**

AB InBev’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest risk, commodity risk and equity risk), credit risk and liquidity risk. The company analyses each of these risks individually as well as on a combined basis and defines strategies to manage the economic impact on the company’s performance in line with its financial risk management policy.

AB InBev primarily uses the following derivative instruments: foreign currency rate agreements, exchange traded foreign currency futures, interest rate swaps and forwards, cross currency interest rate swaps (“CCIRS”), commodity swaps, exchange traded commodity futures and equity swaps.

The table below provides an overview of the notional amounts of derivatives outstanding as at the dates indicated by maturity bucket.

Million US dollar	31 December 2020					31 December 2019				
	< 1 year	1-2 years	2-3 years	3-5 years	> 5 years	< 1 year	1-2 years	2-3 years	3-5 years	> 5 years
<b>Foreign currency</b>										
Forward exchange contracts	18 505	290	—	—	—	21 216	36	—	—	—
Foreign currency futures	2 218	—	—	—	—	1 359	723	—	—	—
<b>Interest rate</b>										
Interest rate swaps	—	1 500	1 000	—	—	750	—	1 500	1 000	—
Cross currency interest rate swaps	513	5 658	1 400	1 866	789	15	513	5 445	500	668
Other interest rate derivatives	—	—	—	—	—	—	—	—	—	565
<b>Commodities</b>										
Aluminum swaps	1 184	—	—	—	—	1 411	22	—	—	—
Other commodity derivatives	644	—	—	—	—	771	20	—	—	—
<b>Equity</b>										
Equity derivatives	10 234	2 326	—	—	—	11 638	—	—	—	—

**FOREIGN CURRENCY RISK**

AB InBev is subject to foreign currency risk when contracts are denominated in a currency other than the functional currency of the entity. This includes borrowings, investments, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income. To manage foreign currency risk the company uses mainly foreign currency rate agreements, exchange traded foreign currency futures and cross currency interest rate swaps.

**FOREIGN EXCHANGE RISK ON THE DISPOSAL OF AUSTRALIAN OPERATIONS**

During 2019, AB InBev entered into derivative foreign exchange forward contracts in order to economically hedge against the exposure to changes in the US dollar against the proceeds denominated in Australian dollar. These derivatives qualified for cash flow hedge accounting under IFRS 9. As of 31 December 2019, 22m US dollar positive mark-to-market adjustment related to this hedging was recognized under cash flow hedge reserve. Upon the completion of the divestiture, the effective component of the hedge was recycled to profit or loss (discontinued operations).



**FOREIGN EXCHANGE RISK ON OPERATING ACTIVITIES**

AB InBev’s policy is to hedge operating transactions which are reasonably expected to occur (e.g. cost of goods sold and selling, general & administrative expenses) within the forecast period determined in the financial risk management policy. Operating transactions that are considered certain to occur are hedged without any time limits. Non-operating transactions (such as acquisitions and disposals of subsidiaries) are hedged as soon as they are highly probable.

The table below shows the company’s main net foreign currency positions for firm commitments and forecasted transactions for the most important currency pairs. The open positions are the result of the application of AB InBev’s risk management policy. Positive amounts indicate that the company is long (net future cash inflows) in the first currency of the currency pair while negative amounts indicate that the company is short (net future cash outflows) in the first currency of the currency pair. The second currency of the currency pairs listed is the functional currency of the related subsidiary.

Million US dollar	31 December 2020			31 December 2019		
	Total exposure	Total hedges	Open position	Total exposure	Total hedges	Open position
Euro/Canadian dollar	(9)	9	—	(52)	39	(13)
Euro/Mexican peso	(106)	102	(4)	(151)	156	5
Euro/Pound sterling	(203)	130	(73)	(126)	124	(2)
Euro/South African rand	(95)	65	(30)	(99)	95	(4)
Euro/South Korean won	(40)	38	(2)	(49)	46	(3)
Euro/US dollar	(354)	284	(70)	(409)	337	(72)
Mexican peso/Euro	(249)	146	(103)	(178)	161	(17)
Pound sterling/Euro	(35)	36	1	(39)	40	1
US dollar/Argentinian peso	(602)	543	(59)	(531)	510	(21)
US dollar/Australian dollar	—	—	—	(216)	204	(12)
US dollar/Bolivian boliviano	(64)	56	(8)	(69)	70	1
US dollar/Brazilian real	(1 573)	1 577	4	(1 443)	1 447	4
US dollar/Canadian dollar	(302)	194	(108)	(287)	295	8
US dollar/Chilean peso	(151)	129	(22)	(109)	102	(7)
US dollar/Chinese yuan	(171)	201	30	(230)	191	(39)
US dollar/Colombian peso	(359)	352	(7)	(278)	272	(6)
US dollar/Euro	(98)	96	(2)	(108)	113	5
US dollar/Mexican peso	(1 032)	995	(37)	(1 105)	903	(202)
US dollar/Paraguayan guarani	(132)	125	(7)	(124)	130	6
US dollar/Peruvian nuevo sol	(225)	168	(57)	(243)	205	(38)
US dollar/South African rand	(130)	116	(14)	(28)	31	3
US dollar/South Korean won	(71)	70	(1)	(88)	99	11
US dollar/Uruguayan peso	(40)	39	(1)	(41)	41	—
Others	(260)	131	(129)	(317)	250	(67)

Further analysis on the impact of open currency exposures is performed in the currency sensitivity analysis below.

Hedges of firm commitments and highly probable forecasted transactions denominated in foreign currency are designated as cash flow hedges.

**Foreign exchange risk on foreign currency denominated debt**

It is AB InBev’s policy to have the debt in the subsidiaries as much as possible linked to the functional currency of the subsidiary. To the extent this is not the case, foreign exchange risk is managed through the use of derivatives unless the cost to hedge outweighs the benefits. Interest rate decisions and currency mix of debt and cash are decided on a global basis and take into consideration the holistic risk management approach.

A description of the foreign currency risk hedging of debt instruments issued in a currency other than the functional currency of the subsidiary is further detailed in the *Interest Rate Risk* section below.

**Currency sensitivity analysis****Currency transactional risk**

Most of AB InBev's non-derivative financial instruments are either denominated in the functional currency of the subsidiary or are converted into the functional currency through the use of derivatives. Where illiquidity in the local market prevents hedging at a reasonable cost, the company can have open positions. The transactional foreign currency risk mainly arises from open positions in Mexican peso, Canadian dollar, Argentinean peso and Pound sterling against the US dollar and the euro. AB InBev estimated the reasonably possible change of exchange rate, on the basis of the average volatility on the open currency pairs, as follows:

	2020		
	Closing rate 31 December 2020	Possible closing rate <sup>1</sup>	Volatility of rates in %
Euro/Mexican peso	24.48	19.38 - 29.58	20.83%
Euro/Pound sterling	0.90	0.82 - 0.98	9.09%
Euro/South Korean won	1 335.11	1 218.41 - 1 451.81	8.74%
Euro/US dollar	1.23	1.13 - 1.32	7.75%
Pound sterling/US dollar	1.36	1.22 - 1.51	10.79%
US dollar/Argentinian peso	84.14	74.55 - 93.73	11.40%
US dollar/Brazilian real	5.20	4.13 - 6.26	20.51%
US dollar/Chinese yuan	6.54	6.25 - 6.82	4.34%
US dollar/Colombian peso	3 438.52	2 908.55 - 3 968.50	15.41%
US dollar/Euro	0.81	0.75 - 0.88	7.75%
US dollar/Mexican peso	19.95	16.19 - 23.71	18.83%
US dollar/Nigerian naira	397.72	345.23 - 450.21	13.20%
US dollar/Peruvian nuevo sol	3.62	3.37 - 3.87	6.95%
US dollar/South African rand	14.69	12.19 - 17.18	16.99%
US dollar/South Korean won	1 088.02	1 000.21 - 1 175.84	8.07%
US dollar/Tanzanian shilling	2 321.74	2 205.30 - 2 438.18	5.02%
US dollar/Zambian kwacha	21.16	18.44 - 23.89	12.89%

	2019		
	Closing rate 31 December 2019	Possible closing rate <sup>2</sup>	Volatility of rates in %
Euro/Mexican peso	21.17	19.28 - 23.06	8.92%
Euro/Pound sterling	0.85	0.79 - 0.91	7.35%
Euro/South Korean won	1 297.02	1 216.94 - 1 377.1	6.17%
Euro/US dollar	1.12	1.07 - 1.18	4.69%
Pound sterling/US dollar	1.32	1.21 - 1.43	8.08%
US dollar/Australian dollar	1.42	1.33 - 1.52	6.70%
US dollar/Argentinian peso	59.89	45.55 - 74.23	23.94%
US dollar/Brazilian real	4.03	3.54 - 4.52	12.23%
US dollar/Chinese yuan	6.96	6.62 - 7.30	4.86%
US dollar/Colombian peso	3 272.63	2 935.33 - 3 609.92	10.31%
US dollar/Euro	0.89	0.85 - 0.93	4.69%
US dollar/Mexican peso	18.85	17.25 - 20.44	8.48%
US dollar/Nigerian naira	362.59	350.58 - 374.60	3.31%
US dollar/Peruvian nuevo sol	3.32	3.17 - 3.47	4.50%
US dollar/South African rand	14.04	12.26 - 15.83	12.74%
US dollar/South Korean won	1 154.55	1 064.67 - 1 244.42	7.78%
US dollar/Tanzanian shilling	2 300.14	2 186.57 - 2 413.71	4.94%
US dollar/Zambian kwacha	14.02	11.24 - 16.81	19.85%

In case the open positions in Mexican peso, Canadian dollar, Argentinean peso and Pound sterling as of 31 December 2020 remain unchanged, considering the volatility mentioned above and all other variables held constant, these currencies could lead to an increase/decrease on the consolidated profit before tax from continuing operations of approximately 30m US dollar over the next 12 months (31 December 2019: 22m US dollar; 31 December 2018: 42m US dollar).

Additionally, the AB InBev sensitivity analysis<sup>1</sup> to the foreign exchange rates on its total derivatives positions as of 31 December 2020, shows a positive/negative pre-tax impact on equity reserves of 850m US dollar (31 December 2019: 548m US dollar; 31 December 2018: 587m US dollar).

**Foreign exchange risk on net investments in foreign operations**

AB InBev mitigates exposures of its investments in foreign operations using both derivative and non-derivative financial instruments as hedging instruments.



As of 31 December 2020, designated derivative and non-derivative financial instruments in net investment hedges amount to 9 691m US dollar equivalent (31 December 2019: 15 522m US dollar) in Holding companies and approximately 671m US dollar equivalent at Ambev level (31 December 2019: 732m US dollar). These instruments hedge foreign operations with Canadian dollar, Chinese yuan, Dominican peso, euro, Mexican peso, pound sterling, South African rand, South Korean won, Nigerian Naira and US dollar functional currencies.

<sup>1</sup> Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2020.  
<sup>2</sup> Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2019.



**Net foreign exchange results**

Foreign exchange results recognized on unhedged and hedged exposures are as follows:

Million US dollar	2020	2019	2018 restated
Economic hedges	(181)	6	(210)
Other results - not hedged	195	(186)	230
	<b>43</b>	<b>(180)</b>	<b>19</b>

**INTEREST RATE RISK**

The company applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. The purpose of AB InBev's policy is to achieve an optimal balance between the cost of funding and the volatility of financial results, while taking into account market conditions as well as AB InBev's overall business strategy.

**Fair value hedges****US dollar fixed rate bond hedges (interest rate risk on borrowings in US dollar)**

The company manages and reduces the impact of changes in the US dollar interest rates on the fair value of certain fixed rate bonds with an aggregate principal amount of 1.0 billion US dollar through fixed/floating interest rate swaps. These derivative instruments have been designated in fair value hedge accounting relationships.

**Cash flow hedges****Pound sterling bond hedges (foreign currency risk and interest rate risk on borrowings in pound sterling)**

In September 2013, the company issued a pound sterling bond for 500m pound sterling at a rate of 4.00% per year and maturing in September 2025. The impact of changes in the pound sterling exchange rate and interest rate on this bond is managed and reduced through pound sterling fixed/euro fixed cross currency interest rate swaps. These derivative instruments have been designated in a cash flow hedge accounting.

**US dollar bank loan hedges (foreign currency risk on borrowings against the Nigerian naira)**

The company has a floating rate loan denominated in US dollar for a total of 278m in Nigeria. This loan is held by an entity with functional currency in Nigerian Naira. In order to hedge against fluctuations in foreign exchange rates, the company entered into foreign exchange futures which have been designated in cash flow hedge relationship.

**Economic Hedges****Marketable debt security hedges (interest rate risk on Brazilian real)**

During 2020, 2019 and 2018, Ambev invested in highly liquid Brazilian real denominated government debt securities.

**Interest rate sensitivity analysis**

The table below reflects the effective interest rates of interest-bearing financial liabilities at balance sheet date as well as the currency in which the debt is denominated.

31 December 2020 Interest-bearing financial liabilities Million US dollar	Before hedging		After hedging	
	Effective interest rate	Amount	Effective interest rate	Amount
<b>Floating rate</b>				
Australian dollar	0.99%	231	—	—
Brazilian real	3.90%	164	3.90%	164
Canadian dollar	—	—	1.23%	1 895
Euro	0.15%	2 690	0.15%	2 690
Pound sterling	—	—	1.10%	937
US dollar	1.05%	617	1.13%	201
Other	7.30%	260	7.90%	573
		<b>3 962</b>		<b>6 461</b>
<b>Fixed rate</b>				
Australian dollar	3.91%	846	—	—
Brazilian real	8.58%	578	8.58%	578
Canadian dollar	4.12%	613	4.29%	2 646
Euro	2.12%	26 092	2.15%	35 515
Pound sterling	4.30%	3 655	4.36%	2 973
South Korean won	—	—	1.30%	1 997
US dollar	4.91%	62 340	5.30%	47 892
Other	11.96%	479	11.72%	502
		<b>94 602</b>		<b>92 103</b>
31 December 2019 Interest-bearing financial liabilities Million US dollar	Before hedging		After hedging	
	Effective interest rate	Amount	Effective interest rate	Amount
<b>Floating rate</b>				
Australian dollar	1.87%	210	1.87%	210
Brazilian real	9.33%	43	9.33%	43
Euro	0.08%	4 214	0.08%	4 214
US dollar	2.36%	1 749	2.85%	4 269
Other	9.82%	225	4.46%	954
		<b>6 441</b>		<b>9 690</b>
<b>Fixed rate</b>				
Australian dollar	3.71%	1 647	3.71%	1 647
Brazilian real	9.00%	544	9.00%	544
Canadian dollar	3.16%	2 055	3.16%	2 055
Euro	1.82%	25 346	1.82%	29 338
Pound sterling	3.82%	4 373	3.79%	3 713
South Korean won	3.37%	15	2.46%	1 015
US dollar	4.83%	62 205	5.02%	54 551
Other	7.31%	416	6.95%	489
		<b>96 601</b>		<b>93 352</b>

As at 31 December 2020, the total carrying amount of the floating and fixed rate interest-bearing financial liabilities before hedging as listed above includes bank overdrafts of 5m US dollar (31 December 2019: 68m US dollar).



As disclosed in the above table, 6 461m US dollar or 6.6% of the company's interest-bearing financial liabilities bears interest at a variable rate. The company estimated that the reasonably possible change of the market interest rates applicable to its floating rate debt after hedging is as follows:

	2020		
	Interest rate 31 December 2020 <sup>1</sup>	Possible interest rate <sup>2</sup>	Volatility of rates in %
Brazilian real	2.09%	1.74% - 2.44%	16.77%
Euro	—	—	16.83%
US dollar	0.24%	0.10% - 0.38%	58.30%

  

	2019		
	Interest rate 31 December 2019 <sup>1</sup>	Possible interest rate <sup>2</sup>	Volatility of rates in %
Brazilian real	4.42%	3.32% - 5.52%	24.88%
Euro	—	—	6.43%
US dollar	1.91%	1.51% - 2.30%	20.66%

When AB InBev applies the reasonably possible increase/decrease in the market interest rates mentioned above on its floating rate debt at 31 December 2020, with all other variables held constant, 2020 interest expense would have been 3m US dollar higher/lower (31 December 2019: 16m US dollar; 31 December 2018: 8m US dollar). This effect would be more than offset by 58m US dollar higher/lower interest income on AB InBev's interest-bearing financial assets (31 December 2019: 22m US dollar; 31 December 2018: 60m US dollar).

### Interest expense

Interest expense recognized on unhedged and hedged financial liabilities are as follows:

Million US dollar	2020	2019	2018 restated
Financial liabilities measured at amortized cost – not hedged	(4 154)	(4 264)	(4 053)
Fair value hedges	(1)	(46)	(76)
Cash flow hedges	19	15	21
Net investment hedges - hedging instruments (interest component)	2	2	35
Economic hedges	118	124	100
	<b>(4 016)</b>	<b>(4 168)</b>	<b>(3 973)</b>

### COMMODITY PRICE RISK

The commodity markets have experienced and are expected to continue to experience price fluctuations. AB InBev therefore uses both fixed price purchasing contracts and commodity derivatives to manage the exposure to the price volatility. The most significant commodity exposures as at 31 December 2020 and 31 December 2019 are included in the table below (expressed in outstanding notional amounts):

Million US dollar	31 December 2020	31 December 2019
Aluminum swaps	1 184	1 433
Exchange traded sugar futures	74	54
Natural gas and energy derivatives	202	255
Corn swaps	160	195
Exchange traded wheat futures	83	20
Rice swaps	76	209
Plastic derivatives	50	59
	<b>1 828</b>	<b>2 224</b>

<sup>1</sup> Applicable 3-month InterBank Offered Rates as of 31 December 2020 and as of 31 December 2019.

<sup>2</sup> Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2020 and at December 2019. For the Brazilian real floating rate debt, the estimated market interest rate is composed of the InterBank Deposit Certificate ('CDI') and the Long-Term Interest Rate ('TJLP'). With regard to other market interest rates, the company's analysis is based on the 3-month InterBank Offered Rates applicable for the currencies concerned (e.g. EURIBOR 3M, LIBOR 3M). The sensitive analysis does not include any spread applicable to the company's funding.



### Commodity price sensitivity analysis

The impact of changes in the commodity prices would have an immaterial impact on AB InBev's profit in 2020 as most of the company's exposure is hedged using derivative contracts and designated in hedge accounting in accordance with IFRS 9 rules.

The tables below show the estimated impact that changes in the price of the commodities, for which AB InBev held material derivative exposures as at 31 December 2020 and 31 December 2019, would have on the equity reserves.

Million US dollar	Volatility of prices in % <sup>1</sup>	2020	
		Pre-tax impact on equity	
		Prices increase	Prices decrease
Aluminum	14.96%	177	(177)
Sugar	31.48%	23	(23)
Energy	47.08%	95	(95)
Corn	32.84%	52	(52)
Wheat	25.30%	21	(21)
Rice	46.17%	35	(35)
Plastic	26.74%	13	(13)

Million US dollar	Volatility of prices in % <sup>2</sup>	2019	
		Pre-tax impact on equity	
		Prices increase	Prices decrease
Aluminum	21.78%	312	(312)
Sugar	29.73%	16	(16)
Energy	25.86%	66	(66)
Corn	21.74%	42	(42)
Wheat	30.30%	6	(6)
Rice	22.64%	47	(47)
Plastic	24.03%	14	(14)

### EQUITY PRICE RISK

AB InBev enters into equity swap derivatives to hedge the price risk on its shares in connection with its share-based payments programs., as disclosed in Note 26 *Share-based Payments*. AB InBev also hedges its exposure arising from shares issued in connection with the Modelo and SAB combination (see also Note 11 *Finance cost and income*). These derivatives do not qualify for hedge accounting and the changes in fair value are recorded in the profit or loss.

As at 31 December 2020, an exposure for an equivalent of 100.5m of AB InBev shares was hedged, resulting in a total loss of (2 219)m US dollar recognized in the profit or loss account for the period, of which (1 211)m US dollar related to the company's share-based payment programs, (511)m US dollar and (497)m US dollar related to the Modelo and SAB transactions, respectively. As at 31 December 2020 liabilities for equity swap derivatives amounted to 5.4 billion US dollar (2019: 3.2 billion US dollar).

Between 2012 and 2018, AB InBev reset certain equity derivatives to market price with counterparties. This resulted in a net cash inflow of 2.9 billion US dollar between 2012 and 2018 and, accordingly, a decrease of counterparty risk.

### Equity price sensitivity analysis

The sensitivity analysis on the equity swap derivatives, calculated based on a 53.87% (2019: 25.20%; 2018: 22.03%) reasonably possible volatility of the AB InBev share price, with all the other variables held constant, would show 3 787m US dollar positive/negative impact on the 2020 profit before tax (2019: 2 066m US dollar; 2018: 1 345m US dollar).

### CREDIT RISK

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to AB InBev in relation to lending, hedging, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

AB InBev mitigates its exposure through a variety of mechanisms. It has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade rating. The company monitors counterparty credit exposures closely and reviews any external downgrade in credit rating immediately. To mitigate pre-settlement risk, counterparty minimum credit standards become more stringent with increases in the duration of the derivatives. To minimize the concentration of counterparty credit risk, the company enters into derivative transactions with different financial institutions.



The company also has master netting agreements with all of the financial institutions that are counterparties to over the counter (OTC) derivatives. These agreements allow for the net settlement of assets and liabilities arising from different transactions with the same counterparty. Based on these factors, AB InBev considers the impact of the risk of counterparty default as at 31 December 2020 to be limited.

The impairment loss recognized in 2020 includes AB InBev's estimate of overdue receivables the company will not be able to collect from defaulting customers as a result of the COVID-19 pandemic.

- <sup>1</sup> Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2020.
- <sup>2</sup> Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2019.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure of the company. The carrying amount is presented net of the impairment losses recognized. The maximum exposure to credit risk at the reporting date was:

Million US dollar	31 December 2020			31 December 2019		
	Gross	Impairment	Net carrying amount	Gross	Impairment	Net carrying amount
Investment in unquoted companies	121	(6)	115	92	(7)	85
Investment in debt securities	418	—	418	117	—	117
Trade receivables	3 593	(308)	3 285	4 219	(173)	4 046
Cash deposits for guarantees	184	—	184	219	—	219
Loans to customers	142	—	142	177	—	177
Other receivables	1 299	(62)	1 237	1 666	(103)	1 563
Derivatives	965	—	965	362	—	362
Cash and cash equivalents	15 252	—	15 252	7 238	—	7 238
	<b>21 974</b>	<b>(376)</b>	<b>21 598</b>	<b>14 090</b>	<b>(283)</b>	<b>13 807</b>

There was no significant concentration of credit risks with any single counterparty as of 31 December 2020 and no single customer represented more than 10% of the total revenue of the group in 2020.

**Impairment losses**

The allowance for impairment recognized during the period per classes of financial assets was as follows:

Million US dollar	2020			
	Trade receivables	FVOCI	Other receivables	Total
<b>Balance at 1 January</b>	<b>(173)</b>	<b>(6)</b>	<b>(103)</b>	<b>(283)</b>
Impairment losses	(93)	—	(6)	(99)
Derecognition	7	—	42	49
Currency translation and other	(50)	—	4	(46)
<b>Balance at 31 December</b>	<b>(308)</b>	<b>(6)</b>	<b>(62)</b>	<b>(376)</b>

  

Million US dollar	2019			
	Trade receivables	FVOCI	Other receivables	Total
<b>Balance at 1 January</b>	<b>(160)</b>	<b>(7)</b>	<b>(106)</b>	<b>(273)</b>
Impairment losses	(51)	—	(30)	(81)
Derecognition	26	—	31	57
Currency translation and other	12	—	2	14
<b>Balance at 31 December</b>	<b>(173)</b>	<b>(7)</b>	<b>(103)</b>	<b>(283)</b>

  

Million US dollar	2018			
	Trade receivables	FVOCI	Other receivables	Total
<b>Balance at 1 January</b>	<b>(194)</b>	<b>(7)</b>	<b>(117)</b>	<b>(318)</b>
Impairment losses	(40)	—	(3)	(43)
Derecognition	29	—	6	35
Currency translation and other	44	—	9	53
<b>Balance at 31 December</b>	<b>(160)</b>	<b>(7)</b>	<b>(106)</b>	<b>(273)</b>

**LIQUIDITY RISK**

Historically, AB InBev's primary sources of cash flow have been cash flows from operating activities, the issuance of debt, bank borrowings and equity securities. AB InBev's material cash requirements have included the following:

- Debt servicing;
- Capital expenditures;
- Investments in companies;
- Increases in ownership of AB InBev's subsidiaries or companies in which it holds equity investments;
- Share buyback programs; and
- Payments of dividends and interest on shareholders' equity.



The company believes that cash flows from operating activities, available cash and cash equivalents as well as short term investments, along with related derivatives and access to borrowing facilities, will be sufficient to fund capital expenditures, financial instrument liabilities and dividend payments going forward. It is the intention of the company to continue to reduce its financial indebtedness through a combination of strong operating cash flow generation and continued refinancing.



The following are the nominal contractual maturities of non-derivative financial liabilities including interest payments and derivative liabilities:

Million US dollar	31 December 2020						
	Carrying amount <sup>1</sup>	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	(702)	(735)	(675)	(14)	(12)	(10)	(24)
Commercial papers	(1 522)	(1 522)	(1 522)	—	—	—	—
Unsecured bank loans	(294)	(299)	(299)	—	—	—	—
Unsecured bond issues	(93 725)	(165 812)	(3 582)	(4 057)	(3 823)	(16 557)	(137 793)
Unsecured other loans	(83)	(115)	(13)	(8)	(6)	(57)	(31)
Lease liabilities	(2 234)	(2 455)	(460)	(425)	(315)	(424)	(831)
Bank overdraft	(5)	(5)	(5)	—	—	—	—
Trade and other payables			(22)	(1)			
	<u>(24 496)</u>	<u>(24 688)</u>	<u>906</u>	<u>103</u>	<u>(135)</u>	<u>(197)</u>	<u>(347)</u>
	<b>(123 061)</b>	<b>(195 631)</b>	<b>(29 462)</b>	<b>(5 607)</b>	<b>(4 291)</b>	<b>(17 245)</b>	<b>(139 026)</b>
<b>Derivative financial liabilities</b>							
Interest rate derivatives	—	—	—	—	—	—	—
Foreign exchange derivatives	(696)	(696)	(696)	—	—	—	—
Cross currency interest rate swaps	(709)	(852)	(8)	(575)	(98)	(132)	(39)
Commodity derivatives	(26)	(26)	(26)	—	—	—	—
Equity derivatives	(5 373)	(5 372)	(4 455)	(917)	—	—	—
				(1)			
	<u>(6 803)</u>	<u>(6 901)</u>	<u>(5 159)</u>	<u>473</u>	<u>(98)</u>	<u>(132)</u>	<u>(39)</u>
Of which: related to cash flow hedges	<b>(418)</b>	<b>(418)</b>	<b>(353)</b>	—	—	<b>(65)</b>	—

Million US dollar	31 December 2019						
	Carrying amount <sup>1</sup>	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Secured bank loans	(861)	(890)	(795)	(18)	(18)	(22)	(37)
Commercial papers	(1 599)	(1 599)	(1 599)	—	—	—	—
Unsecured bank loans	(185)	(188)	(140)	(47)	(1)	—	—
Unsecured bond issues	(98 206)	(165 424)	(5 513)	(6 415)	(6 518)	(18 605)	(128 373)
Unsecured other loans	(98)	(131)	(27)	(17)	(9)	(5)	(73)
Lease liabilities	(2 025)	(2 338)	(404)	(350)	(243)	(285)	(1 056)
Bank overdraft	(68)	(68)	(68)	—	—	—	—
Trade and other payables	(24 806)	(25 152)	(22 861)	(1 227)	(472)	(165)	(427)
	<u>(127 848)</u>	<u>(195 790)</u>	<u>(31 407)</u>	<u>(8 074)</u>	<u>(7 261)</u>	<u>(19 082)</u>	<u>(129 966)</u>
<b>Derivative financial liabilities</b>							
Interest rate derivatives	(102)	(103)	(7)	(1)	(1)	3	(97)
Foreign exchange derivatives	(600)	(600)	(600)	—	—	—	—
Cross currency interest rate swaps	(175)	(187)	75	(285)	6	75	(58)
Commodity derivatives	(97)	(97)	(97)	—	—	—	—
Equity derivatives	(3 177)	(3 177)	(3 177)	—	—	—	—
	<u>(4 151)</u>	<u>(4 164)</u>	<u>(3 806)</u>	<u>(286)</u>	<u>5</u>	<u>78</u>	<u>(155)</u>
Of which: related to cash flow hedges	<b>(448)</b>	<b>(448)</b>	<b>(408)</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>(53)</b>

<sup>1</sup> "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.





## CAPITAL MANAGEMENT

AB InBev continuously optimizes its capital structure to maximize shareholder value while keeping the financial flexibility to execute strategic projects. AB InBev's capital structure policy and framework aims to optimize shareholder value through cash flow distribution to the company from its subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below AB InBev's weighted average cost of capital. Besides the statutory minimum equity funding requirements that apply to the company's subsidiaries in the different countries, AB InBev is not subject to any externally imposed capital requirements. Management uses the same debt/equity classifications as applied in the company's IFRS reporting to analyze the capital structure.

## FAIR VALUE

The following table summarizes for each type of derivative the fair values recognized as assets or liabilities in the balance sheet:

Million US dollar	Assets		Liabilities		Net	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Foreign currency</b>						
Forward exchange contracts	480	112	(691)	(590)	(211)	(478)
Foreign currency futures	36	7	(5)	(9)	31	(2)
<b>Interest rate</b>						
Interest rate swaps	80	18	—	(6)	80	12
Cross currency interest rate swaps	107	157	(709)	(175)	(602)	(18)
Other interest rate derivatives	—	—	—	(97)	—	(97)
<b>Commodities</b>						
Aluminum swaps	170	15	(10)	(61)	160	(46)
Sugar futures	10	2	—	(2)	10	—
Wheat futures	—	14	(1)	(9)	(1)	5
Energy	9	8	(7)	(11)	2	(3)
Other commodity derivatives	46	13	(8)	(14)	38	(1)
<b>Equity</b>						
Equity derivatives	27	17	(5 373)	(3 177)	(5 346)	(3 160)
	<b>965</b>	<b>362</b>	<b>(6 804)</b>	<b>(4 151)</b>	<b>(5 839)</b>	<b>(3 789)</b>
<b>Of which:</b>						
Non-current	138	132	(1 759)	(352)	(1 621)	(220)
Current	827	230	(5 046)	(3 799)	(4 218)	(3 569)

The following table summarizes the carrying amount and the fair value of the fixed rate interest-bearing financial liabilities as recognized on the balance sheet. Floating rate interest-bearing financial liabilities, trade and other receivables and trade and other payables, including derivatives financial instruments, have been excluded from the analysis as their carrying amount is a reasonable approximation of their fair value:

Interest-bearing financial liabilities Million US dollar	31 December 2020		31 December 2019	
	Carrying amount <sup>1</sup>	Fair value	Carrying amount <sup>1</sup>	Fair value
<b>Fixed rate</b>				
Australian dollar	(846)	(964)	(1 647)	(1 748)
Brazilian real	(578)	(578)	(544)	(542)
Canadian dollar	(613)	(633)	(2 055)	(2 046)
Euro	(26 093)	(29 809)	(25 346)	(30 365)
Pound sterling	(3 655)	(4 301)	(4 373)	(4 816)
US dollar	(62 340)	(81 771)	(62 205)	(74 035)
Other	(479)	(480)	(431)	(431)
	<b>(94 604)</b>	<b>(118 536)</b>	<b>(96 601)</b>	<b>(113 983)</b>

<sup>1</sup> "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.



The table sets out the fair value hierarchy based on the degree to which significant market inputs are observable:

Fair value hierarchy 31 December 2020 Million US dollar	Quoted (unadjusted) prices - level 1	Observable market inputs - level 2	Unobservable market inputs - level 3
<b>Financial Assets</b>			
Held for trading (non-derivatives)	—	11	—
Derivatives at fair value through profit and loss	—	457	—
Derivatives in a cash flow hedge relationship	29	343	—
Derivatives in a fair value hedge relationship	—	80	—
Derivatives in a net investment hedge relationship	—	57	—
	<b>29</b>	<b>948</b>	<b>—</b>
<b>Financial Liabilities</b>			
Deferred consideration on acquisitions at fair value	—	—	1 251
Derivatives at fair value through profit and loss	—	6 119	—
Derivatives in a cash flow hedge relationship	46	353	—
Derivatives in a net investment hedge relationship	—	287	—
	<b>46</b>	<b>6 759</b>	<b>1 251</b>
<b>Fair value hierarchy 31 December 2019</b>			
Million US dollar	Quoted (unadjusted) prices - level 1	Observable market inputs - level 2	Unobservable market inputs - level 3
<b>Financial Assets</b>			
Held for trading (non-derivatives)	2	9	—
Derivatives at fair value through profit and loss	—	119	—
Derivatives in a cash flow hedge relationship	17	153	—
Derivatives in a fair value hedge relationship	—	19	—
Derivatives in a net investment hedge relationship	—	54	—
	<b>19</b>	<b>354</b>	<b>—</b>
<b>Financial Liabilities</b>			
Deferred consideration on acquisitions at fair value	—	—	1 639
Derivatives at fair value through profit and loss	—	3 441	—
Derivatives in a cash flow hedge relationship	21	586	—
Derivatives in a fair value hedge relationship	—	103	—
	<b>21</b>	<b>4 130</b>	<b>1 639</b>

### Non-derivative financial liabilities

As part of the 2012 shareholders agreement between Ambev and ELJ, following the acquisition of Cervecería Nacional Dominicana S.A. (“CND”), a forward-purchase contract (combination of a put option and purchased call option) was put in place which may result in Ambev acquiring additional shares in CND. In July 2020, Ambev and ELJ amended the Shareholders’ Agreement to extend their partnership and change the terms and the exercise date of the call and put options. ELJ currently holds 15% of CND and the put option is exercisable in 2022, 2023, 2024 and 2026. As at 31 December 2020, the put option on the remaining shares held by ELJ was valued at 671m US dollar (31 December 2019: 732m US dollar) and recognized as a deferred consideration on acquisitions at fair value in the “level 3” category above.

### HEDGING RESERVES

The company’s hedging reserves disclosed in Note 23 relate to the following instruments:

Million US dollar	Foreign currency	Commodities	Others	Total hedging reserves
<b>As per 1 January 2020</b>	<b>174</b>	<b>117</b>	<b>107</b>	<b>397</b>
Change in fair value of hedging instrument recognized in OCI	353	31	—	384
Reclassified to profit or loss / cost of inventory	(507)	126	(23)	(404)



	20	274	84	376
<b>As per 31 December 2020</b>				
				Total hedging reserves
<u>Million US dollar</u>	<u>Foreign currency</u>	<u>Commodities</u>	<u>Others</u>	<u>reserves</u>
<b>As per 1 January 2019</b>	<b>480</b>	<b>(60)</b>	<b>76</b>	<b>494</b>
Change in fair value of hedging instrument recognized in OCI	92	16	—	107
Reclassified to profit or loss / cost of inventory	(398)	162	32	(204)
<b>As per 31 December 2019</b>	<b>174</b>	<b>117</b>	<b>107</b>	<b>397</b>

**OFFSETTING FINANCIAL ASSETS AND LIABILITIES**

The following financial assets and liabilities are subject to offsetting, enforceable master netting agreements and similar agreements:

Million US dollar	31 December 2020			
	Gross amount	Net amount recognized in the statement of financial position <sup>1</sup>	Other offsetting agreements <sup>2</sup>	Total net amount
Derivative assets	965	965	(954)	11
Derivative liabilities	(6 804)	(6 804)	954	(5 851)

  

Million US dollar	31 December 2019			
	Gross amount	Net amount recognized in the statement of financial position <sup>1</sup>	Other offsetting agreements <sup>2</sup>	Total net amount
Derivative assets	362	362	(352)	10
Derivative liabilities	(4 151)	(4 151)	352	(3 799)

**30. Operating leases**

The company leases out pub real estate for an average outstanding period of 6 to 8 years and part of its own property under operating leases. The following table sets out the maturity analysis of the non-cancelable lease payments, showing the undiscounted lease payments to be received:

Million US dollar	31 December 2020	31 December 2019	31 December 2018
Within one year	157	155	152
Between one and five years	405	518	460
After five years	361	215	217
<b>Total</b>	<b>923</b>	<b>888</b>	<b>829</b>

In 2020, 107m US dollar was recognized as income in the income statement in respect of subleasing of right-of-use assets (2019: 152m US dollar; 2018: 133m US dollar).

**31. Collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other**

Million US dollar	31 December 2020	31 December 2019
Collateral given for own liabilities	391	372
Contractual commitments to purchase property, plant and equipment	528	457
Contractual commitments to acquire loans to customers	150	151
Other commitments	1 953	1 911

The collateral given for own liabilities of 391m US dollar as at 31 December 2020 contains 184m US dollar cash guarantees (31 December 2019: 372m US dollar collateral given for own liabilities contained 219m US dollar of cash guarantees). Such cash deposits are a customary feature associated with litigations in Brazil: in accordance with Brazilian laws and regulations a company may or must (depending on the circumstances) place a deposit with a bank designated by the court or provide other security such as collateral on property, plant and equipment. With regard to judicial cases, AB InBev has made the appropriate provisions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – see also Note 27 *Provisions*. In the company's balance sheet the cash guarantees are presented as part of other receivables – see Note 20 *Trade and other receivables*.

The remaining part of collateral given for own liabilities of 207m US dollar as at 31 December 2020 (31 December 2019: 153m US dollar) contains collateral on AB InBev's property in favor of the excise tax authorities, the amount of which is determined by the level of the monthly excise taxes due, inventory levels and transportation risk, and collateral on its property, plant and equipment with regard to outstanding loans. To the extent that AB InBev would not respect its obligations under the related outstanding contracts or would lose the pending judicial cases, the collateralized assets would be used to settle AB InBev's obligations.

AB InBev has entered into commitments to purchase property, plant and equipment for 528m US dollar at 31 December 2020 (31 December 2019: 457m US dollar).

<sup>1</sup> Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the offsetting criteria as per IFRS rules.

<sup>2</sup> Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the offsetting criteria as per IFRS rules.



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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PFL-1837 14.4.13.0	ADG vijas2dc	18-Mar-2021 02:48 EST	<b>106470 FIN 75</b>	8*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C

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In a limited number of countries AB InBev has committed itself to acquire loans to customers from banks at their notional amount if the customers do not respect their reimbursement commitments towards the banks. The total outstanding amount of such loans is 150m US dollar at 31 December 2020 (31 December 2019: 151m US dollar).

Other commitments amount to 1 953m US dollar at 31 December 2020 and mainly cover guarantees given to pension funds, rental and other guarantees (31 December 2019: 1 911m US dollar).

In order to fulfil AB InBev's commitments under various outstanding stock option plans, AB InBev entered into stock lending arrangements for up to 30 million of its own ordinary shares. AB InBev shall pay any dividend equivalent, after tax in respect of the loaned securities. This payment will be reported through equity as dividend. As of 31 December 2020, 30 million loaned securities were used to fulfil stock option plan commitments.

As at 31 December 2020, the M&A related commitments existed as discussed below.

### **Cervecería Nacional Dominicana S.A. ("CND")**

As part of the 2012 shareholders agreement between Ambev and E. León Jimenes S.A. ("ELJ"), following the acquisition of Cervecería Nacional Dominicana S.A. ("CND"), a put and call option is in place which may result in Ambev acquiring additional shares in CND. In January 2018 Ambev increased its participation in CND from 55% to 85%. As of 31 December 2020, the put option for the remaining shares held by ELJ was valued 0.7 billion US dollar (31 December 2019: 0.7 billion US dollar). The corresponding liability is presented as a non-current liability and recognized as a deferred consideration on acquisitions at fair value in "level 3" category. See also note 29 *Risks arising from financial instruments*.

### **Zenzele Schemes in South Africa**

Following the combination with SAB in 2016, AB InBev decided to maintain the SAB Zenzele share-scheme (Zenzele Scheme), the broad-based black economic empowerment (B-BBEE) scheme which provided opportunities for black South Africans, including employees (through The SAB Zenzele Employee Trust), SAB retailers (through SAB Zenzele Holdings Limited) and The SAB Foundation, to participate as shareholders of AB InBev's indirect subsidiary, The South African Breweries Pty Ltd (SAB). The Zenzele Scheme, originally implemented by SAB in 2010 as a 10-year scheme, was amended at the time of the combination with SAB and matured on 31 March 2020.

Obligations to the SAB Foundation and the employees as beneficiaries of The SAB Zenzele Employee Share Trust were settled in full on 15 April 2020. The obligations to SAB retailers, who participate in the Zenzele Scheme through SAB Zenzele Holdings, were partially settled (77.4%) on 15 April 2020. As a direct consequence of the COVID-19 outbreak the remaining settlement was postponed, and it is now intended that the SAB retailers will receive the balance of their entitlement (22.6%) on or before 31 May 2021, at which time AB InBev and SAB will implement the new scheme as described below.

In total, 10.8 million AB InBev Treasury shares<sup>1</sup> with a total value of 491m US dollar were used in 2020 to settle the obligations to the participants of the Zenzele Scheme. The total value delivered to the participants of the Zenzele Scheme amounted to 8.6 billion ZAR.

As part of the combination with SAB in 2016, AB InBev made a commitment to the South African Government and Competition Authorities to create a new B-BBEE scheme upon maturity of the Zenzele Scheme in 2020. In order to create the new B-BBEE scheme, the following steps will be undertaken:

- The new scheme will be implemented through the listing of a special purpose company, which will be called SAB Zenzele Kabili Holdings Limited (Zenzele Kabili) on the segment of the Johannesburg Stock Exchange's Main Board on which an issuer may list its B-BBEE shares;
- Zenzele Kabili will hold unencumbered AB InBev shares;
- Existing Zenzele participants (SAB retailers and The SAB Foundation) will be given an option to reinvest a portion of their Zenzele payout into Zenzele Kabili;
- A new Employee Share Plan, funded by AB InBev, will subscribe for shares in Zenzele Kabili.

The settlement of the balance of the SAB Retailers entitlement and the new B-BBEE scheme is estimated to require approximately 5.5 billion ZAR (0.4 billion US dollar<sup>2</sup>) in facilitation and notional vendor funding. The settlement would be equivalent to 5.4 million AB InBev shares based on the AB InBev share price and the ZAR Euro exchange rate as at 31 December 2020<sup>3</sup>. It is the intention that AB InBev Treasury shares will be used for the settlement of the new B-BBEE scheme. This scheme arrangement meets the criteria under IFRS 2 to be classified as equity settled.

<sup>1</sup> Out of which, 1.3 million shares were delivered to SAB Foundation, which is consolidated by AB InBev.

<sup>2</sup> Converted at the closing rate as at 31 December 2020.

<sup>3</sup> Assuming the closing share price of 57.01 euro per share as at 31 December 2020 and ZAR per Euro exchange rate of 18.021914 as at 31 December 2020.



### 32. Contingencies<sup>1</sup>

The company has contingencies for which, in the opinion of management and its legal counsel, the risk of loss is possible but not probable and therefore no provisions have been recorded. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions, and as a consequence AB InBev's management cannot at this stage estimate the likely timing of resolution of these matters. The most significant contingencies are discussed below.

#### AMBEV TAX MATTERS

As of 31 December 2020, AB InBev's material tax proceedings are related to Ambev and its subsidiaries. Estimates of amounts of possible loss are as follows:

Million US dollar	31 December 2020	31 December 2019
Income tax and social contribution	10 372	10 781
Value-added and excise taxes	4 483	5 514
Other taxes	727	1 018
	<b>15 582</b>	<b>17 313</b>

The most significant tax proceedings of Ambev are discussed below.

#### INCOME TAX AND SOCIAL CONTRIBUTION

##### *Foreign Earnings*

Since 2005, Ambev and certain of its subsidiaries have been receiving assessments from the Brazilian Federal Tax Authorities relating to the profits of its foreign subsidiaries. The cases are being challenged at both the administrative and judicial levels of the courts in Brazil.

The administrative proceedings have resulted in partially favorable decisions, which are still subject to review by the Administrative Court. In the judicial proceedings, Ambev has received favorable injunctions that suspend the enforceability of the tax credit, as well as favorable first level decisions, which remain subject to review by the second-level judicial court.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 7.3 billion Brazilian real (1.4 billion US dollar) and Ambev has not recorded any provisions in connection therewith as it considers the chance of loss to be possible. For proceedings where it considers the chance of loss to be probable, Ambev has recorded a provision in the total amount of 53 million Brazilian real (10 million US dollar).

##### *Goodwill InBev Holding*

In December 2011, Ambev received a tax assessment related to the goodwill amortization resulting from the InBev Holding Brasil S.A. merger with Ambev. At the administrative level, Ambev received partially favorable decisions at both the Lower and Upper Administrative Court. Ambev filed judicial proceedings to discuss the unfavorable portion of the decisions of the Lower and the Upper Administrative Court and requested injunctions to suspend the enforceability of the remaining tax credit, which were granted.

In June 2016, Ambev received a new tax assessment charging the remaining value of the goodwill amortization and filed a defense. Ambev received partially favorable decisions at the first level administrative court and Lower Administrative Court. Ambev filed a Special Appeal which was partially admitted and awaits judgment by the Upper Administrative Court. For the unfavorable portion of the decision which became final at the administrative level, Ambev filed a judicial proceeding requesting an injunction to suspend the enforceability of the remaining tax credit, which was granted.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 10.2 billion Brazilian real (2.0 billion US dollar). Ambev has not recorded any provisions for this matter. In the event Ambev is required to pay these amounts, AB InBev will reimburse the amount proportional to the benefit received by AB InBev pursuant to the merger protocol as well as the related costs.

##### *Goodwill Beverage Associate Holding (BAH)*

In October 2013, Ambev received a tax assessment related to the goodwill amortization resulting from the merger of Beverage Associates Holding Limited ("BAH") into Ambev. The decision from the first level administrative court was unfavorable to Ambev. Ambev filed an appeal to the Lower Administrative Court against the decision, which was partially granted. Ambev and the tax authorities filed Special Appeals to the Upper Administrative Court, which are awaiting judgment.

In April and August 2018, Ambev received new tax assessments charging the remaining value of the goodwill amortization and filed defenses. In April 2019, the first level administrative court rendered unfavorable decisions to Ambev. As a result thereof, Ambev appealed to the Lower Administrative Court. In November and December 2019, Ambev received partially favorable decisions at the Lower Administrative Court and filed Special Appeals to the Upper Administrative Court. The Special Appeal filed in one of the tax assessments is awaiting judgment by the Upper Administrative Court, whereas the other Special Appeal is awaiting admission.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 2.3 billion Brazilian real (0.4 billion US dollar). Ambev has not recorded any provisions for this matter as it considers the chance of loss to be possible.

##### *Goodwill CND Holdings*



In November 2017, Ambev received a tax assessment related to the goodwill amortization resulting from the merger of CND Holdings into Ambev. The decision from the first level administrative court was unfavorable to Ambev. Ambev filed an appeal to the Lower Administrative Court. In February 2020, the Lower Administrative Court rendered a partially favorable decision. Ambev and the tax authorities filed Special Appeals to the Upper Administrative Court, which are awaiting admission and judgment.

<sup>1</sup> Amounts have been converted to US dollar at the closing rate of the respective period.





The amount related to this uncertain tax position as of 31 December 2020 is approximately 1.0 billion Brazilian real (0.2 billion US dollar). Ambev has not recorded any provisions for this matter.

#### *Disallowance of financial expenses*

In 2015, 2016 and 2020, Ambev received tax assessments related to the disallowance of alleged non-deductible expenses and the deduction of certain losses mainly associated to financial investments and loans. Ambev presented defenses and, in November 2019, received a favorable decision at the first level administrative court regarding the 2016 case. The 2015 and 2020 cases are still pending decision by the first level administrative court.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 5.0 billion Brazilian real (1.0 billion US dollar). Ambev has not recorded any provisions for this matter as it considers the chance of loss to be possible.

#### *Disallowance of tax paid abroad*

Since 2014, Ambev has been receiving tax assessments from the Brazilian Federal Tax Authorities related to the disallowance of deductions associated with alleged unproven taxes paid abroad by its subsidiaries and has been filing defenses. The cases are being challenged at both the administrative and judicial levels. In November 2019, the Lower Administrative Court rendered a favorable decision to Ambev in one of the cases (related to the 2010 tax period), which became definitive.

In January 2020, the Lower Administrative Court rendered unfavorable decisions regarding four of these assessments related to the periods of 2015 and 2016. Regarding the 2015 assessments, Ambev filed Special Appeals to the Upper Administrative Court which are pending decisions. Regarding the 2016 assessments, Ambev was notified of the decisions and filed motions for clarification which are pending decisions. With respect to the cases related to the periods of 2015 and 2016, tax assessments were filed to charge isolated fines due to the lack of monthly prepayments of income tax as a result of allegedly undue deductions of taxes paid abroad. Ambev filed defenses and awaits judgment by the first level administrative court. The other cases are still awaiting final decisions at both administrative and judicial courts.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 11.7 billion Brazilian real (2.3 billion US dollar). Ambev has not recorded any provisions for this matter as it considers the chance of loss to be possible.

#### *Presumed Profit*

In April 2016, Arosuco (a subsidiary of Ambev) received a tax assessment regarding the use of the “presumed profit” method for the calculation of income tax and the social contribution on net profits instead of the “real profit” method. In September 2017, Arosuco received an unfavorable first level administrative decision and filed an appeal. In January 2019, the Lower Administrative Court rendered a favorable decision to Arosuco, which became definitive.

In March 2019, Ambev received a new tax assessment regarding the same subject and filed a defense. In October 2019, Arosuco received an unfavorable first level administrative decision and filed an appeal.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 0.5 billion Brazilian real (0.1 billion US dollar). Arosuco has not recorded any provisions for this matter as it considers the chance of loss to be possible.

#### *Deductibility of IOC expenses*

In November 2019, Ambev received a tax assessment from the Brazilian Federal Tax Authorities related to the interest on capital (“IOC”) deduction in 2014. The assessment refers primarily to the accounting and corporate effects of the restructuring carried out by Ambev in 2013 and the impact on the increase in the deductibility of IOC expenses. In August 2020, Ambev received a partially favorable decision at the first level administrative Court and filed an Appeal to the Lower Administrative Court.

In December 2020, Ambev received a new tax assessment related to the deduction of the IOC in 2015 and 2016. The defense against such assessment was filed by Ambev in January 2021.

Ambev also distributed IOC in the years following the assessed period, i.e. after 2016. In a scenario where the IOC deductibility would also be questioned for the period after 2016, on the same basis as the aforementioned tax assessments, Ambev management estimates that the outcome of such potential further assessments would be similar to the abovementioned case. Accordingly, the effects of the deductibility of IOC expenses on Ambev’s effective income tax rate for this period would be maintained.

The amount related to this uncertain tax position as of 31 December 2020 is approximately 10.2 billion Brazilian real (2.0 billion US dollar). Ambev has not recorded any provisions for this matter as it considers the chance of loss to be possible.

#### *Disallowance on Income Tax deduction*

In January 2020, Arosuco, a subsidiary of Ambev, received a tax assessment from the Brazilian Federal Tax Authorities regarding the disallowance of the income tax reduction benefit provided for in Provisional Measure No. 2199-14/2001 and an administrative defense was filed. In October 2020, the first level administrative Court rendered an unfavorable decision to Arosuco. Arosuco filed an appeal against the aforementioned decision and awaits



judgment by the Lower Administrative Court. The amount related to this uncertain tax position as of 31 December 2020 is approximately 2.0 billion Brazilian real (0.4 billion US dollar). Ambev has not recorded any provisions for this matter as it considers the chance of loss to be possible.

**ICMS VALUE ADDED TAX, EXCISE TAX (“IPI”) AND TAXES ON NET SALES**

*Manaus Free Trade Zone – IPI / Social contributions*

In Brazil, goods manufactured within the Manaus Free Trade Zone intended for remittance elsewhere in Brazil are exempt and/ or zero-rated from excise tax (“IPI”) and social contributions (“PIS/COFINS”). With respect to IPI, Ambev’s subsidiaries have been registering IPI presumed tax credits upon the acquisition of exempted goods manufactured therein. Since 2009, Ambev has been receiving a number of tax assessments from the Brazilian Federal Tax Authorities relating to the disallowance of such credits.

Ambev has also been receiving charges from the Brazilian Federal Tax Authorities in relation to (i) federal taxes allegedly unduly offset with the disallowed presumed IPI excise tax credits that are under discussion in these proceedings and (ii) PIS/COFINS amounts allegedly due on Arosuco’s remittance to Ambev subsidiaries.



In April 2019, the Federal Supreme Court (“STF”) announced its judgment on Extraordinary Appeal No. 592.891/SP and 596.614/SP, with binding effects, deciding on the rights of taxpayers registering IPI excise tax presumed credits on acquisitions of raw materials and exempted inputs originating from the Manaus Free Trade Zone. As a result of this decision, Ambev reclassified part of the amounts related to the IPI cases as remote losses maintaining as possible losses only issues related to other additional discussions that were not included in the analysis of the STF. The cases are being challenged at both the administrative and judicial levels.

Ambev management estimates the possible loss related to these assessments to be approximately 4.8 billion Brazilian real (0.9 billion US dollar) as of 31 December 2020. Ambev has not recorded any provision in connection therewith.

*IPI Suspension*

In 2014 and 2015, Ambev received tax assessments from the Brazilian Federal Tax Authorities relating to IPI allegedly due over remittances of manufactured goods to other related factories. The cases are being challenged at both the administrative and judicial levels. In 2020, Ambev received a final partial favorable decision at the administrative level in one of the cases. At the judicial level, the case is still in the initial stage.

Ambev management estimates the possible loss related to these assessments to be approximately 1.6 billion Brazilian real (0.3 billion US dollar) as of 31 December 2020. Ambev has not recorded any provision in connection therewith.

*ICMS tax credits*

Ambev is currently challenging tax assessments issued by the states of São Paulo, Rio de Janeiro, Minas Gerais, among others, questioning the legality of ICMS tax credits arising from transactions with companies that have tax incentives granted by other states. The cases are being challenged at both the administrative and judicial level of the courts. On August 2020, the STF issued a binding decision (Extraordinary Appeal No. 628.075) ruling that tax credits granted by the states in the context of the ICMS tax war shall be consider unlawful. The decision also recognized that the states should abide by the tax incentives validation process provided for in Complementary Law No. 160/17. This decision is subject to appeal and does not change the likelihood of loss in Ambev’s tax assessments.

Ambev management estimates the possible losses related to these assessments to be approximately 2.0 billion Brazilian real (0.4 billion US dollar) as of 31 December 2020. Ambev has not recorded any provision in connection therewith.

*ICMS-ST Trigger*

Over the years, Ambev has received tax assessments to charge supposed ICMS differences considered due when the price of the products sold by Ambev is above the fixed price table basis established by the relevant states, cases in which the state tax authorities understand that the calculation basis should be based on a value-added percentage over the actual prices and not the fixed table price. Ambev is currently challenging those charges before the courts. The cases are being challenged at both the administrative and judicial levels.

Ambev management estimates the total possible loss related to this issue to be approximately 8.6 billion Brazilian real (1.7 billion US dollar) as of 31 December 2020. Ambev has recorded provisions in the total amount of 7 million Brazilian real (1 million US dollar) in relation to certain proceedings for which it considers the chances of loss to be probable due to specific procedural issues.

**SOCIAL CONTRIBUTIONS**

Since 2015, Ambev has received tax assessments issued by the Brazilian Federal Tax Authorities relating to PIS/COFINS amounts allegedly due over bonus products granted to its customers. The cases are being challenged at both the administrative and judicial levels of the courts. In 2019 and 2020, Ambev received final favorable decisions at the administrative level in some of these cases and favorable decisions in other cases that are still subject to review. At the judicial level, the case is still in the initial stage.

Ambev management estimates the possible loss related to these assessments to be approximately 1.7 billion Brazilian real (0.3 billion US dollar) as of 31 December 2020. No related provision has been made.

**AB INBEV’S AUSTRALIAN BUSINESS TAX MATTERS**

SAB Australia Pty Limited (“SAB Australia”), a former subsidiary of AB InBev, received a tax assessment for the 2012 to 2014 income tax years for 0.4 billion Australian dollar (0.3 billion US dollar) related to the interest deductions of SAB’s acquisition of the Foster’s group (the “Foster’s acquisition”). AB InBev is disputing the 2012 to 2014 assessment and remains confident of the positions it has adopted. The company paid 47 million US dollar related to the tax assessment pending conclusion of the matter and recorded a provision of 0.1 billion US dollar in connection therewith as of 31 December 2020. The Australia disposal was concluded on 1 June 2020 with pre-transaction income tax liabilities being subject to an indemnity by AB InBev.

The Australian tax authorities have also notified SAB Australia that it has commenced an audit of the 2015 to 2020 income tax years. The focus of the audit is the tax treatment of the ongoing funding arrangements associated with the Foster’s acquisition.

**OTHER TAX MATTERS**



In February 2015, the European Commission opened an in-depth state aid investigation into the Belgian excess profit ruling system. On 11 January 2016, the European Commission adopted a negative decision finding that the Belgian excess profit ruling system constitutes an aid scheme incompatible with the internal market and ordering Belgium to recover the incompatible aid from a number of aid beneficiaries. The Belgian authorities have contacted the companies that have benefitted from the system and have advised each company of the amount of incompatible aid that is potentially subject to recovery. The European Commission decision was appealed to the European Union's General Court by Belgium on 22 March 2016 and by AB InBev on 12 July 2016. On 14 February 2019, the European General Court concluded that the Belgian excess profit ruling system does not constitute illegal state aid. The European Commission has appealed the judgment to the European Court of Justice. The public hearing in the framework of the appeal proceedings took place on 24 September 2020 and AB InBev was heard as an intervening party. Pending the outcome of that appeal, the European Commission opened new state aid investigations into the individual Belgian tax rulings, including the one issued to AB InBev in September 2019, to remedy the concerns that led to annulment of its earlier decision by the General Court. These investigations relate to the same rulings that were subject to the European Commission decision issued on 11 January 2016. AB InBev has filed its observations in respect of the opening decisions with the EU Commission.



On 3 December 2020, the Advocate General (AG) of the European Court of Justice presented her non-binding opinion on the appeal procedure related to the 11 January 2016 opening decision, stating that, contrary to the 14 February 2019 judgment of the European General Court, the Belgian excess profit ruling system would fulfil the legal requirements for an “aid scheme”. In the initial European General Court judgment, the court limited itself to finding the Belgian excess profit rulings were not an “aid scheme”, but did not consider whether they constituted State aid. Consequently, the AG advised the European Court of Justice to refer the case back to the European General Court to review whether the Belgian excess profit rulings constitute State aid. The AG’s opinion is only advisory to the European Court of Justice, which is expected to deliver its binding judgment on the European Commission’s appeal later in 2021.

In addition, the Belgian tax authorities have also questioned the validity and the actual application of the excess profit ruling that was issued in favor of AB InBev and have refused the actual tax exemption which it confers. AB InBev has filed a court claim against such decision before the Brussels court of first instance which ruled in favor of AB InBev on 21 June 2019. The Belgian tax authorities appealed this judgment.

In January 2019, AB InBev deposited 68m euro (83m US dollar) on a blocked account. Depending on the final outcome of the European Court procedures on the Belgian excess profit ruling system, as well as the pending Belgian court case, this amount will either be slightly modified, or released back to the company or paid over to the Belgian State. In connection with the European Court procedures, AB InBev recognized a provision of 68m euro (83m US dollar) as of 31 December 2020.

**WARRANTS**

Certain holders of warrants issued by Ambev in 1996 for exercise in 2003 proposed lawsuits to subscribe correspondent shares for an amount lower than Ambev considers as established upon the warrant issuance. In case Ambev loses the totality of these lawsuits, the issuance of 172,831,574 shares would be necessary. Ambev would receive in consideration funds that are materially lower than the current market value. This could result in a dilution of about 1% to all Ambev shareholders. Furthermore, the holders of these warrants are claiming that they should receive the dividends relative to these shares since 2003, approximately 1.0 billion Brazilian real (0.2 billion US dollar) in addition to legal fees. Ambev disputes these claims and intends to continue to vigorously defend its case. All six lawsuits were ruled favorably to Ambev by the Superior Court of Justice (“STJ”). Three cases were dismissed by the STJ’s Special Court and remain subject to ongoing appeals. One case was ruled favorably to Ambev by the STJ’s Special Court and the judgment became final. Another case was remitted to the STJ’s lower court for a new judgment. The sixth case was ruled favorably to Ambev and may be subject to a new appeal to the Brazilian Supreme Court (STF). Considering all of these facts, Ambev and its external counsels strongly believe that the chance of loss in these cases is remote.

**UNITED STATES CLASS ACTION SUIT**

On 21 June 2019, a proposed class action was filed in the United States District Court for the Southern District of New York against AB InBev and three of its officers. The complaint alleged claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder on behalf of a proposed class of purchasers of AB InBev American Depositary Shares between 1 March 2018 and 24 October 2018. The plaintiff alleged that defendants misstated or omitted material facts regarding, among other things, the company’s financial condition, its dividend policy and the effectiveness of its disclosure controls and procedures. The complaint sought unspecified compensatory damages and reimbursement for litigation expenses. An amended complaint filed on 12 December 2019 contained substantially the same allegations, but reduced the number of defendant officers to two. On 29 September 2020, the District Court granted the company’s motion to dismiss. The plaintiff did not appeal and the case is now closed.

**33. Non-controlling interests**

As at 31 December 2020 and 2019, material non-controlling interests relate to Ambev, a Brazilian listed subsidiary in which AB InBev has 61.83% ownership, and Budweiser APAC, an Asia Pacific listed subsidiary in which AB InBev has 87.22% ownership. The tables below provide summarized information derived from the consolidated financial statements of Ambev and Budweiser APAC as of 31 December 2020 and 2019, in accordance with IFRS.

Summarized financial information of Ambev and Budweiser APAC, in which the company has material non-controlling interests, is as follows:

Million US dollar	Ambev		Budweiser APAC			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019		
<b>Summarized balance sheet information</b>						
Current assets	6 801	6 853	2 332	2 108		
Non-current assets	17 291	18 389	13 857	13 200		
Current liabilities	6 442	6 205	4 637	4 493		
Non-current liabilities	3 188	3 517	809	931		
Equity attributable to equity holders	14 204	15 203	10 685	9 836		
Non-controlling interests	257	317	58	48		
<b>Summarized income statement and other comprehensive income information</b>						
Revenue	11 373	13 196	13 819	5 588	6 546	6 740
Net income	2 286	3 093	3 122	537	908	959
Attributable to:						
Equity holders	2 217	2 989	3 025	514	898	958
Non-controlling interests	69	104	97	23	10	1
Net income	2 286	3 093	3 122	537	908	959
Other comprehensive income	1 467	(193)	629	635	(229)	(500)
Total comprehensive income	3 753	2 900	3 751	1 172	679	459
Attributable to:						
Equity holders	3 647	2 801	3 620	1 147	665	458
Non-controlling interests	106	99	130	25	14	1
<b>Summarized cash flow information</b>						
Cash flow from operating activities	3 673	4 664	5 089	1 306	1 379	1 684
Cash flow from investing activities	(1 325)	(1 228)	(1 011)	(628)	(743)	(472)
Cash flow from financing activities	(1 676)	(3 117)	(3 799)	(383)	(1 349)	(1 237)
Net increase/(decrease) in cash and cash equivalents	673	319	279	295	(713)	(25)

On 31 December 2020, the company completed the issuance of a 49.9% minority stake in its US-based metal container operations to Apollo Global Management, Inc. ("Apollo") for net proceeds of 3.0 billion USD. AB InBev retained operational control of its US-based metal container operations. The transaction was reported in the equity statement.

Dividends paid by Ambev to non-controlling interests (i.e. to entities outside the AB InBev Group) amounted to 0.6 billion US dollar and 0.7 billion US dollar for 2020 and 2019, respectively. In June 2020, Budweiser APAC paid a final dividend related to the financial year 2019 to non-controlling interests amounting to 59m US dollar.

Other non-controlling interests not deemed individually material by the company mainly related to the company's operations in Africa in association with the Castel Group (e.g., Botswana, Ghana, Mozambique, Nigeria, Tanzania, Uganda, and Zambia), as well as non-controlling interests recognized in respect of the company's subsidiaries in Colombia, Ecuador and Peru.

<sup>1</sup> In 2020, Ambev concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). As a result of this judicial decision and other tax credit adjustments, in 2020, Ambev reclassified the tax credits previously reported in revenue to other operating income, and as such, restated its 2019 comparatives as required by IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

<sup>2</sup> In 2020, Budweiser APAC reclassified the "Proceeds from cash pooling loans from AB InBev" from investing to financing activities in the summarized cash flow information. The presentation of the comparative amount has been restated to conform to the current year presentation.

<sup>3</sup> The combined financial information for 2018 presents the historical financial information of the business of the Asia Pacific region of AB InBev, excluding Australia, and includes the assets, liabilities, revenue, expenses and cash flows attributable to all entities in the region, which are primarily in China, South Korea, India, Vietnam and Japan.



**34. Related parties**

**TRANSACTIONS WITH DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS (KEY MANAGEMENT PERSONNEL)**

In addition to short-term employee benefits (primarily salaries) AB InBev’s Executive Committee members were entitled in 2020 to post-employment benefits. In particular, members of the Executive Committee participated in the pension plan of their respective country – see also Note 25 *Employee Benefits*. Finally, key management personnel are eligible for the company’s share option; restricted stock and/or share swap program (see Note 26 *Share-based Payments*). Total directors and Executive Committee compensation included in the income statement can be detailed as follows:

Million US dollar	2020		2019		2018	
	Directors	Executive Committee	Directors	Executive Committee	Directors	Executive Committee
Short-term employee benefits	2	4	2	9	2	6
Termination benefits	—	2	—	1	—	—
Share-based payment	—	7	—	25	—	34
	<b>2</b>	<b>13</b>	<b>2</b>	<b>35</b>	<b>2</b>	<b>40</b>

Directors’ compensation consists mainly of directors’ fees.

During 2020, AB InBev entered into the following transactions:

- The acquisition, through Grupo Modelo and its subsidiaries, of information technology and infrastructure services for a consideration of approximately 1m US dollar from a company in which one of the company’s Board Member had significant influence as of 31 December 2020 (2019: 2m US dollar; 2018: 1m US dollar).
- The acquisition, mainly through its subsidiary Bavaria S.A., of transportation services, lease agreements and advertising services for an aggregated consideration of 13m US dollar from companies in which one of the company’s Board Member had a significant influence as of 31 December 2020 (2019: 11m US dollar; 2018: 8m US dollar). The outstanding balance of these transactions as of 31 December 2020 amounts to 3m US dollar (31 December 2019: 1m US dollar).

**JOINTLY CONTROLLED ENTITIES**

Significant interests in joint ventures include three entities in Brazil, one in Mexico and two in Canada. None of these joint ventures are material to the company. Aggregate amounts of AB InBev’s interest are as follows:

Million US dollar	2020	2019	2018
Non-current assets	8	10	11
Current assets	2	3	5
Non-current liabilities	9	11	9
Current liabilities	12	10	12
Result from operations	3	3	4
Profit attributable to equity holders of AB InBev	3	3	3

**TRANSACTIONS WITH ASSOCIATES**

Significant interests in associates are shown in note 16 *Investments in associates*. AB InBev’s transactions with associates were as follows:

Million US dollar	2020	2019	2018
Gross profit	(118)	(78)	(39)
Current assets	55	38	84
Current liabilities	115	119	130

**TRANSACTIONS WITH PENSION PLANS**

AB InBev’s transactions with pension plans mainly comprise 12m US dollar other income from pension plans in the US in 2020 (2019: 12m US dollar; 2018: 12m US dollar).

**35. Events after the balance sheet date**

On 11 January 2021, Anheuser-Busch InBev NV/SA (ABISA) announced that it and its wholly-owned subsidiary Anheuser-Busch InBev Worldwide Inc. (“ABIWW”, and together with ABISA, the “Issuers”) exercised their respective options to redeem the outstanding principal amounts for an aggregate principal amount of 3.1 billion US dollar of the following series of notes:

Date of redemption	Issuer (abbreviated)	Title of series of notes issued exchanged	Currency	Original principal amount outstanding (in million)	Principal amount redeemed (in million)
28 January 2021	ABISA	1.500% Notes due 2025	EUR	2 147	2 147
27 January 2021	ABIWW	3.750% Notes due 2024	AUD	650	650

On 18 February 2021, AB InBev announced the successful signing of a new 10.1 billion USD Sustainable-Linked Loan Revolving Credit Facility (“SLL RCF”), replacing its existing 9.0 billion USD Revolving Credit Facility. The facility has an initial five-year term and incorporates a pricing mechanism that incentivizes improvement in key performance areas that are aligned with and contribute to the company’s 2025 Sustainability Goals.



**36. AB InBev companies**

Listed below are the most important AB InBev companies. A complete list of the company's investments is available at AB InBev NV, Brouwerijplein 1, B-3000 Leuven, Belgium.

**LIST OF MOST IMPORTANT FULLY CONSOLIDATED COMPANIES**

<u>Name and registered office of fully consolidated companies</u>	<u>% of economic interest as at 31 December 2020</u>
<b>ARGENTINA</b>	
CERVECERIA Y MALTERIA QUILMES SAICA y G - Charcas 5160 - C1425BOF - Buenos Aires	61.67%
<b>BELGIUM</b>	
AB INBEV N.V. – Grand Place 1 - 1000 – Brussel	Consolidating
BRASSERIE DE L'ABBAYE DE LEFFE S.A. - Place de l'Abbaye 1 - 5500 – Dinant	98.54%
BROUWERIJ VAN HOEGAARDEN N.V. - Stoopkensstraat 46 - 3320 – Hoegaarden	100.00%
COBREW N.V. - Brouwerijplein 1 - 3000 – Leuven	100.00%
INBEV BELGIUM BV/SRL - Industrielaan 21 - 1070 – Brussel	100.00%
<b>BOTSWANA</b>	
KGALAGADI BREWERIES (Pty) Ltd - Plot 20768, Broadhurst industrial estate - Gaborone <sup>1</sup>	31.00%
<b>BOLIVIA</b>	
CERVECERIA BOLIVIANA NACIONAL S.A. - Av. Montes 400 and Chuquisaca No. 121, Zona Challapampa - La Paz	52.76%
<b>BRAZIL</b>	
AMBEV S.A. - Rua Dr Renato Paes de Barros, 1017, 3º andar, Itaim Bibi - CEP 04530-001 - São Paulo	61.83%
<b>CANADA</b>	
LABATT BREWING COMPANY LIMITED - 207 Queen's Quay West, Suite 299 - M5J 1A7 – Toronto	61.83%
<b>CHILE</b>	
CERVECERIA CHILE S.A. - Av. Presidente Eduardo Frei Montalva 9600 - 8700000 – Quilicura	61.83%
<b>CHINA</b>	
ANHEUSER-BUSCH INBEV (CHINA) SALES CO LTD. - Shangshou, Qin Duan Kou, Hanyang Area - 430051 - Wuhan City, Hubei Province	87.22%
ANHEUSER-BUSCH INBEV (WUHAN) BREWERY CO. LTD. - Shangshou, Qin Duan Kou, Hanyang Area - 430051 - Wuhan City, Hubei Province	84.66%
ANHEUSER-BUSCH INBEV (FOSHAN) BREWERY CO. LTD. - 1 Budweiser Avenue, Southwest St., Sanshui District - 528132 - Foshan City, Guangdong	87.22%
ANHEUSER-BUSCH INBEV HARBIN BREWERY CO. LTD. - 9 HaPi Road Pingfang District - 150066 - Harbin City, Heilongjiang Province	87.22%
ANHEUSER-BUSCH INBEV (TANGSHAN) BREWERY CO. LTD. - 18, Yingbin Road - 063300 - Tangshan City, Hebei Province	87.22%
ANHEUSER-BUSCH INBEV SEDRIN BREWERY CO. LTD. - 660 Gong Ye Road, Hanjiang District - 351111 - Putian City, Fujian Province	87.22%
ANHEUSER-BUSCH INBEV SEDRIN (ZHANGZHOU) BREWERY CO. LTD. - Lantian Economic District - 363005 - Zhangzhou City, Fujian Province	87.22%
ANHEUSER-BUSCH INBEV (TAIZHOU) BREWERY CO. LTD. - 159 Qi Xia East Road, Chengguan Town, Tiantai County - 317200 - Taizhou City, Zhejiang Province	87.22%
ANHEUSER-BUSCH INBEV SEDRIN (NANCHANG) BREWERY CO. LTD - 1188 Jinsha Avenue, Economic District - Nanchang City, Jiangxi Province	87.22%
SIPING GINSEBER DRAFT BEER CO. LTD. - Xianmaqian, Tiedong Area - Siping City, Jilin Province	87.22%

<sup>1</sup> The group's shares entitle the holder to twice the voting rights.



<u>Name and registered office of fully consolidated companies</u>	<u>% of economic interest as at 31 December 2020</u>
ANHEUSER-BUSCH INBEV (NANTONG) BREWERY CO. LTD. – 666 Zhaoxia Road – Nantong City, Jiangsu Province	87.22%
ANHEUSER-BUSCH INBEV (SICHUAN) BREWERY CO. LTD. – No. 1, AB InBev Avenue, Cheng Nan Industry Park, Economic Development Area – 641300 – Ziyang City, Sichuan Province	87.22%
ANHEUSER-BUSCH INBEV (HENAN) BREWERY CO. LTD. – No. 1 Budweiser Avenue, Industry Park, Tangzhuang Town – 453100 – Weihui City, Henan Province	87.22%
INBEV JINLONGQUAN (HUBEI) BREWERY CO. LTD. – 89 Jin Long Quan Avenue – Jingmen City, Hubei Province	52.33%
ANHEUSER-BUSCH INBEV (SUQIAN) BREWERY CO. LTD. – No 1 Qujiang Road, Suyu Industry Park – Suqian City, Jiangsu Province	87.22%
<b>COLOMBIA</b>	
ZX VENTURES COLOMBIA S.A.S. – Carrera 53 A, No 127 – 35 – 110221 – Bogota	100.00%
BAVARIA & CIA S.C.A. – Carrera 53 A, No 127 – 35 – 110221 – Bogota	99.14%
KOPPS COMERCIAL S.A.S – Carrera 53 A, No 127 – 35 – 110221 – Bogota	100.00%
<b>CZECH REPUBLIC</b>	
PIVOVAR SAMSON A.S. – V parku 2326/18, Chodov, 148 00 Praha 4	100.00%
<b>DOMINICAN REPUBLIC</b>	
CERVECERIA NACIONAL DOMINICANA S.A. – Autopista 30 de Mayo Km 61/2, Distrito Nacional – A.P. 1086 – Santo Domingo <sup>1</sup>	52.55%
<b>ECUADOR</b>	
CERVECERÍA NACIONAL (CN) SA – Via a daule km 16,5 y calle cobre s/n – Guayaquil, Guayas	95.58%
<b>EL SALVADOR</b>	
INDUSTRIAS LA CONSTANCIA, SA DE CV – 526 Av. Independencia, San Salvador	100.00%
<b>FRANCE</b>	
AB INBEV FRANCE S.A.S. – Immeuble Crystal, 38, Place Vauban – C.P. 59110 – La Madeleine	100.00%
<b>GERMANY</b>	
BRAUEREI BECK GmbH & CO. KG – Am Deich 18/19 – 28199 – Bremen	100.00%
BRAUEREI DIEBELS GmbH & CO.KG – Brauerei-Diebels-Strasse 1 – 47661 – Issum	100.00%
HAAKE-BECK AG – Am Deich 18/19 – 28199 – Bremen	99.96%
HASSERÖDER BRAUEREI GmbH – Auerhahnring 1 – 38855 – Wernigerode	100.00%
ANHEUSER-BUSCH INBEV GERMANY HOLDING GmbH – Am Deich 18/19 – 28199 – Bremen	100.00%
SPATEN – FRANZISKANER – BRÄU GmbH – Marsstrasse 46 + 48 – 80335 – München	100.00%
ANHEUSER-BUSCH INBEV Deutschland GmbH & Co KG – Am Deich 18/19 – 28199 – Bremen	100.00%
LOEWENBRAEU AG – Nymphenburger Str. 7 – 80335 – München	100.00%
<b>GHANA</b>	
ACCRA BREWERY LTD – Farra Avenue 20 1st Floor, Pkf Building, P.O. Box Gp1219 – Accra	60.00%
<b>GRAND DUCHY OF LUXEMBOURG</b>	
BRASSERIE DE LUXEMBOURG MOUSEL – DIEKIRCH – 1, Rue de la Brasserie – L-9214 – Diekirch	95.82%
<b>HONDURAS</b>	
CERVECERÍA HONDUREÑA, SA DE CV – Blvd. Del Norte, Carretera Salida a Puerto Cortes – San Pedro Sula, Cortes	99.60%
<b>HONG KONG</b>	
BUDWEISER BREWING CO APAC LTD – Flat Room 1823 18F Soundwill Plaza II-Middle Town Hong Kong (SAR)	87.22%
<b>INDIA</b>	
CROWN BEERS INDIA LIMITED – 510/511 Minerva house, Sarojini devi road, Secunderabad	87.22%

<sup>1</sup> 85% owned by Ambev S.A.



<u>Name and registered office of fully consolidated companies</u>	<u>% of economic interest as at 31 December 2020</u>
<b>ANHEUSER BUSCH INBEV INDIA LIMITED.</b> – Unit No.301-302, Dynasty Business Park, 3rd Floor – Andheri – Kurla Road, Andheri (East) – 400059 – Mumbai, Maharashtra	86.97%
<b>ITALY</b>	
ANHEUSER BUSCH INBEV ITALIA SPA – Piazza Buffoni 3, 21013 Gallarate	100.00%
<b>MEXICO</b>	
CERVECERIA MODELO DE MEXICO S. DE R.L. DE C.V – Cerrada de Palomas 22, Piso 6, Reforma Social – C.P. 11650 – Mexico City, CD MX	100.00%
<b>MOZAMBIQUE</b>	
CERVEJAS DE MOÇAMBIQUE SA – Rua do Jardim 1329 – Maputo	51.47%
<b>THE NETHERLANDS</b>	
INBEV NEDERLAND N.V. – Ceresstraat 1 – 4811 CA – Breda	100.00%
INTERBREW INTERNATIONAL B.V. – Ceresstraat 1 – 4811 CA – Breda	100.00%
AB INBEV AFRICA B.V – Ceresstraat 1, 4811 CA – Breda	62.00%
AB INBEV BOTSWANA B.V. – Ceresstraat 1, 4811 CA – Breda	62.00%
<b>NIGERIA</b>	
INTERNATIONAL BREWERIES PLC – 22/36 Glover Road, Lagos, Ikoyi, Nigeria <sup>1</sup>	43.65%
<b>PANAMA</b>	
CERVECERÍA NACIONAL S de RL – Ave. Ricardo J. Alfaro, Corregimiento de Betania, Distrito de Panamá,	61.84%
<b>PARAGUAY</b>	
CERVECERIA PARAGUAYA S.A. – Ruta Villeta km 30 N 3045 – 2660 – Ypané	54.01%
<b>PERU</b>	
COMPANIA CERVECERA AMBEV PERU S.A.C. – Av. Los Laureles Mza. A Lt. 4 del Centro Poblado Menor Santa Maria de Huachipa – Lurigancho (Chosica) – Lima 15	97.22%
UNIÓN DE CERVECERÍAS PERUANAS BACKUS Y JOHNSTON SAA – 3986 Av. Nicolas Ayllon, Ate, Lima 3	93.78%
<b>SOUTH AFRICA</b>	
SABSA HOLDINGS LTD PUBLIC LIMITED COMPANY – 65 Park Lane, Sandown – 2001 – Johannesburg	100.00%
THE SOUTH AFRICAN BREWERIES (PTY) LTD LIMITED BY SHARES – 65 Park Lane, Sandown – 2146 – Johannesburg	96.48%
<b>SOUTH KOREA</b>	
ORIENTAL BREWERY CO., LTD – 8F, ASEM Tower, 517, Yeongdong-daero, Gangnam-gu, Seoul, 06164, S. Korea	87.22%
<b>SWITZERLAND</b>	
ANHEUSER-BUSCH INBEV PROCUREMENT GMBH GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG (GMBH) – Suurstoffi 22 – 6343 – Rotkreuz	100.00%
<b>TANZANIA</b>	
KIBO BREWERIES LTD PRIVATE COMPANY – Uhuru Street, Plot No 79, Block AA, Mchikichini, Ilala District – Dar es Salaam <sup>1</sup>	36.00%
<b>UGANDA</b>	
NILE BREWERIES LTD – Plot M90 Yusuf Lule Roa, Njeru, Jinja – Eastern Uganda	61.64%

<sup>1</sup> The company is consolidated due to the group's majority shareholdings and ability to control the operations



<u>Name and registered office of fully consolidated companies</u>	<u>% of economic interest as at 31 December 2020</u>
<b>UNITED KINGDOM</b>	
ABI SAB GROUP HOLDING LIMITED - Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN	100.00%
ABI UK HOLDINGS 1 LIMITED - Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN	100.00%
AB INBEV UK LIMITED - Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN	100.00%
AB INBEV HOLDINGS LIMITED - Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN	100.00%
AB INBEV INTERNATIONAL BRANDS LIMITED - Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN	100.00%
ZX VENTURES LIMITED - Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN	100.00%
<b>UNITED STATES</b>	
ANHEUSER-BUSCH COMPANIES, LLC. - One Busch Place - St. Louis, MO 63118	100.00%
ANHEUSER-BUSCH INTERNATIONAL, INC. - One Busch Place - St. Louis, MO 63118	100.00%
ANHEUSER-BUSCH PACKAGING GROUP, INC. - One Busch Place - St. Louis, MO 63118	100.00%
ANHEUSER-BUSCH, LLC – One Busch Place, St. Louis, Mo. 63118	100.00%
ANHEUSER-BUSCH NORTH AMERICAN HOLDING CORPORATION - C/O THE CORPORATION TRUST COMPANY INC. - 1209 Orange Street - DE 19801 – Wilmington	100.00%
METAL CONTAINER CORPORATION, INC. – One Busch Place, St. Louis, Mo. 63118	50.10%
<b>URUGUAY</b>	
CERVECERIA Y MALTERIA PAYSANDU S.A. - Cesar Cortinas, 2037 - C.P. 11500 – Montevideo	61.79%
<b>VIETNAM</b>	
ANHEUSER-BUSCH INBEV VIETNAM BREWERY COMPANY LIMITED/No.2 VSIP II-A, Street no. 28, Vietnam - Singapore II-A Industrial Park, Tan Uyen District, Binh Duong Province	87.22%
<b>ZAMBIA</b>	
ZAMBIAN BREWERIES PLC - Mungwi Road, Plot Number 6438, Lusaka	54.00%

**LIST OF MOST IMPORTANT ASSOCIATES AND JOINT VENTURES**

<u>Name and registered office of associates and joint ventures</u>	<u>% of economic interest as at 31 December 2020</u>
<b>FRANCE</b>	
SOCIÉTÉ DES BRASSERIES ET GLACIÈRES INTERNATIONALES SA - 49 Rue François 1er, Paris	20.00%
<b>GIBRALTAR</b>	
BIH BRASSERIES INTERNATIONALES HOLDING LTD - CC Building, 10th Floor, Main Street	20.00%
BIH BRASSERIES INTERNATIONALES HOLDING (ANGOLA) LTD - Suite 10/3, International Commercial Centre, 2A Main Street	27.00%
<b>TURKEY</b>	
ANADOLU EFES BIRACILIK VE MALT SANAYII AS - Bahçelievler Mahallesi, Sehit Ibrahim Koparir Caddesi No. 4, Bahçelievler Istanbul	24.00%
<b>ZIMBABWE</b>	
DELTA CORPORATION LTD - Sable house, P.O. Box BW 343, Northridge Close, Borrowdale, Harare	25.39%
<b>RUSSIA</b>	
AB INBEV EFES - 28 Moscovskaya Street, Moscow region - 141607 – Klin	50.00%



**DESCRIPTION OF SECURITIES  
REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT**

As of 31 December 2020, Anheuser-Busch InBev SA/NV had the following series of securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Ordinary shares without nominal value		New York Stock Exchange*
American Depositary Shares, each representing one ordinary share without nominal value	BUD	New York Stock Exchange
6.375% Notes due 2040 (issued January 2010)	BUD40	New York Stock Exchange
8.200% Notes due 2039 (issued March 2011)	BUD39	New York Stock Exchange
3.750% Notes due 2042 (issued July 2012)	BUD42A	New York Stock Exchange
4.000% Notes due 2043 (issued January 2013)	BUD/43	New York Stock Exchange
4.625% Notes due 2044 (issued January 2014)	BUD/44	New York Stock Exchange
3.650% Notes due 2026 (issued January 2016)	BUD/26	New York Stock Exchange
4.700% Notes due 2036 (issued January 2016)	BUD/36	New York Stock Exchange
4.900% Notes due 2046 (issued January 2016)	BUD/46	New York Stock Exchange
Floating Rate Notes due 2021 (issued January 2016)	BUD/21A	New York Stock Exchange
4.950% Notes due 2042 (issued December 2016)	BUD/42	New York Stock Exchange
6.625% Notes due 2033 (issued December 2016)	BUD/33	New York Stock Exchange
5.875% Notes due 2035 (issued December 2016)	BUD/35	New York Stock Exchange
4.439% Notes due 2048 (issued August 2017)	BUD/48	New York Stock Exchange
4.000% Notes due 2028 (issued April 2018)	BUD/28	New York Stock Exchange
4.375% Notes due 2038 (issued April 2018)	BUD/38	New York Stock Exchange
4.600% Notes due 2048 (issued April 2018)	BUD/48A	New York Stock Exchange
4.750% Notes due 2058 (issued April 2018)	BUD/58	New York Stock Exchange
Floating Rate Notes due 2024 (issued April 2018)	BUD24A	New York Stock Exchange
4.150% Notes due 2025 (issued January 2019)	BUD/25	New York Stock Exchange
4.750% Notes due 2029 (issued January 2019)	BUD/29	New York Stock Exchange
4.900% Notes due 2031 (issued January 2019)	BUD/31	New York Stock Exchange
5.450% Notes due 2039 (issued January 2019)	BUD/39A	New York Stock Exchange
5.550% Notes due 2049 (issued January 2019)	BUD/49	New York Stock Exchange
5.800% Notes due 2059 (issued January 2019)	BUD/59	New York Stock Exchange
4.900% Notes due 2046 (issued May 2019)	BUD/46A	New York Stock Exchange
4.700% Notes due 2036 (issued May 2019)	BUD/36A	New York Stock Exchange
3.650% Notes due 2026 (issued May 2019)	BUD/26A	New York Stock Exchange
3.500% Notes due 2030 (issued April 2020)	BUD/30	New York Stock Exchange
4.350% Notes due 2040 (issued April 2020)	BUD/40	New York Stock Exchange
4.500% Notes due 2050 (issued April 2020)	BUD/50	New York Stock Exchange
4.600% Notes due 2060 (issued April 2020)	BUD/60	New York Stock Exchange

\* Not for trading, but only in connection with the registration of American Depositary Shares representing such ordinary shares, pursuant to the requirements of the Securities and Exchange Commission.

In this exhibit, references to “AB InBev,” “we,” “us,” “our” and “AB InBev Group” are to, as the context otherwise requires, Anheuser-Busch InBev SA/NV, a Belgian public limited liability company (*société anonyme/naamloze vennootschap*), and the group of companies owned and/or controlled by AB InBev. Capitalized terms used but not defined herein have the meanings given to them in AB InBev’s annual report on Form 20-F for the fiscal year ended 31 December 2020 (the “2020 Form 20-F”).



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**ANHEUSER-BUSCH INBEV**  
**ANHEUSER BUSCH FORM**

Donnelley Financial  
None

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## Description of Ordinary Shares

### Form and Transferability of Our Shares

Our share capital is represented by 2,019,241,973 shares without nominal value, of which 1,693,242,156 are Ordinary Shares registered pursuant to Section 12(b) of the Act. There are two classes of shares: all shares are Ordinary Shares, except for 325,999,817 Restricted Shares, which are not registered pursuant to Section 12(b) of the Act.

Our Ordinary Shares can take the form of registered shares or dematerialized shares. Restricted Shares may only be held in registered form.

All of our shares are fully paid-up. Ordinary Shares are freely transferable.

### Changes to Our Share Capital

#### *Capital Increase by Our Shareholders' Meeting*

Changes to our share capital may be decided by our shareholders' meeting. Our shareholders' meeting may at any time decide to increase or decrease our share capital. Such resolution must satisfy the following quorum and majority requirements: (i) a quorum of 50% of the issued share capital must be present or represented at the meeting, and (ii) the capital increase must be approved by at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened where no quorum requirement applies but where the special 75% majority requirement applies. See “—Description of the Rights and Benefits Attached to Our Shares—Right to Attend and Vote at Our Shareholders' Meeting—Quorum and Majority Requirements” below.

#### *Capital Increase by Our Board of Directors*

Subject to the same quorum and majority requirements described above, our shareholders' meeting may authorize our Board, within certain limits, to increase our share capital without any further approval of shareholders, by way of authorized capital. This authorization needs to be limited in time (i.e., it can only be granted for a renewable period of a maximum of five years) and in scope (i.e., the increase by way of authorized capital may not exceed the amount of the share capital at the time of the authorization).

At the annual shareholders' meeting on 26 April 2017, our shareholders' meeting authorized our Board to increase the share capital of AB InBev to an amount not to exceed 3% of the total number of shares issued and outstanding on 26 April 2017 (i.e., 2,019,241,973). This authorization has been granted for five years and can be used for several purposes, including when the sound management of our business or the need to react to appropriate business opportunities calls for a restructuring, an acquisition (whether private or publish) of securities or assets in one or more companies, or generally, any other appropriate increase of our capital.

#### *Preferential Subscription Right and Anti-Dilution*

In the event of a share capital increase by way of the issue of new shares, convertible bonds, bonds repayable in shares, subscription rights or other financial instruments giving a right to shares (any such shares, bonds, rights or instruments being “Equity Interests”), all shareholders will have a preferential right to subscribe for any such Equity Interests, as set out in and in accordance with Article 7:188 of the Belgian Companies Code. The preferential subscription right shall entitle each shareholder to subscribe for any new Equity Interests, pro rata to the proportion of existing share capital as he or she holds immediately prior to such issue and subject to the rules of Article 7:188 of the Belgian Companies Code. Each shareholder may exercise his or her preferential right in whole or in part.

Our shareholders' meeting may restrict or cancel the preferential subscription right, in accordance with Article 7:191 of the Belgian Companies Code, for a purpose that is in our best interests, provided, however, that if the preferential subscription right is restricted or canceled with respect to any issuance in which any of our





shareholders acquires any such Equity Interests, all our shareholders shall be given the same right and be treated in the same way. This requirement shall not apply when the preferential subscription right is restricted or canceled with respect to issuances of Equity Interests issued solely pursuant to stock option plans or other compensation plans in the ordinary course of business. Where our shareholders' meeting has granted an authorization to our board of directors to effect a capital increase in the framework of the authorized capital and such authorization allows our board of directors to do so, our board of directors may likewise restrict or cancel the preferential subscription right applying the same principles as set out in this paragraph.

Any decision to restrict or cancel the preferential subscription right will require a quorum at the shareholders' meeting of shareholders holding at least 50% of the share capital and, approval by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions).

No Restricted Shares shall be issued other than to a Restricted Shareholder exercising its preferential subscription right in respect of its holding of Restricted Shares, without prejudice to the right of the Ordinary Shareholders to exercise their second ranking preferential subscription right in accordance with Article 7:188 of the Belgian Companies Code. In case of any event referred to in Article 8.1 of our articles of association, Restricted Shareholders shall only be entitled or required to receive Restricted Shares in respect of the Restricted Shares held by them.

Certain shareholders (including shareholders resident in, or citizens of, certain jurisdictions, such as the United States, Australia, Canada and Japan) may not be entitled to exercise such rights even if they are not disapplied unless the rights and related shares are registered or qualified for sale under the relevant legislative or regulatory framework.

### **Purchases and Sales of Our Own Shares**

We may only acquire our own shares pursuant to a decision by our shareholders' meeting taken under the conditions of quorum and majority provided for in the Belgian Companies Code. Such a decision requires a quorum at the shareholders' meeting of shareholders holding at least 50% of the share capital and approval by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions).

On 28 September 2016, our shareholders' meeting granted an authorization allowing us to acquire our shares, either on or outside of the stock exchange, up to a maximum of 20% of the issued shares for a unitary price which will not be lower than one Euro and not higher than 20% above the highest closing price on Euronext Brussels in the last 20 trading days preceding the transaction. This authorization is valid for a period of five years as from 28 September 2016. In anticipation to the expiration of the share buyback authorization on 28 September 2021, our Board intends to propose to the upcoming annual shareholders' meeting to be held on 28 April 2021 to renew such authorization for a period of 5 years.

We may only dispose of our own shares in accordance with the conditions of the Belgian Companies Code.

With respect to the shares acquired by us as a result of the merger between us and predecessor Anheuser-Busch InBev SA/NV, our Board shall be entitled to dispose of such shares only in connection with (i) any share delivery obligations undertaken by us prior to 11 November 2015, (ii) any stock option plans or other compensation plans (including the Zenzele schemes) or (iii) any stock lending agreement or similar arrangement in respect of which we used our own shares for the purposes set out in items (i) and (ii).

See "Item 16E. Purchases of Equity Securities by the Issuer" in the 2020 Form 20-F for details of our recent share repurchase programs.



## Description of the Rights and Benefits Attached to Our Shares

### *Right to Attend and Vote at Our Shareholders' Meeting*

#### Ordinary Shareholders' Meeting

Our ordinary shareholders' meeting will be held on the last Wednesday of April of each year, at 11:00 a.m., Belgian time, in one of the municipalities of the Brussels-Capital Region, in Leuven or in Liège, at the place which will be mentioned in the convening notice. If this date is a legal holiday, the meeting will be held on the next business day at the same time.

At this meeting, our Board and the statutory auditor will present a report on our management and financial situation as at the end of the previous accounting year, which shall run from 1 January to 31 December. The shareholders will then vote on the approval of the annual accounts, the allocation of our profit or loss, the appointment or renewal, if necessary, of directors or statutory auditors, remuneration of the directors and the auditor and the release from liability of the directors and the statutory auditor.

In light of the COVID-19 pandemic, the annual shareholders' meeting held on 3 June 2020, by exception, took place without physical attendance of shareholders, in accordance with the Belgian royal decree n°4 of 9 April 2020. Shareholders were offered the possibility to submit questions in writing and to participate by correspondence in advance of the meeting or by giving a proxy to a person designated by the company. The meeting was recorded and an audiocast is accessible on our corporate website.

The convening notice to the upcoming annual shareholders' meeting to be held on 28 April 2021 will be published on 26 March 2021 and will contain further information on the format of the meeting and modalities to participate. In light of the continuing Covid-19 pandemic, the Company will be guided by health and safety concerns and the measures and recommendations made by public authorities in Europe and Belgium.

#### Ad hoc and Extraordinary Shareholders' Meetings

Our Board or our statutory auditor (or the liquidators, if appropriate) may, whenever our interests so require, convene a special or extraordinary shareholders' meeting. Such shareholders' meeting must also be convened every time one or more of our shareholders holding at least one-tenth of our share capital so demand.

Such shareholders' meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than our registered office.

#### Notices Convening Our Shareholders' Meeting

Notices of our shareholders' meetings contain the agenda of the meeting and the recommendations of our board of directors on the matters to be voted upon.

Notices for our shareholders' meetings are given in the form of announcements placed at least 30 days prior to the meeting in at least one Belgian newspaper and in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*). Notices will be sent 30 days prior to the date of our shareholders' meetings to the holders of our registered shares, holders of our registered warrants and to our directors and our statutory auditor.

Notices of all our shareholders' meetings and all related documents, such as specific board of directors' and auditor's reports, will also be published on our website.

#### Admission to Meetings

All shareholders are entitled to attend our shareholders' meetings, take part in the deliberations and, within the limits prescribed by the Belgian Companies Code and our articles of association, vote, provided they have complied with the formalities for admission set out in the convening notice.





The right to participate in and vote at a shareholders' meeting will require a shareholder to:

have the ownership of his or her shares recorded in his or her name on the 14th calendar day preceding the date of the shareholders' meeting, either through registration in the register of our registered shares, for holders of registered shares, or through book-entry in the accounts of an authorized account holder or clearing organization, for holders of dematerialized shares; and

notify us (or a person designated by us) at the latest on the sixth calendar day preceding the date of the shareholders' meeting of his or her intention to participate in the meeting, indicating the number of shares in respect of which he or she intends to do so. In addition, a holder of dematerialized shares must, at the latest on the same day, provide us (or a person designated by us) with an original certificate issued by an authorized account holder or a clearing organization certifying the number of shares owned by the relevant shareholder on the record date for the shareholders' meeting and for which he or she has notified his or her intention to participate in that meeting.

### **Voting by Proxy**

Any shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a shareholder, to represent him or her at the meeting. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case, the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by us. The signed original paper or electronic form must be received by us at the latest on the sixth calendar day preceding the date of the shareholders' meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

### **Vote by Correspondence**

Any shareholder with the right to vote may vote remotely in advance of our shareholders' meeting by sending a paper form or, if permitted by us in the notice convening the meeting, by sending a form electronically (in which case, the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by us. Only forms received by us at the latest on the sixth calendar day preceding the date of the meeting will be taken into account.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities set out in the convening notice.

### **Right to Request Items Be Added to the Agenda and to Ask Questions at the Shareholders' Meeting**

One or more shareholders that together hold at least 3% of our share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their shares representing such shareholding on the record date for the relevant shareholders' meeting and (ii) the additional items to be added to the agenda and/or proposed resolutions have been sent in writing (by registered mail or e-mail) by these shareholders to our registered office no later than on the twenty-second day preceding the date of the relevant shareholders' meeting. Such shareholdings must be proven by a certificate evidencing the registration of the relevant shares in our share register or by a certificate issued by the authorized account holder or the clearing organization certifying the book-entry of the relevant number of dematerialized shares in the name of the relevant shareholder(s).

We shall acknowledge receipt of shareholders' requests within 48 hours and, if required, publish a revised agenda of the shareholders' meeting at the latest on the 15th day preceding the date of the shareholders' meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second shareholders' meeting that must be convened because the quorum was not obtained during the first shareholders' meeting.

Within the limits of Article 7:139 of the Belgian Companies Code, our directors and our auditor shall answer, during the shareholders' meeting, any questions raised by shareholders. Shareholders may ask questions either during the meeting or in writing, provided that we receive the written question at the latest on the sixth day preceding the date of the shareholders' meeting.



### Quorum and Majority Requirements

Each of our shares is entitled to one vote except for shares owned by us, or by any of our subsidiaries, the voting rights of which are suspended. Without prejudice to the specific rights and obligations attached to the Restricted Shares, the shares held by our principal shareholders do not entitle such shareholders to different voting rights.

Save as provided in the Belgian Companies Code and our articles of association, there will be no quorum requirement at our shareholders' meetings and decisions will be taken by a simple majority vote.

Resolutions relating to amendments of our articles of association or a merger or split are subject to special quorum and majority requirements. Specifically, any resolution on these matters will require the presence in person or by proxy of shareholders holding an aggregate of at least 50% of our issued share capital, and the approval of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, the quorum requirement will not apply. However, the special majority requirement will continue to apply.

Resolutions relating to the modification of the rights attached to a particular class of our shares are subject to special quorum and majority requirements. Specifically, any resolution on these matters 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 our shares and the approval of at least 75% of the votes cast at the meeting in each class of our shares (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, the quorum requirement will not apply. However, the special majority requirement will continue to apply.

Any modification of our corporate purpose will require 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 (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum will be required, but the relevant resolution must be approved by a qualified majority of at least 80% of the votes cast at the meeting (not counting abstentions).

Any authorization to repurchase shares will require a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions). If there is no quorum, a second meeting must be convened. At the second meeting, no quorum will be required, but the relevant resolution must be approved by a qualified majority of at least 75% of the votes cast at the meeting (not counting abstentions).

Pursuant to Article 40 of our articles of association, any acquisition or disposal of tangible assets by us for an amount higher than the value of one-third of our consolidated total assets as reported in our most recent audited consolidated financial statements shall be within the exclusive jurisdiction of our shareholders' meeting and shall be adopted with a positive vote of 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented.

### *Dividends*

All of our shares participate equally in our profits. Our Ordinary Shares (including our Ordinary Shares represented by our ADSs) and Restricted Shares have the same rights in relation to dividends and other distributions.

The Belgian Companies Code provides that dividends can only be paid up to an amount equal to the excess of our shareholders' equity over the sum of (i) paid-up or called-up share capital and (ii) reserves not available for distribution pursuant to law or our articles of association. Under Belgian law and our articles of association, we must allocate an amount of 5% of our annual net profit on an unconsolidated basis to a legal reserve in our unconsolidated financial statements until such reserve equals 10% of our share capital.



In general, we may only pay dividends with the approval of the shareholders’ meeting. The annual dividend payment (if any) will be approved by our shareholders at our Ordinary Shareholders’ meeting and will be paid on the dates and the places determined by our board of directors. In addition, our Board may declare interim dividends without shareholder approval, in accordance with the provisions of the Belgian Companies Code and Article 44 of our articles of association. It is expected that our board will decide the payment of dividends on a semi-annual basis.

See “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Dividend Policy” in the 2020 Form 20-F for further information on our current dividend policy.

***Appointment of Directors***

Under our articles of association, the directors are appointed as follows:

- three independent directors will be appointed by our shareholders’ meeting upon proposal by our board of directors;
- so long as the Stichting and/or any of its affiliates, any of their respective successors and/or successors’ affiliates own, in aggregate, more than 30% of the shares with voting rights in our share capital, nine directors will be appointed by our shareholders’ meeting upon proposal by the Stichting (and/or any of its affiliates, any of their respective successors and/or successors’ affiliates); and
- so long as the Restricted Shareholders, together with their affiliates and/or any of their successors and/or successors’ affiliates, own in aggregate:
  - more than 13.5% of the shares with voting rights in our share capital, three directors will be appointed by our shareholders’ meeting upon proposal by the Restricted Shareholders;
  - more than 9% but not more than 13.5% of the shares with voting rights in our share capital, two directors will be appointed by our shareholders’ meeting upon proposal by the Restricted Shareholders;
  - more than 4.5% but not more than 9% of the shares with voting rights in our share capital, one director will be appointed by our shareholders’ meeting upon proposal by the Restricted Shareholders; and
  - 4.5% or less than 4.5% of the shares with voting rights in our share capital, the Restricted Shareholders will no longer have the right to propose any candidate for appointment as a member of our board of directors and no directors will be appointed upon proposal by the Restricted Shareholders.

***Liquidation Rights***

We can only be dissolved by a shareholders’ resolution passed in accordance with the conditions laid down for the amendment of our articles of association (*i.e.*, with a majority of at least 75% of the votes cast (not counting abstentions) at an extraordinary shareholders’ meeting where at least 50% of the share capital is present or represented).

If, as a result of losses incurred, the ratio of our net assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, our board of directors must convene an extraordinary shareholders’ meeting within two months as of the date upon which our board of directors discovered or should have discovered this undercapitalization. At this shareholders’ meeting, our board of directors must propose either the dissolution of the company or the continuation of the company, in which case, our board of directors must propose measures to redress our financial situation. Shareholders’ resolutions relating to our dissolution are adopted in accordance with the conditions laid down for the amendments of our articles of association.

If, as a result of losses incurred, the ratio of our net assets to share capital is less than 25%, the same procedure must be followed; provided, however, that in this instance, shareholders representing 25% of the votes validly cast at the relevant shareholders’ meeting can decide to dissolve the company. If the amount of our net assets has dropped below EUR 61,500 (the minimum amount of share capital of a Belgian limited liability company (*société anonyme / naamloze vennootschap*)), any interested party is entitled to request the competent court to dissolve the company. The court can order the dissolution of the company or grant a grace period within which we may remedy the situation.



In the event of our dissolution and liquidation, the assets remaining after payment of all debts and liquidation expenses shall be distributed to the holders of our shares, each receiving a sum proportional to the number of our shares held by them. Our Ordinary Shares and Restricted Shares have the same rights in relation to all proceeds of a dissolution, liquidation or winding-up.

***Transactions with Major Shareholders***

In the event of (i) a contribution in kind to us with assets owned by any person or entity which is required to file a transparency declaration pursuant to applicable Belgian law or a subsidiary 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.

***Disclosure of Significant Shareholdings***

In addition to the transparency disclosure thresholds set out by the applicable Belgian legislation (i.e., 5%, 10%, 15% and so on in five percentage point increments), the disclosure obligation set out in such legislation shall also apply as soon as the amount of securities giving voting rights, voting rights and assimilated financial instruments held by a person acting alone or by persons acting in concert reaches, exceeds or falls below a 3% or 7.5% threshold of the total outstanding voting rights. For details of our major shareholders, see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders" in the 2020 Form 20-F.

**Mandatory Bid**

Public takeover bids for our shares and other securities, if any, are subject to supervision by the FSMA. Any public takeover bids must be extended to all of our voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) in the Belgian Law of 1 April 2007 on public takeover bids and the Belgian Royal Decree of 27 April 2007 on public takeover bids. The Belgian Law of 1 April 2007 on public takeover bids provides that a mandatory bid must be launched if a person, as a result of his or her own acquisition or the acquisition by persons acting in concert with him or her or by persons acting for his or her account, directly or indirectly holds more than 30% of the voting rights in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility, as designated by the Belgian Royal Decree of 27 April 2007 on public takeover bids (as set out in "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Shareholding Structure" in the 2020 Form 20-F).

The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in case of an acquisition if it can be shown that a third party exercises control over us or that such third party holds a larger stake than the person holding 30% of the voting rights.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligations to disclose significant shareholdings and merger control regulations, that may apply to us and which may make an unsolicited tender offer, merger, change in management or other change in control more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of our shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

In addition, the board of directors of a Belgian company may, in certain instances and subject to prior authorization by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the company's authorized capital) or through share buy-backs (i.e., the purchase of our own shares)



**Limitations on the Right to Own Securities**

Neither Belgian law nor our articles of association imposes any general limitation on the right of non-residents or foreign persons to hold our securities or exercise voting rights on our securities other than those limitations that would generally apply to all shareholders.

**Description of Debt Securities****Terms Applicable to the 4.900% Notes due 2046, the 4.700% Notes due 2036 and the 3.650% Notes due 2026**

The 4.900% Notes due 2046 (the “**2046 Notes**”), the 4.700% Notes due 2036 (the “**2036 Notes**”) and the 3.650% Notes due 2026 (the “**2026 Notes**”) and, together with the 2046 Notes and the 2036 Notes, the “**May 2019 Notes**”) have the respective maturity dates, interest rates and interest payment dates as specified in the table below.

<u>Title of Series</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Interest Accrues From</u>	<u>Interest Payment Date(s)</u>
4.900% Notes due 2046	4.900%	1 February 2046	1 February 2019	1 February and 1 August
4.700% Notes due 2036	4.700%	1 February 2036	1 February 2019	1 February and 1 August
3.650% Notes due 2026	3.650%	1 February 2026	1 February 2019	1 February and 1 August

The May 2019 Notes are issued by Anheuser-Busch Companies, LLC (“**ABC**” and an “**Issuer**”, with respect to the May 2019 Notes) and Anheuser-Busch InBev Worldwide Inc. (“**ABIWW**” and an “**Issuer**” and together, the “**Issuers**”, with respect to the May 2019 Notes) and will be fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Finance Inc. (“**ABIFI**”), Brandbev S.à r.l., Brandbrew S.A. and Cobrew NV (the “**Subsidiary Guarantors**,” and, together with the Parent Guarantor, the “**Guarantors**”), subject to certain customary release provisions.

Each series of the May 2019 Notes is issued under a supplemental indenture to the indenture, dated as of 13 November 2018 (the “**Indenture**”, with respect to the May 2019 Notes), among ABIWW and ABC, as co-issuers, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The May 2019 Notes will be joint and several obligations of ABIWW and ABC. This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the May 2019 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The May 2019 Notes will be senior unsecured obligations of the Issuers and will rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuers. The May 2019 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The May 2019 Notes are issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The May 2019 Notes do not provide for any sinking fund. The May 2019 Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).

Interest on the 2046 Notes, 2036 Notes and 2026 Notes will accrue from 1 August 2018 and will be payable semi-annually in arrears on 1 February and 1 August of each year commencing 1 August 2019 until the principal of such May 2019 Notes is paid or duly made available for payment. Interest on the May 2019 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any May 2019 Note or the date fixed for redemption or payment in connection with an acceleration of any May 2019 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment. Interest on the May 2019 Notes will be paid to the persons in whose names the May 2019 Notes are registered at the close of business on the 15 January and 15 July immediately preceding the applicable interest payment date, whether or not such date is a Business Day.

**Redemption****Optional Redemption**

Prior to (i) with respect to the 2026 Notes, 1 November 2025 (three months prior to the maturity date of the 2026 Notes), (ii) with respect to the 2036 Notes, 1 August 2035 (six months prior to the maturity date of the 2036 Notes) and (iii) with respect to the 2046 Notes, 1 August 2045 (six months prior to the maturity date of the 2046 Notes) (each such date, a “**Par Call Date**”), each series of May 2019 Notes may be redeemed at any time, at the Issuers’ option, as a whole or in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of (1) 100% of the aggregate principal amount of the May 2019 Notes to be redeemed; and (2) as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the May 2019 Notes to be redeemed as if the May 2019 Notes to be redeemed matured on the applicable Par Call Date for the 2026 Notes, 2036 Notes and 2046 Notes (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the applicable Make-Whole Spread (as indicated in the table below) for such series of May 2019 Notes. In the case of each of clauses (1) and (2), accrued but unpaid interest will be payable to the redemption date.

<u>Title of Series</u>	<u>Make-Whole Spread</u>
3.650% Notes due 2026	25 bps
4.700% Notes due 2036	30 bps
4.900% Notes due 2046	35 bps

On or after the applicable Par Call Date, each series of May 2019 Notes will be redeemable as a whole or in part, at the Issuers’ option at any time and from time to time at a redemption price equal to 100% of the principal amount of the May 2019 Notes being redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption. On and after the redemption date, interest will cease to accrue on the May 2019 Notes or any portion of the May 2019 Notes called for redemption, unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the Trustee money sufficient to pay the redemption price of and accrued interest on the May 2019 Notes to be redeemed on that date. If fewer than all of the May 2019 Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the Redemption Date, the particular May 2019 Notes of such series or portions thereof for redemption from the outstanding May 2019 Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate, *provided* that if the May 2019 Notes of a series are represented by one or more global notes, interests in such global notes shall be selected for redemption by DTC in accordance with its standard procedures therefor.

“**Comparable Treasury Issue**” means the United States Treasury security selected by the Independent Investment Banker (as defined below) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the applicable fixed May 2019 Note.

“**Comparable Treasury Price**” means, with respect to any Redemption Date, (i) the average of five Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Independent Investment Banker**” means Barclays Capital Inc., Deutsche Bank Securities Inc. or Merrill Lynch, Pierce, Fenner & Smith Incorporated, as specified by us, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by us.

“**Reference Treasury Dealer**” means (i) Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuers will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuers after consultation with an Independent Investment Banker.





“*Reference Treasury Dealer Quotations*” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

**Optional Tax Redemption**

Each series of the May 2019 Notes may be redeemed at any time, at either Issuer’s or the Parent Guarantor’s option, in whole but not in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount of the May 2019 Notes of such series then outstanding, plus accrued and unpaid interest on the principal amount being redeemed (and any Additional Amounts) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which either Issuer or any Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or herein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after 13 November 2018 (any such change or amendment, a “**Change in Tax Law**”), such Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts with respect to the May 2019 Notes of a particular series, and (ii) such obligation cannot be avoided by such Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by such Issuer under the circumstances described under “—Additional Amounts”; *provided, however*, that the May 2019 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of such Issuer assigning its obligations under the May 2019 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any such notice of redemption pursuant to the foregoing, the relevant Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that such Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the relevant Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the relevant May 2019 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

**The Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee and principal paying agent under the Indenture. The trustee has two principal functions:

- first, it can enforce a holder’s rights against us if we default on the May 2019 Notes. There are some limitations on the extent to which the trustee acts on a holder’s behalf, described under “—Events of Default”; and
- second, the trustee performs administrative duties for us, such as sending the holder’s interest payments, transferring May 2019 Notes to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee and affiliates of the trustee in the ordinary course of our respective businesses. The address of The Bank of New York Mellon Trust Company, N.A. is 500 Ross Street, 12th Floor, Pittsburgh, PA 15262.

If an event of default occurs, or an event occurs that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded, the trustee may therefore be considered to have a conflicting interest with respect to the May 2019 Notes or the Indenture for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign as trustee under the Indenture and we would be required to appoint a successor trustee.





**Substitution of an Issuer; Consolidation, Merger and Sale of Assets**

Any Issuer or Guarantor, without the consent of the holders of any of the May 2019 Notes, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation or (ii) an Issuer may at any time substitute for itself either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the May 2019 Notes (a “**Substitute Issuer**”); *provided* that:

- (a) the Substitute Issuer or any other successor company shall expressly assume the applicable Issuer’s or Guarantor’s respective obligations under the May 2019 Notes or the Guarantees, as the case may be, and the Indenture, as applicable;
- (b) any successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) the applicable Issuer is not in default of any payments due under the May 2019 Notes and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease, conveyance or substitution, no Event of Default shall be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the May 2019 Notes and the Indenture are fully, irrevocably and unconditionally guaranteed by the Guarantors (other than the Substitute Issuer, if applicable) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuers and the Substitute Issuer jointly and severally indemnify each holder for any income tax or other tax (if any) recognized by such holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such holder), *provided, however*, that such indemnification shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of Additional Amounts on account of any such withholding or deduction;
  - (iii) each stock exchange on which the May 2019 Notes are listed, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such May 2019 Notes will continue to be listed on such stock exchange; and
  - (iv) each rating agency that rates the May 2019 Notes, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such May 2019 Notes will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the holders.

For purposes of the foregoing, “**Affiliate**” shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

Upon the effectiveness of any substitution, all of the foregoing provisions will apply *mutatis mutandis*, and references elsewhere herein to the Issuers or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

**Modifications and Amendment**

The Issuers, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the holders under the May 2019 Notes and any other debt securities issued under the Indenture or the Guarantees only with the consent of the holders of not less than a majority in aggregate principal amount of the May 2019 Notes then outstanding under (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any May 2019 Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any May 2019 Note, or change an Issuer’s or a Guarantor’s obligation to pay Additional Amounts, impair or affect the right of any holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the May 2019 Notes then



outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the holder of each May 2019 Note so affected; or (b) reduce the aforesaid percentage of the consent of the holders of which is required for any such agreement, without the consent of the holders of the affected series of the May 2019 Notes then outstanding. To the extent that any changes directly affect fewer than all the series of the May 2019 Notes, only the consent of the holders of May 2019 Notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuers, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for May 2019 Notes;
- to evidence the succession of another person to any Issuers or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of an Issuer or any of the Guarantors, pursuant to the Indenture;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- to add to the covenants of the Issuers or the Guarantors, for the benefit of the holders of May 2019 Notes, or to surrender any rights or powers conferred on the Issuers or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the holders of May 2019 Notes;
- to add to, change or eliminate any of the provisions of the Indenture, *provided* that any such addition, change or elimination (A) shall neither (i) apply to any debt security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of holders of the May 2019 Notes with respect to such provision or (B) shall become effective only when there are no May 2019 Notes outstanding;
- to modify the restrictions on and procedures for resale and other transfers of the May 2019 Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuers and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;
- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, the May 2019 Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms hereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuers may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the May 2019 Notes and create and issue additional debt securities having identical terms and conditions as the May 2019 Notes (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding May 2019 Notes;
- to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to the May 2019 Notes, subject to applicable regulatory or contractual limitations relating to such subsidiary’s Guarantee;
- to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “—Guarantees” above;
- to provide for any amendment, modification or alteration of any Subsidiary Guarantor’s Guarantee and the limitations applicable thereto in the circumstances described under “—Guarantees” above; or
- to make any other change that does not materially adversely affect the interests of the holders of the May 2019 Notes.



### Discharge of Indentures

The Indenture provides that the Issuers and the Guarantors will be discharged from any and all obligations in respect of the Indenture (except for certain obligations to register the transfer of or exchange May 2019 Notes and any other debt securities issued thereunder, replace stolen, lost or mutilated May 2019 Notes and any other debt securities issued thereunder, make payments of principal and interest and maintain paying agencies) if:

- the Issuers or the Guarantors have paid or caused to be paid in full the principal of and interest on all May 2019 Notes and any other debt securities outstanding thereunder;
- the Issuers or the Guarantors shall have delivered to the Trustee for cancellation all May 2019 Notes and any other debt securities outstanding theretofore authenticated; or
- all May 2019 Notes and any other debt securities issued thereunder not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Optional Redemption” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuers or Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such May 2019 Notes and/or other debt securities, as applicable (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such debt securities not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the debt securities and all other amounts payable under the Indenture.

“**U.S. Government Obligations**” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

### Covenant Defeasance

The Indenture also provides that the Issuers and the Guarantors need not comply with certain covenants of such indenture (including those described under “—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the Issuers or the Guarantors irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of the May 2019 Notes, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the May 2019 Notes then outstanding on the dates such payments are due in accordance with the terms of the May 2019 Notes;
- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;
- the Issuers, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the May 2019 Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- the Issuers, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the holders, other than holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their May 2019 Notes in carrying on a business in such jurisdiction of incorporation, to recognize



income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of May 2019 Notes beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such May 2019 Notes in carrying on a business in such jurisdiction of incorporation; and

- the Issuers, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as "**Covenant Defeasance**".

#### Limitation on Liens

So long as any of the May 2019 Notes remain outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an "**Encumbrance**") on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the May 2019 Notes (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the May 2019 Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, *provided, however*, the above limitation does not apply to:

- purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;
- Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition);
- Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;
- Encumbrances to secure the cost of development or construction of property, or improvements thereon, *provided* that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;
- Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;
- Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;
- Encumbrances existing at the date of the Indenture;
- Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits, *provided* the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the Indenture;
- any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;
- judgment Encumbrances not giving rise to an event of default;
- any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security and (iii) any easements, rights-of-way, restrictions and other similar charges;
- any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;



- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), *provided* that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;
- (q) as permitted under the provisions described in the following two paragraphs herein; and
- (r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without ratably securing the May 2019 Notes, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, *provided* that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by the Indenture as described below under "Sale-Leaseback Financings" (computed without duplication of amount) does not at the time exceed 15% of Net Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase, such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the May 2019 Notes (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the May 2019 Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the May 2019 Notes (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the Indenture and other agreements relating thereto.

#### ***Sale-Leaseback Transactions Relating to Principal Plants***

- (a) Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any program, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:
  - (i) the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property; and



- (ii) subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)
  - (A) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of May 2019 Notes equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or
  - (B) repay other *pari passu* indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or
  - (C) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or
  - (D) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.
- (b) At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:
  - (i) an Officers' Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to
    - (A) the amount of May 2019 Notes theretofore redeemed and the amount of debt securities theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of May 2019 Notes purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,
    - (B) the amount thereof previously credited under paragraph (d) below,
    - (C) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below and
    - (D) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and
  - (ii) a deposit with the Trustee for cancellation of the May 2019 Notes then being surrendered as set forth in such certificate.
- (c) Notwithstanding the restriction of paragraph (a) above, the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate principal amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under "—Limitation on Liens" which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.
- (d) The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire May 2019 Notes under this covenant, for the principal amount of any May 2019 Notes deposited with the Trustee for the purpose and also for the principal amount of (i) any May 2019 Notes theretofore redeemed at the option of the Parent Guarantor and (ii) any May 2019 Notes previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the May 2019 Notes.
- (e) For purposes of this covenant, the amount or the principal amount of May 2019 Notes which are issued with original issue discount shall be the principal amount of such May 2019 Notes that on the date of the purchase or redemption of such May 2019 Notes referred to in this covenant could be declared to be due and payable pursuant to the Indenture.

#### Events of Default

The occurrence and continuance of one or more of the following events will constitute an "Event of Default" under the Indenture and under the May 2019 Notes:

- (a) *payment default*—(i) the Issuers or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuers or a Guarantor fails to pay the principal (or premium, if any) due on the May 2019 Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuers or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;





- (b) *breach of other material obligations*—the Issuers or a Guarantor defaults in the performance or observance of any of their other material obligations under or in respect of the May 2019 Notes or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuers and the Parent Guarantor by the Trustee or to the Issuers, the Parent Guarantor and the Trustee by the holders of at least 25% in principal amount of the outstanding May 2019 Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the May 2019 Notes;
- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuers or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days;
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuers, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuers, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuers, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuers, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the May 2019 Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or
- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the Notes, then, unless the principal of all of the May 2019 Notes shall already have become due and payable (in which case no action is required for the acceleration of the May 2019 Notes), the holders of not less than 25% in aggregate principal amount of May 2019 Notes then outstanding, by written notice to the Issuers, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the May 2019 Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to the May 2019 Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any holder, become immediately due and payable. Under certain circumstances, the holders of a majority in aggregate principal amount of the May 2019 Notes then outstanding may, by written notice to the Issuers and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the holders of a majority in principal amount of the outstanding May 2019 Notes may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Notes, the following must occur:

- The Trustee must be given written notice that an event of default has occurred and remains uncured.



- The holders of not less than 25% in principal amount of all outstanding May 2019 Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.
- The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding May 2019 Notes of that series.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.

We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the May 2019 Notes, or else specifying any default.

**“Principal Plant”** means (a) any brewery, or any manufacturing, processing or packaging plant, now owned or hereafter acquired by the Parent Guarantor or any Subsidiary, but shall not include (i) any brewery or manufacturing, processing or packaging plant which the Parent Guarantor shall by board resolution have determined is not of material importance to the total business conducted by the Parent Guarantor and its Subsidiaries, (ii) any plant which the Parent Guarantor shall by board resolution have determined is used primarily for transportation, marketing or warehousing (any such determination to be effective as of the date specified in the applicable board resolution) or (iii) at the option of the Parent Guarantor, any plant that (A) does not constitute part of the brewing operations of the Parent Guarantor and its Subsidiaries and (B) has a net book value, as reflected on the balance sheet contained in the Parent Guarantor’s financial statements of not more than \$100,000,000, and (b) any other facility owned by the Parent Guarantor or any of its Subsidiaries that the Parent Guarantor shall, by board resolution, designate as a Principal Plant. Following any determination, designation or election referred to herein that a brewery or plant shall not be included as a Principal Plant, the Parent Guarantor may, at its option, by board resolution, elect that such facility subsequently be included as a Principal Plant.

**“Redemption Date,”** when used with respect to any May 2019 Note to be redeemed, means the date fixed for such redemption by or pursuant to the Indenture.

**“Restricted Subsidiary”** means (a) any Subsidiary which owns or operates a Principal Plant, (b) any other subsidiary which the Parent Guarantor, by board resolution, shall elect to be treated as a Restricted Subsidiary, until such time as the Parent Guarantor may, by further board resolution, elect that such Subsidiary shall no longer be a Restricted Subsidiary, successive such elections being permitted without restriction, and (c) the Issuers and the Subsidiary Guarantors; *provided* that each of Companhia de Bebidas das Américas—AmBev and Grupo Modelo S.A.B. de C.V. shall not be “Restricted Subsidiaries” until and unless the Parent Guarantor owns, directly or indirectly, 100% of the equity interests in such company. Any such election will be effective as of the date specified in the applicable board resolution.

**“Significant Subsidiary”** means any Subsidiary (i) the consolidated revenue of which represents 10% or more of the consolidated revenue of the Parent Guarantor, (ii) the consolidated earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) of which represents 10% or more of the consolidated EBITDA of the Parent Guarantor or (iii) the consolidated gross assets of which represent 10% or more of the consolidated gross assets of the Parent Guarantor, in each case as reflected in the most recent annual audited financial statements of the Parent Guarantor, *provided* that (A) in the case of a Subsidiary acquired by the Parent Guarantor during or after the financial year shown in the most recent annual audited financial statements of the Parent Guarantor, such calculation shall be made on the basis of the contribution of the Subsidiary considered on a pro-forma basis as if it had been acquired at the beginning of the relevant period, with the pro-forma calculation (including any adjustments) being made by the Parent Guarantor acting in good faith and (B) EBITDA is calculated by the Parent Guarantor substantially in the same manner as EBITDA, as defined, is calculated for the amounts shown in “Item 5. Operating and Financial Review—E. Results of Operations” in the 2020 Form 20-F.





“**Subsidiary**” means any corporation of which more than 50% of the issued and outstanding stock entitled to vote for the election of directors (otherwise than by reason of default in dividends) is at the time owned directly or indirectly by the Parent Guarantor or a Subsidiary or Subsidiaries or by the Parent Guarantor and a Subsidiary or Subsidiaries.

**Terms Applicable to the 3.500% Notes due 2030, 4.350% Notes due 2040, 4.500% Notes due 2050 and 4.600% Notes due 2060**

The fixed rate notes due 2030 (the “**2030 Notes**”) will bear interest at a rate of 3.500% per year, the fixed rate notes due 2040 (the “**2040 Notes**”) will bear interest at a rate of 4.350% per year, the fixed rate notes due 2050 (the “**2050 Notes**”) will bear interest at a rate of 4.500% per year and the fixed rate notes due 2060 (the “**2060 Notes**”, and together with the 2030 Notes, the 2040 Notes and the 2050 Notes, the “**April 2020 Notes**”) will bear interest at a rate of 4.600% per year. The Notes will be issued by Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the April 2020 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Finance Inc., Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**,” and together with the Parent Guarantor, the “**Guarantors**”). Each series of the April 2020 Notes is listed on the New York Stock Exchange.

Each series of the April 2020 Notes is issued under a separate supplemental indenture to the indenture dated as of April 4, 2018 (the “**Indenture**”, with respect to the April 2020 Notes), entered into among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The information below on certain provisions of the Notes and the Indenture should be read together with “Description of Debt Securities - Terms Applicable to the January 2019 Notes, April 2018 Notes and April 2020 Notes” below. This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the April 2020 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The April 2020 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The April 2020 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The April 2020 Notes are issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The April 2020 Notes do not provide for any sinking fund.

The 2030 Notes are initially limited to \$1,750,000,000 aggregate principal amount and will mature on June 1, 2030. The 2040 Notes are initially limited to \$1,000,000,000 aggregate principal amount and will mature on June 1, 2040. The 2050 Notes are initially limited to \$2,250,000,000 aggregate principal amount and will mature on June 1, 2050. The 2060 Notes are initially limited to \$1,000,000,000 aggregate principal amount and will mature on June 1, 2060.

Interest will accrue on the April 2020 Notes of each series until the principal of such April 2020 Notes is paid or duly made available for payment. Interest on the April 2020 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any April 2020 Note or the date fixed for redemption or payment in connection with an acceleration of any April 2020 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

Interest on the April 2020 Notes will be paid to the persons in whose names the April 2020 Notes are registered at the close of business on the May 17 and November 16 immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The April 2020 Notes may, in addition, be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” below and may be redeemed prior to maturity in the circumstances described under “—Optional Tax Redemption” below.

**Optional Redemption**

The Issuer may, at its option, redeem each series of April 2020 Notes, as a whole or in part at any time prior to the applicable Par Call Date (as set forth in the table below), upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the April 2020 Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the April 2020 Notes to be redeemed as if the April 2020 Notes to be redeemed matured on the applicable Par Call Date (as defined herein) (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the applicable Spread (as defined below) for such series of April 2020 Notes;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) the redemption date.

Each of the April 2020 Notes will be redeemable in whole or in part, at the Issuer's option at any time and from time to time on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the April 2020 Notes being redeemed, plus accrued and unpaid interest to, but excluding the date of redemption.

Series	Par Call Date	Spread
2030 Notes	March 1, 2030 (three months prior to maturity)	45 bps
2040 Notes	December 1, 2039 (six months prior to maturity)	50 bps
2050 Notes	December 1, 2049 (six months prior to maturity)	50 bps
2060 Notes	December 1, 2059 (six months prior to maturity)	50 bps

**"Independent Investment Banker"** means Barclays Capital Inc., BNP Paribas Securities Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc. or J.P. Morgan Securities LLC, as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

**"Reference Treasury Dealer"** means (i) Barclays Capital Inc., BNP Paribas Securities Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC, and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a **"Primary Treasury Dealer"**), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

**Optional Tax Redemption**

A series of April 2020 Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the April 2020 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see "Description of Debt Securities—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes —Additional Amounts" below), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after April 1, 2020 (any such change or amendment, a **"Change in Tax Law"**), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the April 2020 Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under "Description of Debt Securities—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes —Additional Amounts"



below; *provided, however*, that the April 2020 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the April 2020 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

**Terms Applicable to the 4.150% Notes due 2025, 4.750% Notes due 2029, 4.900% Notes due 2031, 5.450% Notes due 2039, 5.550% Notes due 2049 and 5.800% Notes due 2059**

The fixed rate notes due 2025 (the “**2025 Notes**”) will bear interest at a rate of 4.150% per year, the fixed rate notes due 2029 (the “**2029 Notes**”) will bear interest at a rate of 4.750% per year, the fixed rate notes due 2031 (the “**2031 Notes**”) will bear interest at a rate of 4.900% per year, the fixed rate notes due 2039 (the “**2039 Notes**”) will bear interest at a rate of 5.450% per year, the fixed rate notes due 2049 (the “**2049 Notes**”) will bear interest at a rate of 5.550% per year and the fixed rate notes due 2059 (the “**2059 Notes**”) and together with the 2025 Notes, the 2029 Notes, the 2039 Notes and the 2049 Notes, the “**January 2019 Notes**”) will bear interest at a rate of 5.800% per year. The Notes are issued by Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the January 2019 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Finance Inc., Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**,” and together with the Parent Guarantor, the “**Guarantors**”, with respect to the January 2019 Notes). Each series of the January 2019 Notes are listed on the New York Stock Exchange.

Each series of the January 2019 Notes is issued under a separate supplemental indenture to the indenture dated as of April 4, 2018 (the “**Indenture**”, with respect to the January 2019 Notes), entered into among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The information below on certain provisions of the Notes and the Indenture should be read together with “Description of Debt Securities - Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes” below. This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the January 2019 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The January 2019 Notes are senior unsecured obligations of the Issuer and will rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The January 2019 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The January 2019 Notes were issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The January 2019 Notes do not provide for any sinking fund.

The 2025 Notes are initially limited to \$2,500,000,000 aggregate principal amount and will mature on 23 January 2025. The 2029 Notes are initially limited to \$4,250,000,000 aggregate principal amount and will mature on 23 January 2029. The 2031 Notes are initially limited to \$750,000,000 aggregate principal amount and will mature on 23 January 2031. The 2039 Notes are initially limited to \$2,000,000,000 aggregate principal amount and will mature on 23 January 2039. The 2049 Notes are initially limited to \$4,000,000,000 aggregate principal amount and will mature on 23 January 2049. The 2059 Notes are initially limited to \$2,000,000,000 aggregate principal amount and will mature on 23 January 2059.

Interest will accrue on the January 2019 Notes of each series until the principal of such January 2019 Notes is paid or duly made available for payment. Interest on the January 2019 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any January 2019 Note or the date fixed for redemption or payment in connection with an acceleration of any



January 2019 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

Interest on the January 2019 Notes will be paid to the persons in whose names the January 2019 Notes are registered at the close of business on the 8 January and 8 July immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The January 2019 Notes may, in addition, be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” below and may be redeemed prior to maturity in the circumstances described under “—Optional Tax Redemption” below.

### Optional Redemption

The Issuer may, at its option, redeem each series of January 2019 Notes, as a whole or in part at any time prior to the applicable Par Call Date (as set forth in the table below), upon not less than 10 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the January 2019 Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the January 2019 Notes to be redeemed as if the January 2019 Notes to be redeemed matured on the applicable Par Call Date (as defined herein) (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the applicable Spread (as defined herein) for such series of January 2019 Notes;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) the redemption date.

Each of the January 2019 Notes will be redeemable in whole or in part, at the Issuer’s option at any time and from time to time on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the January 2019 Notes being redeemed, plus accrued and unpaid interest to, but excluding the date of redemption.

Series	Par Call Date	Spread
2025 Notes	23 December 2024 (one month prior to maturity)	25 bps
2029 Notes	23 October 2028 (three months prior to maturity)	30 bps
2031 Notes	23 October 2030 (three months prior to maturity)	35 bps
2039 Notes	23 July 2038 (six months prior to maturity)	40 bps
2049 Notes	23 July 2048 (six months prior to maturity)	40 bps
2059 Notes	23 July 2058 (six months prior to maturity)	45 bps

“**Independent Investment Banker**” means, with respect to the January 2019 Notes, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated, as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means, with respect to the January 2019 Notes, (i) Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

**Optional Tax Redemption**

A series of January 2019 Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the January 2019 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see "Description of Debt Securities—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes—Additional Amounts"), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after January 10, 2019 (any such change or amendment, a "**Change in Tax Law**"), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the January 2019 Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under "Description of Debt Securities—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes—Additional Amounts" below; provided, however, that the Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the January 2019 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the January 2019 Notes were then due.

The foregoing provisions shall apply mutatis mutandis to any successor person, after such successor person becomes a party to the Indenture.

**Terms Applicable to the 4.000% Notes due 2028, the 4.375% Notes due 2038, the 4.600% Notes due 2048 and the 4.750% Notes due 2058 and the Floating Rate Notes due 2024:**

The fixed rate notes due 2028 (the "**2028 Notes**") will bear interest at a rate of 4.000% per year, the fixed rate notes due 2038 (the "**2038 Notes**") will bear interest at a rate of 4.375% per year, the fixed rate notes due 2048 (the "**2048 Notes**") will bear interest at a rate of 4.600% per year and the fixed rate notes due 2058 (the "**2058 Notes**") and together with the 2028 Notes, the 2038 Notes and the 2048 Notes, the "**April 2018 Fixed Rate Notes**") will bear interest at a rate of 4.750% per year. The floating rate notes due 2024 (the "**Floating Rate Notes**") and, together with the April 2018 Fixed Rate Notes, the "**April 2018 Notes**") will bear an interest at a floating rate per year equal to the 3-month U.S. dollar London Interbank Offered Rate ("**LIBOR**"), reset quarterly, plus 0.74%.

The April 2018 Notes are issued by Anheuser-Busch InBev Worldwide Inc. (the "**Issuer**", with respect to the April 2018 Notes) and are fully and unconditionally guaranteed by the Parent Guarantor, Anheuser-Busch InBev Finance Inc., Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the "**Subsidiary Guarantors**," and together with the Parent Guarantor, the "**Guarantors**", with respect to the April 2018 Notes). The April 2018 Notes are listed on the New York Stock Exchange.

Each series of the April 2018 Notes was issued under a separate supplemental indenture to the indenture dated as of April 4, 2018 (the "**Indenture**", with respect to the April 2018 Notes), entered into among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee,



principal paying agent, transfer agent and registrar (the “Trustee”). The information below on certain provisions of the Notes and the Indenture should be read together with “Description of Debt Securities - Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes” below. This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the April 2018 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2028 Notes were initially limited to \$2,500,000,000 aggregate principal amount and will mature on April 13, 2028. The 2038 Notes were initially limited to \$1,500,000,000 aggregate principal amount and will mature on April 15, 2038. The 2048 Notes were initially limited to \$2,500,000,000 aggregate principal amount and will mature on April 15, 2048. The 2058 Notes were initially limited to \$1,500,000,000 aggregate principal amount and will mature on April 15, 2058. The April 2018 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer.

Interest on the 2028 Notes will be paid to the persons in whose names the 2028 Notes are registered at the close of business on the April 1 and October 1 immediately preceding the applicable interest payment date, whether or not such date is a Business Day. Interest on the 2038 Notes will be paid to the persons in whose names the 2038 Notes are registered at the close of business on the April 1 and October 1 immediately preceding the applicable interest payment date, whether or not such date is a Business Day. Interest on the 2048 Notes will be paid to the persons in whose names the 2048 Notes are registered at the close of business on the April 1 and October 1 immediately preceding the applicable interest payment date, whether or not such date is a Business Day. Interest on the 2058 Notes will be paid to the persons in whose names the 2058 Notes are registered at the close of business on the April 1 and October 1 immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The April 2018 Fixed Rate Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and all of the outstanding April 2018 Notes may be redeemed prior to maturity in the circumstances described under “—Optional Tax Redemption.”

The Floating Rate Notes were initially limited to \$500,000,000 aggregate principal amount and will mature on January 12, 2024. Interest on the Floating Rate Notes will be payable quarterly in arrears on January 12, April 12, July 12 and October 12 of each year, commencing on July 12, 2018, subject to the Business Day Convention (as defined below), and until the principal of the Floating Rate Notes is paid or duly made available for payment. Interest on the Floating Rate Notes will accrue from April 4, 2018.

Interest on the Floating Rate Notes will be paid to the persons in whose names the Floating Rate Notes are registered at the close of business on the fifteenth calendar day immediately preceding the applicable Floating Rate Interest Payment Date, whether or not such day is a Business Day. The Floating Rate Notes may be redeemed prior to maturity in the circumstances described under “—Optional Tax Redemption.”

The interest rate on the Floating Rate Notes for the first Interest Period (as defined below) will be the 3-month U.S. dollar LIBOR, as determined on March 29, 2018, plus 0.74%. Thereafter, the interest rate on the Floating Rate Notes for any Interest Period will be the 3-month U.S. dollar LIBOR, as determined on the applicable Interest Determination Date (as defined below), plus 0.74%. The interest rate on the Floating Rate Notes will be reset quarterly on each Interest Reset Date (as defined below). For each Interest Period, interest on the Floating Rate Notes will be calculated on the basis of the actual number of days in the interest period divided by 360.

The Calculation Agent (as defined below) will determine 3-month U.S. dollar LIBOR in accordance with the following provisions: With respect to any Interest Determination Date, 3-month U.S. dollar LIBOR will be the rate for deposits in U.S. dollars having a maturity of three months commencing on the Interest Reset Date that appears on the designated LIBOR page as of 11:00 a.m., London time, on that Interest Determination Date. If no rate appears, 3-month U.S. dollar LIBOR, in respect of that Interest Determination Date, will be determined as follows: the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected and identified by us, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for the period of three months, commencing on the Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, then 3-month U.S. dollar LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then 3-month U.S. dollar LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on the Interest Determination Date by three major





banks in the City of New York selected by and identified by us for loans in U.S. dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time; *provided, however*, that if the banks selected by and identified by us are not providing quotations in the manner described by this sentence, 3-month U.S. dollar LIBOR determined as of that Interest Determination Date will be 3-month U.S. dollar LIBOR in effect on that Interest Determination Date (*i.e.*, the same as the rate determined for the immediately preceding Interest Reset Date). The designated LIBOR page is the Reuters screen “LIBOR01,” or any successor service for the purpose of displaying the London interbank rates of major banks for U.S. dollars. The Reuters screen “LIBOR01” is the display designated as the Reuters screen “LIBOR01,” or such other page as may replace the Reuters screen “LIBOR01” on that service or such other service or services as may be designated for the purpose of displaying London interbank offered rates for U.S. dollar deposits by ICE Benchmark Administration Limited (“**IBA**”) or its successor or such other entity assuming the responsibility of the IBA or its successor in calculating the London Inter-Bank Offered Rate in the event the IBA or its successor no longer does so. All calculations made by the Calculation Agent for the purposes of calculating the Interest Rates on the Floating Rate Notes shall be conclusive and binding on the Holders thereof, the Issuer and the Trustee, absent manifest error.

“**Business Day Convention**” means that if any Interest Payment Date (other than the maturity date or a date fixed for redemption or payment in connection with an acceleration of the Floating Rate Notes) falls on a day that is not a Business Day, that Interest Payment Date will be postponed to the next succeeding Business Day unless that Business Day is in the next succeeding calendar month, in which case the Interest Payment Date will be the immediately preceding Business Day.

“**Calculation Agent**” means The Bank of New York Mellon Trust Company, N.A.

“**Interest Determination Date**” means, for each particular Interest Reset Date (as defined below), the second London Business Day (as defined below) preceding such Interest Reset Date.

“**Interest Period**” means the period beginning on, and including, an Interest Payment Date and ending on, but not including, the following Interest Payment Date; *provided* that the first Interest Period will begin on April 4, 2018, and will end on, but not include, the first Interest Payment Date.

“**Interest Reset Date**” means, for each Interest Period other than the first Interest Period, the first day of such Interest Period, subject to the Business Day Convention.

“**London Business Day**” means any weekday on which banking or trust institutions in London are not authorized generally or obligated by law, regulation or executive order to close.

If the date of maturity of principal of the Floating Rate Notes or the date fixed for redemption or payment in connection with an acceleration of the Floating Rate Notes is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

### Optional Redemption

The Issuer may, at its option, redeem each series of April 2018 Fixed Rate Notes, as a whole or in part at any time prior to the applicable Par Call Date (as set forth in the table below), upon not less than 10 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the April 2018 Fixed Rate Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the April 2018 Fixed Notes to be redeemed as if the April 2018 Fixed Rate Notes to be redeemed matured on the applicable Par Call Date (as defined herein) (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the applicable Spread (as defined herein) for such series of Notes;



plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) the redemption date.

Each of the April 2018 Fixed Rate Notes will be redeemable in whole or in part, at the Issuer’s option at any time and from time to time on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the April 2018 Fixed Rate Notes being redeemed, plus accrued and unpaid interest to, but excluding the date of redemption.

Series	Par Call Date	Spread
2028 Notes	January 13, 2028 (three months prior to maturity)	20 bps
2038 Notes	October 15, 2037 (six months prior to maturity)	25 bps
2048 Notes	October 15, 2047 (six months prior to maturity)	25 bps
2058 Notes	October 15, 2057 (six months prior to maturity)	25 bps

“**Independent Investment Banker**” means, with respect to the April 2018 Notes, Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated or Mizuho Securities USA LLC, as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means, with respect to the April 2018 Notes, (i) Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Mizuho Securities USA LLC, and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

#### Optional Tax Redemption

A series of April 2018 Notes may be redeemed at any time, at the Issuer’s or the Parent Guarantor’s option, as a whole, but not in part, upon not less than 10 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount of the April 2018 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see “Description of Debt Securities—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes—Additional Amounts”), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after March 20, 2018 (any such change or amendment, a “**Change in Tax Law**”), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under “Description of Debt Securities—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes—Additional Amounts” below; *provided, however*, that the April 2018 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the April 2018 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.





No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due.

The foregoing provisions shall apply mutatis mutandis to any successor person, after such successor person becomes a party to the Indenture.

#### **Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes**

For the purposes of this section “—Terms Applicable to the April 2020 Notes, January 2019 Notes and April 2018 Notes”: (i) the term “Notes” or “debt securities” shall refer to the April 2020 Notes, January 2019 Notes and April 2018 Notes, (ii) the term “Issuer” shall refer to the Issuer under the April 2020 Notes, January 2019 Notes and April 2018 Notes, (iii) the term “Guarantor” shall refer to any Guarantor under the April 2020 Notes, January 2019 Notes and April 2018 Notes and (iv) the term “Indenture” shall refer to the Indenture under the April 2020 Notes, January 2019 Notes and April 2018 Notes.

#### **Event of Default**

The occurrence and continuance of one or more of the following events will constitute an “**Event of Default**” under the Indenture and under the Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;
- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the Notes or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the outstanding Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the Notes;
- (c) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (d) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or
- (e) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.



If an Event of Default occurs and is continuing with respect to the Notes, then, unless the principal of all of the Notes shall already have become due and payable (in which case no action is required for the acceleration of the Notes), the Holders of not less than 25% in aggregate principal amount of Notes then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (c) above with respect to the Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of the Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

**Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee and principal paying agent under each indenture. The trustee has two principal functions:

- first, it can enforce a holder’s rights against us if we default on the Notes. There are some limitations on the extent to which the trustee acts on a holder’s behalf, described under “—Events of Default”; and
- second, the trustee performs administrative duties for us, such as sending the holder’s interest payments, transferring Notes to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee and affiliates of the trustee in the ordinary course of our respective businesses. The address of The Bank of New York Mellon Trust Company, N.A. is 100 South 4th Street, Suite 550, St. Louis, MO 63102.

If an event of default occurs, or an event occurs that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded, the trustee may therefore be considered to have a conflicting interest with respect to the Notes or the applicable indenture for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign as trustee under the applicable indenture and we would be required to appoint a successor trustee.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the Indenture at the request of any Holders unless the Holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority Holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Notes, the following must occur:

- The Trustee must be given written notice that an event of default has occurred and remains uncured.
- The Holders of not less than 25% in principal amount of all outstanding Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.
- The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding Notes of that series.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.



We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the Notes, or else specifying any default.

### Modifications and Amendment

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of all of the Holders of the affected series of the notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the Notes;
- to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the Notes;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- to add to the covenants of the Issuer or the Guarantors, for the benefit of the Holders of the Notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the Holders of the Notes;
- to add to, change or eliminate any of the provisions of the Indenture in respect of the Notes, *provided* that any such addition, change or elimination (A) shall neither (i) apply to any Note created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Note with respect to such provision or (B) shall become effective only when there is no such Note outstanding;
- to modify the restrictions on and procedures for, resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;



- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, the Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms thereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the Notes and create and issue additional Notes having identical terms and conditions as the Notes (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding Notes;
- to add any Subsidiary of the Parent Guarantor as a Guarantor or a co-Issuer with respect to any series of notes, or to convert a Guarantor into a co-Issuer with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary’s Guarantee and provided in each case that the obligations of any co-Issuer will be joint and several with the Issuer;
- to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “Description of Debt Securities and Guarantees—Guarantees” in the Prospectus;
- to provide for any amendment, modification or alteration of any Subsidiary Guarantor’s Guarantee and the limitations applicable thereto in the circumstances described under “Description of Debt Securities and Guarantees—Guarantees” in the Prospectus; or
- to make any other change that does not materially adversely affect the interests of the holders of the notes affected thereby.

Interest will accrue on the Notes of each series until the principal of such Notes is paid or duly made available for payment. Interest on the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any Note or the date fixed for redemption or payment in connection with an acceleration of any Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

“**Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York, London and Brussels.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as if such Notes had matured on the applicable Par Call Date that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes through the applicable Par Call Date.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.



A notice of redemption may, at the discretion of the Issuer, be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering, a financing, or other corporate transaction. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in our discretion, the redemption date may be postponed until up to 60 days following the notice of redemption, and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date (including as it may be postponed).

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on such date. If fewer than all of the Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular Notes of such series or portions thereof for redemption from the outstanding Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate, provided that if the Notes of a series are represented by one or more global notes, interests in such global notes shall be selected for redemption by DTC in accordance with its standard procedures therefor.

**Additional Notes**

The Notes were issued in the initial aggregate principal amount set forth above. The Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional Notes (the “**Additional Notes**”) maturing on the same maturity date as the other Notes of a series and having the same terms and conditions under the Indenture (including with respect to the Guarantors and the Guarantees) as the previously outstanding Notes of that series in all respects (or in all respects except for the issue date and the principal amount and, in some cases, the date of the first payment of interest thereon) so that such Additional Notes shall be consolidated and form a single series with the previously outstanding Notes of that series, *provided* that either (i) such Additional Notes are fungible with the Notes of such series offered hereby for U.S. federal income tax purposes or (ii) such Additional Notes shall have a separate CUSIP number. Without limiting the foregoing, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional series of notes with additional or different terms and maturity dates than the Notes.

**Guarantee**

Each debt security will benefit from an unconditional, full and irrevocable guarantee by the Parent Guarantor. One or more of the following Subsidiary Guarantors, which are subsidiaries of the Parent Guarantor, may, along with the Parent Guarantor, jointly and severally guarantee the debt securities on a full, unconditional and irrevocable basis:

- Anheuser-Busch Companies, LLC
- Anheuser-Busch InBev Worldwide Inc.
- Anheuser-Busch InBev Finance Inc.
- Brandbev S.à r.l.
- Brandbrew S.A.
- Cobrew NV

The Subsidiary Guarantors, if any, for any particular series of debt securities will be specified in the applicable prospectus supplement. The Issuer of a particular series of securities will not act as a Subsidiary Guarantor for that series.

Each guarantee to be provided is referred to as a “Guarantee” and collectively, the “Guarantees;” the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the “Subsidiary Guarantors” and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the “Guarantors”.



All such Guarantees are set forth in each indenture, or a supplement thereto, and may take the form of a guarantee to be endorsed on a particular series of securities or a global guarantee that applies to multiple series of securities under an indenture. The Guarantees provided by several of the Guarantors will be subject to certain limitations set forth below under “—Guarantee Limitations”.

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, as defined below, if any) due under the debt securities in accordance with each indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank pari passu among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee and such Subsidiary Guarantee shall thereupon terminate and be discharged of no further force or effect, in the event that at substantially the same time its Guarantee of the debt securities is terminated, (i) (for so long as any commitments remain outstanding under the 2010 Senior Facility Agreement) the relevant Subsidiary Guarantor is or has been released from its guarantee of 2010 Senior Facility Agreement (as defined in the Annual Report under the heading “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources” and as it may be amended from time to time) or is no longer a guarantor under the 2010 Senior Facility Agreement, and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this paragraph, the amount of a Guarantor’s indebtedness for borrowed money shall not include (A) the debt securities issued pursuant to the indentures dated 12 January 2009, 16 October 2009 and 16 December 2016, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as Issuer, the Parent Guarantor, the Subsidiary Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, (B) the debt securities issued pursuant to the indentures dated 17 January 2013, 25 January 2016 and 15 May 2017, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Finance Inc., as Issuer, the Parent Guarantor, the Subsidiary Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, (C) any other debt the terms of which permit the termination of the Guarantor’s guarantee of such debt under similar circumstances, as long as such Guarantor’s obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the debt securities, and (D) any debt that is being refinanced at substantially the same time that the Guarantee of the debt securities is being released; provided that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor’s indebtedness for borrowed money.

In addition, Brandbrew S.A. and/or Brandbev S.à r.l., whose guarantees are subject to certain limitations described below, shall be entitled to terminate its Guarantee, and the trustee under each indenture shall execute a release and termination agreement effecting such termination, with respect to any or all series of the notes issued under each indenture, in the event that Brandbrew S.A. or Brandbev S.à r.l determines that under the rules, regulations or interpretations of the SEC it would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under each indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, Brandbrew S.A. and/or Brandbev S.à r.l. will be entitled to amend or modify by execution of indentures supplemental to each indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by Brandbrew S.A. or Brandbev S.à r.l to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.

***Supplemental Information on Subsidiary Guarantors***

Brandbrew S.A. and Brandbev S.à r.l., the Subsidiary Guarantors whose Guarantees are subject to limitations, as described below under “—Guarantee Limitations”, accounted in aggregate for less than 0.1% of the total consolidated EBITDA, as defined, of AB InBev for the year ended 31 December 2017 and approximately 0.1% of the total consolidated debt of AB InBev as of 31 December 2017.





### Guarantee Limitations

Pursuant to restrictions imposed by Luxembourg law, notwithstanding anything to the contrary in the Guarantees to be provided by Brandbrew S.A. or Brandbev S.à r.l., (each, a “**Luxembourg Guarantor**”), for the purposes of any such Guarantees, the maximum aggregate liability of such Luxembourg Guarantor under its Guarantee (including any actual or contingent liabilities as a guarantor under the Other Guaranteed Facilities (as defined below)) shall not exceed an amount equal to the aggregate of (without double counting):

- (1) the aggregate amount of all moneys received by such Luxembourg Guarantor and its Subsidiaries as a borrower or issuer under the Other Guaranteed Facilities;
- (2) the aggregate amount of all outstanding intercompany loans made to such Luxembourg Guarantor and its Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the Debt Securities and the Other Guaranteed Facilities; and
- (3) an amount equal to 100% of the greater of:
  - (a) the sum of (x) such Luxembourg Guarantor’s own capital (*capitaux propres*) (as referred to in article 34 of the Luxembourg Law of 2002, and as implemented by the Luxembourg Regulation) as reflected in such Luxembourg Guarantor’s then most recent annual accounts approved by the competent organ of such Luxembourg Guarantor (as audited by its statutory auditor (*réviseur d’entreprises agréé*), if required by law) at the date an enforcement is made under such Luxembourg Guarantor’s Guarantee and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indentures or the Other Guaranteed Facilities (as defined below); and
  - (b) the sum of (x) such Luxembourg Guarantor’s own capital (*capitaux propres*) (as referred to in article 34 of the Luxembourg Law of 2002, and as implemented by the Luxembourg Regulation) as reflected in its most recent annual accounts available as of the date of the applicable Indenture and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indentures or the Other Guaranteed Facilities (as defined below).

For the avoidance of doubt, the limitation on the Guarantee provided by such Luxembourg Guarantor shall not apply to any Guarantee by it of any obligations owed by its Subsidiaries under the Other Guaranteed Facilities.

In addition, the obligations and liabilities of such Luxembourg Guarantor under its Guarantee and under any of the Other Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on unlawful financial assistance as contained in articles 49-6 or 168, as applicable, of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended.

### “Other Guaranteed Facilities” means:

- (1) any debt securities issued by Anheuser-Busch Companies, LLC under any of the following indentures:
  - (a) the Indenture, dated August 1, 1995, between Anheuser-Busch Companies, LLC (formerly known as Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (as successor to Chemical Bank), as trustee;
  - (b) the Indenture, dated July 1, 2001, between Anheuser-Busch Companies, LLC (formerly known as Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Chase Manhattan Bank), as trustee; and
  - (c) the Indenture, dated October 1, 2007, between Anheuser-Busch Companies, LLC (formerly known as Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee;
- (2) the 2010 Senior Facilities Agreement;
- (3) any debt securities issued or guaranteed by Brandbrew S.A., Brandbev S.à r.l. or the Parent Guarantor under the €15,000,000,000 Euro Medium Term Note Programme originally entered into on 16 January 2009, as the same may be amended from time to time;
- (4) any debt securities issued or guaranteed by Brandbrew, Brandbev or the Parent Guarantor under the €40,000,000,000 Euro Medium Term Note Programme originally entered into on 6 December 2016;





- (5) any debt securities issued or guaranteed by Brandbrev S.A., Brandbev S.à r.l. or the Parent Guarantor under the €40,000,000,000 Euro Medium Term Note Programme originally entered into on 20 December 2017, as the same may be amended from time to time;
- (6) any debt securities issued by Anheuser-Busch InBev Worldwide and guaranteed by Brandbrev S.A. or Brandbev S.à r.l. under the indentures dated 12 January 2009, 16 October 2009, 16 December 2016 and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as Issuer, the Parent Guarantor, certain of the Subsidiary Guarantors and the Trustee;
- (7) any debt securities guaranteed by Brandbrev S.A. or Brandbev S.à r.l. under the U.S. Commercial Paper Program of short-term notes due up to a maximum of 364 days from the date of issue issued by Anheuser-Busch InBev Worldwide Inc. pursuant to dealer agreements, an issuing and paying agency agreement, the master note, guarantees and private placement memoranda, each dated on or around June 6, 2011, as amended and restated on or around 20 August 2014;
- (8) any debt securities guaranteed by Brandbrev S.A. or Brandbev S.à r.l. under the indentures dated 17 January 2013, 25 January 2016 and 15 May 2017, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Finance Inc., as Issuer, the Parent Guarantor, certain of the Subsidiary Guarantors and the Trustee; and
- (9) any refinancing (in whole or part) of any of the above items for the same or a lower amount.

### Certain Covenants

#### Limitation on Liens

So long as any of the debt securities remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an “**Encumbrance**”) on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the debt securities (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the debt securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith; *provided, however*, the above limitation does not apply to:

- (a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;
- (b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition);
- (c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;
- (d) Encumbrances to secure the cost of development or construction of property, or improvements thereon; *provided that* the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;
- (e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;
- (f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;
- (g) Encumbrances existing at the date of the applicable indenture;
- (h) Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits; *provided that* the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under each indenture;
- (i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;



- (j) judgment Encumbrances not giving rise to an event of default;
- (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges;
- (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;
- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o); *provided that* the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;
- (q) as permitted under the provisions described in the following two paragraphs herein; and
- (r) sale-leaseback transactions.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without ratably securing the debt securities, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness; *provided that* the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions (computed without duplication of amount) does not at the time exceed 15% of Net Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase, such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the debt securities (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the debt securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the covenant described above.



In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the debt securities (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under that indenture and other agreements relating thereto.

**Substitution of an Issuer or Guarantor; Consolidation, Merger and Sale of Assets**

In all cases subject to any provisions contained in the applicable prospectus supplement describing the Holders' option to require repayment upon a change in control, (i) any Issuer or Guarantor, without the consent of the Holders of any of the debt securities, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation or (ii) an Issuer may at any time substitute for itself either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the debt securities (a "**Substitute Issuer**"); *provided that*:

- (a) the Substitute Issuer or any other successor company shall expressly assume such Issuer's or Guarantor's respective obligations under the debt securities or the Guarantees, as the case may be, and each indenture, as applicable, except that if the Parent Guarantor is merged into any corporation organized under the laws of the Kingdom of Belgium via a "merger by absorption" in accordance with the Belgian Companies Code, that successor company shall, by virtue of the operation of Belgian law and without any further action by the Parent Guarantor or its successor, assume the obligations of the Parent Guarantor under the Guarantees and each indenture and no express assumption will be required;
- (b) any other successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) such Issuer is not in default of any payments due under the debt securities and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease, conveyance or substitution, no Event of Default shall be continuing;
- (d) in the case of a Substitute Issuer:
- (i) the obligations of the Substitute Issuer arising under or in connection with the debt securities and each indenture, as applicable, are fully, irrevocably and unconditionally guaranteed by the Guarantors (other than the Substitute Issuer, if applicable) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
- (ii) the Parent Guarantor, the applicable Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder); *provided, however*, that such indemnification shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of additional amounts on account of any such withholding or deduction;
- (iii) each stock exchange on which the debt securities are listed, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to be listed on such stock exchange; and
- (iv) each rating agency that rates the debt securities, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, "**Affiliate**" shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.



Upon the effectiveness of any substitution, all of the foregoing provisions will apply *mutatis mutandis*, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

## Discharge and Defeasance

### Discharge of Indentures

Each indenture provides that the applicable Issuer and the Guarantors will be discharged from any and all obligations in respect of such indenture (except for certain obligations to register the transfer of or exchange debt securities, replace stolen, lost or mutilated debt securities, make payments of principal and interest and maintain paying agencies) if:

- the applicable Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all debt securities outstanding thereunder;
- the applicable Issuer or the Guarantors shall have delivered to the Trustee for cancellation all debt securities outstanding theretofore authenticated; or
- all debt securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Redemption — Optional Redemption” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the applicable Issuer or Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such debt securities, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such debt securities not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the debt securities and all other amounts payable under the applicable indenture by the applicable Issuer.

“**U.S. Government Obligations**” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

### Covenant Defeasance

Each indenture also provides that the applicable Issuer and the Guarantors need not comply with certain covenants of such indenture (including those described under “—Certain Covenants—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the applicable Issuer or the Guarantors irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such debt securities, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the debt securities then outstanding on the dates such payments are due in accordance with the terms of the debt securities;
- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;
- the applicable Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;



- the applicable Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their debt securities in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of debt securities beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such debt securities in carrying on a business in such jurisdiction of incorporation; and
- the applicable Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as "Covenant Defeasance".

#### Additional Amounts

To the extent that any Guarantor is required to make payments in respect of the debt securities, such Guarantor will make all payments in respect of the debt securities without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the "**Relevant Taxing Jurisdiction**") unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it;
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the debt securities or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction;
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of, such taxes;
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes;
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such debt security;
- (f) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later;



- (g) are payable because any debt security was presented to a particular paying agent for payment if the debt security could have been presented to another paying agent without any such withholding or deduction; or
- (h) are payable for any combination of (a) through (g) above.

References to principal or interest in respect of the debt securities shall be deemed to include any Additional Amounts, which may be payable as set forth in each indenture.

In addition, any amounts to be paid by an Issuer or any Guarantor on the debt securities will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (“**FATCA Withholding**”). Neither any Guarantor nor any Issuer will be required to pay Additional Amounts on account of any FATCA Withholding.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided, however*, that such covenant will apply to an Issuer at any time when it is incorporated in a jurisdiction outside of the United States. The prospectus supplement relating to the debt securities may describe additional circumstances in which the Guarantors would not be required to pay additional amounts.

**Terms Applicable to the 4.439% Notes due 2048 (the “2048 Notes”)**

The 2048 Notes will bear interest at a rate per annum equal to 4.439%. Interest on the 2048 Notes will be payable semi-annually in arrears on 6 April and 6 October of each year, commencing 6 October 2017, and at maturity. Interest payable on the 2048 Notes will be paid to the holders of record on the immediately preceding 20 March and 20 September.

The 2048 Notes are issued by Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the 2048 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Finance Inc., Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**”, and together with the Parent Guarantor, the “**Guarantors**”, with respect to the 2048 Notes), subject to certain customary release provisions.

The 2048 Notes were issued under a supplemental indenture to the indenture, dated as of 16 December 2016 (as amended and supplemented, the “**Indenture**”, with respect to the 2048 Notes), among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the 2048 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2048 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The 2048 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The 2048 Notes were issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The 2048 Notes do not provide for any sinking fund. The 2048 Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).

For purposes of the 2048 Notes, “**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York and in London.





### Optional Redemption

Prior to 6 April 2048 (six months prior to the maturity date of the 2048 Notes) (the “**Par Call Date**”, with respect to the 2048 Notes), the 2048 Notes may be redeemed at any time, at the Issuer’s option, as a whole or in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- (i) 100% of the aggregate principal amount of the 2048 Notes to be redeemed; and
- (ii) as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2048 Notes to be redeemed as if the 2048 Notes to be redeemed matured on the Par Call Date (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate *plus* 25 basis points;

*plus*, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) the date of redemption.

On or after the Par Call Date, the 2048 Notes will be redeemable as a whole or in part, at the Issuer’s option at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 2048 Notes being redeemed, *plus* accrued and unpaid interest on the principal amount being redeemed to (but excluding) the date of redemption.

On and after the Redemption Date, interest will cease to accrue on the 2048 Notes or any portion of the 2048 Notes called for redemption, unless we default in the payment of the redemption price and accrued interest. On or before the Redemption Date, we will deposit with a paying agent or the Trustee money sufficient to pay the redemption price of and accrued interest on the 2048 Notes to be redeemed on that date.

In the case of any partial redemption, selection of the 2048 Notes of a series to be redeemed will be made in accordance with applicable procedures of DTC.

### Optional Tax Redemption

The 2048 Notes may be redeemed at any time, at the Issuer’s or the Parent Guarantor’s option, in whole but not in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount of the 2048 Notes then outstanding, *plus* accrued and unpaid interest on the principal amount being redeemed (and any Additional Amounts) to the Redemption Date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or herein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after 6 April 2017 (any such change or amendment, a “**Change in Tax Law**”, with respect to the 2048 Notes), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts with respect to the 2048 Notes of a particular series, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under “—Additional Amounts”; *provided, however*, that the 2048 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the 2048 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any such notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the relevant 2048 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.





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## Guarantees

Each 2048 Note will benefit from full and unconditional guarantees (the “**Guarantees**”) by Anheuser-Busch InBev SA/NV, as the Parent Guarantor and Anheuser-Busch Companies, LLC, Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, Anheuser-Busch InBev Finance Inc., as Subsidiary Guarantors (collectively referred to as the “**Guarantors**”), subject to certain customary release provisions. These Guarantees are set forth in our Indenture and are subject to certain limitations set forth below under “—Guarantee Limitations”.

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, as defined below, if any) due under the 2048 Notes. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect, in the event that at substantially the same time its Guarantee of the 2048 Notes is terminated, (i) (for so long as any commitments remain outstanding under the 2010 Senior Facility Agreement) the relevant Subsidiary Guarantor is or has been released from its guarantee of the 2010 Senior Facility Agreement (each as defined in our Annual Report on Form 20-F for the fiscal year ended 31 December 2016 under the heading “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources” and each as they may be amended from time to time) or is no longer a guarantor under the 2010 Senior Facility Agreement, (ii) for so long as any commitments remain outstanding under the 2015 Senior Facilities Agreement, the relevant Subsidiary Guarantor is or has been released from its guarantee of the 2015 Senior Facilities Agreement or is no longer a guarantor under the 2015 Senior Facilities Agreement (as defined in our Annual Report on Form 20-F for the fiscal year ended 31 December 2016 under the heading “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources” and as it may be amended from time to time) and (iii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this paragraph, the amount of a Guarantor’s indebtedness for borrowed money shall not include (A) any debt securities issued pursuant to the Indenture (including the 2048 Notes), (B) the debt securities issued pursuant to the indentures dated 12 January 2009 and 16 October 2009 and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as issuer, the Parent Guarantor, the subsidiary guarantors named therein and the Trustee, (C) the debt securities issued pursuant to the indentures dated 17 January 2013, 25 January 2016 and 15 May 2017 and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Finance Inc., as issuer, the Parent Guarantor, the Subsidiary Guarantors named therein and the Trustee, (D) any other debt the terms of which permit the termination of the Guarantor’s guarantee of such debt under similar circumstances, as long as such Guarantor’s obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the debt securities, and (E) any debt that is being refinanced at substantially the same time that the Guarantee of the debt securities is being released, *provided* that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor’s indebtedness for borrowed money.

In addition, the Guarantees of Brandbrew S.A. and/or Brandbev S.à r.l., whose Guarantees are subject to certain limitations described below, will automatically and unconditionally be terminated, with respect to any or all series of the notes issued under each indenture, in the event that we determine that under the rules, regulations or interpretations of the SEC such Guarantor would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under each indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, Brandbrew S.A. and/or Brandbev S.à r.l. will be entitled to amend or modify by execution of indentures supplemental to each indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by Brandbrew S.A. or Brandbev S.à r.l. to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.



**Supplemental Information on Subsidiary Guarantors**

Brandbrew S.A. and Brandbev S.à r.l., the Subsidiary Guarantors whose Guarantees are subject to limitations, as described below under “—Guarantee Limitations”, accounted in aggregate for less than 0.1% of the total consolidated EBITDA, as defined, of AB InBev for the year ended 31 December 2016 and approximately 0.1% of the total consolidated debt of AB InBev as of 31 December 2016.

**Guarantee Limitations**

Pursuant to restrictions imposed by Luxembourg law, notwithstanding anything to the contrary in the Guarantees to be provided by Brandbrew S.A. or Brandbev S.à r.l. (each, a “**Luxembourg Guarantor**”), for the purposes of any such Guarantees, the maximum aggregate liability of such Luxembourg Guarantor under its Guarantee (including any actual or contingent liabilities as a guarantor under the Other Guaranteed Facilities (as defined below)) shall not exceed an amount equal to the aggregate of (without double counting):

- (1) the aggregate amount of all moneys received by such Luxembourg Guarantor and its Subsidiaries as a borrower or issuer under the Other Guaranteed Facilities;
- (2) the aggregate amount of all outstanding intercompany loans made to such Luxembourg Guarantor and its Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the 2048 Notes issued under each indenture and the Other Guaranteed Facilities; and
- (3) an amount equal to 100% of the greater of:
  - (a) the sum of (x) such Luxembourg Guarantor’s own capital (*capitaux propres*) (as referred to by article 34 of the law dated 19 December 2002 on the commercial register and annual accounts, as amended (the “**Luxembourg Law of 2002**”) and as implemented by the Grand-Ducal regulation dated 18 December 2015 setting out the form and content of the presentation of the balance sheet and profit and loss account (the “**Luxembourg Regulation**”)) as reflected in such Luxembourg Guarantor’s then most recent annual accounts approved by the competent organ of such Luxembourg Guarantor (as audited by its statutory auditor (*réviseur d’entreprises agréé*), if required by law) at the date an enforcement is made under such Luxembourg Guarantor’s Guarantee and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indenture or the Other Guaranteed Facilities (as defined below); and
  - (b) the sum of (x) such Luxembourg Guarantor’s own capital (*capitaux propres*) (as referred to by article 34 of the Luxembourg Law of 2002 and as implemented by the Luxembourg Regulation) as reflected in its most recent annual accounts available as of the date of the Indenture and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indenture or the Other Guaranteed Facilities.

For the avoidance of doubt, the limitation on the Guarantee provided by such Luxembourg Guarantor shall not apply to any Guarantee by it of any obligations owed by its Subsidiaries under the Other Guaranteed Facilities. In addition, the obligations and liabilities of such Luxembourg Guarantor under its Guarantee and under any of the Other Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on unlawful financial assistance as contained in articles 49-6 or 168, as applicable, of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended.

**Terms Applicable to the 4.950% Notes due 2042, 6.625% Notes due 2033, 5.875% Notes due 2035 (the “December 2016 Notes”)**

The December 2016 Notes are issued by Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the December 2016 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Finance Inc., Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**,” and together with the Parent Guarantor, the “**Guarantors**”, with respect to the December 2016 Notes). Each series of December 2016 Notes is listed on the New York Stock Exchange.



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Each series of the December 2016 Notes was issued under a supplemental indenture to the indenture dated as of 16 December 2016 (the “**Indenture**”), entered into among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the December 2016 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The December 2016 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The December 2016 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The December 2016 Notes are issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The December 2016 Notes do not provide for any sinking fund. The December 2016 Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).

For purposes of the December 2016 Notes, “**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York and in London.

The December 2016 Notes will bear interest at the rate as specified in the table below and will mature as specified below.

Title of Series	Interest Rate	Maturity Date	Interest Accrues From
6.625% Notes due 2033	6.625%	15 August 2033	15 August 2016
5.875% Notes due 2035	5.875%	15 June 2035	15 December 2016
4.950% Notes due 2042	4.950%	15 January 2042	15 July 2016

We will pay interest on the December 2016 Notes to the person in whose name the December 2016 Notes are registered as follows.

Title of Series	Interest Payable Date(s)	Record Date(s)
6.625% Notes due 2033	15 February and 15 August	1 February and 1 August
5.875% Notes due 2035	15 June and 15 December	1 June and 1 December
4.950% Notes due 2042	15 January and 15 July	1 January and 1 July

#### Optional Redemption of the December 2016 Notes

Each series of the December 2016 Notes may be redeemed as a whole or in part, at our option, at any time and from time to time, on at least 30 days’, but not more than 60 days’, prior notice mailed (or otherwise transmitted in accordance with DTC procedures) to the registered address of each holder of the December 2016 Notes of such series to be redeemed. The redemption price will be calculated by the Independent Investment Banker, as such term is defined in the Indenture, and will be equal to the greater of (1) 100% of the principal amount of the December 2016 Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months or in the case of an incomplete month, the number of days elapsed), at a rate equal to the sum of the Treasury Rate (as defined below) plus a number of basis points equal to the applicable make-whole spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued but unpaid interest will be payable to the redemption date.



Title of Series	Make-Whole Spread
6.625% Notes due 2033	30 bps
5.875% Notes due 2035	30 bps
4.950% Notes due 2042	30 bps

## Guarantees

Each December 2016 Note will benefit from unconditional, full and irrevocable guarantees (the “**Guarantees**”) by Anheuser-Busch InBev SA/NV, as the Parent Guarantor and Anheuser-Busch Companies, LLC, Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, Anheuser-Busch InBev Finance Inc., as Subsidiary Subsidiary Guarantors (collectively referred to as the “**Guarantors**”). These Guarantees are set forth in our Indenture and are subject to certain limitations set forth below under “—Guarantee Limitations.”

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, as defined below, if any) due under the December 2016 Notes. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Any Subsidiary Guarantor will automatically and unconditionally be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force or effect, in the event that at substantially the same time its Guarantee of the December 2016 Notes is terminated, (i) (for so long as any commitments remain outstanding under the 2010 Senior Facility Agreement) the relevant Subsidiary Guarantor is or has been released from its guarantee of 2010 Senior Facility Agreement (as defined in the 2020 Form 20-F under the heading “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources” and as it may be amended from time to time) or is no longer a guarantor under the 2010 Senior Facility Agreement, (ii) (for so long as any commitments remain outstanding under the 2015 Senior Facilities Agreement) the relevant Subsidiary Guarantor is or has been released from its guarantee of the 2015 Senior Facilities Agreement or is no longer a guarantor under the 2015 Senior Facilities Agreement and (iii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this paragraph, the amount of a Guarantor’s indebtedness for borrowed money shall not include (A) the December 2016 Notes issued pursuant to the Indenture, (B) the debt securities issued pursuant to the indentures dated 12 January 2009 and 16 October 2009 and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as issuer, the Parent Guarantor, the subsidiary guarantors named therein and the Trustee, (C) the debt securities issued pursuant to the indentures dated 17 January 2013 and 25 January 2016 and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Finance Inc., as issuer, the Parent Guarantor, the Subsidiary Guarantors named therein and the Trustee, (D) any other debt the terms of which permit the termination of the Guarantor’s guarantee of such debt under similar circumstances, as long as such Guarantor’s obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the debt securities, and (E) any debt that is being refinanced at substantially the same time that the Guarantee of the debt securities is being released, provided that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor’s indebtedness for borrowed money.

In addition, the Guarantees of Brandbrew S.A. and/or Brandbev S.à r.l., whose Guarantees are subject to certain limitations described below, will automatically and unconditionally be terminated, with respect to any or all series of the notes issued under each indenture, in the event that AB InBev determines that under the rules, regulations or interpretations of the SEC such Guarantor would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under each indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, Brandbrew S.A. and/or Brandbev S.à r.l. will be entitled to amend or modify by execution of indentures supplemental to each indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by Brandbrew S.A. or Brandbev S.à r.l. to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.



### Supplemental Information on Subsidiary Guarantors

Brandbrew S.A. and Brandbev S.à r.l., the Subsidiary Guarantors whose Guarantees are subject to limitations, as described below under “—Guarantee Limitations,” accounted in aggregate for less than 0.1% of the total consolidated EBITDA, as defined, of the AB InBev Group for the six month period ended 30 June 2016 and approximately 0.2% of the total consolidated debt of AB InBev as of 30 June 2016.

### Guarantee Limitations

Pursuant to restrictions imposed by Luxembourg law, notwithstanding anything to the contrary in the Guarantees to be provided by Brandbrew S.A. or Brandbev S.à r.l. (each, a “**Luxembourg Guarantor**”), for the purposes of any such Guarantees, the maximum aggregate liability of such Luxembourg Guarantor under its Guarantee (including any actual or contingent liabilities as a guarantor under the Other Guaranteed Facilities (as defined below)) shall not exceed an amount equal to the aggregate of (without double counting):

- (1) the aggregate amount of all moneys received by such Luxembourg Guarantor and its Subsidiaries as a borrower or issuer under the Other Guaranteed Facilities;
- (2) the aggregate amount of all outstanding intercompany loans made to such Luxembourg Guarantor and its Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the Notes issued under each indenture and the Other Guaranteed Facilities; and
- (3) an amount equal to 100% of the greater of:
  - (a) the sum of (x) such Luxembourg Guarantor’s own capital (*capitaux propres*) (as referred to by article 34 of the law dated 19 December 2002 on the commercial register and annual accounts, as amended (the “**Luxembourg Law of 2002**”) and as implemented by the Grand-Ducal regulation dated 18 December 2015 setting out the form and content of the presentation of the balance sheet and profit and loss account (the “**Luxembourg Regulation**”)) as reflected in such Luxembourg Guarantor’s then most recent annual accounts approved by the competent organ of such Luxembourg Guarantor (as audited by its statutory auditor (*réviseur d’entreprises agréé*), if required by law) at the date an enforcement is made under such Luxembourg Guarantor’s Guarantee and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indenture or the Other Guaranteed Facilities (as defined below); and
  - (b) the sum of (x) such Luxembourg Guarantor’s own capital (*capitaux propres*) (as referred to by article 34 of the Luxembourg Law of 2002 and as implemented by the Luxembourg Regulation) as reflected in its most recent annual accounts available as of the date of the Indenture and (y) any amounts owed by such Luxembourg Guarantor to any other member of the AB InBev Group which have not been funded, directly or indirectly, using the proceeds of borrowings under the Indenture or the Other Guaranteed Facilities.

For the avoidance of doubt, the limitation on the Guarantee provided by such Luxembourg Guarantor shall not apply to any Guarantee by it of any obligations owed by its Subsidiaries under the Other Guaranteed Facilities.

In addition, the obligations and liabilities of Brandbrew S.A. under its Guarantee and under any of the Other Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on unlawful financial assistance as contained in article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended.

“**Other Guaranteed Facilities**” means: (1) any debt securities issued by Anheuser-Busch Companies under (a) the indenture dated 1 August 1995, between Anheuser-Busch Companies, LLC (formerly Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (as successor to Chemical Bank), as trustee, (b) the indenture, dated 1 July 2001, between Anheuser-Busch Companies, LLC (formerly Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Chase Manhattan Bank), as trustee and (c) the indenture, dated 1 October 2007, between Anheuser-Busch Companies, LLC (formerly Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (formerly The Bank of New York Trust Company, N.A.), as trustee; (2) the 2010 Senior



Facility Agreement (as defined in the 2019 Form 20-F under the heading “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources” and as it may be amended from time to time); (3) the 2015 Senior Facilities Agreement; (4) any debt securities issued or guaranteed by Brandbrev S.A., Brandbev S.à r.l. or the Parent Guarantor under the €15,000,000,000 Euro Medium Term Note Programme originally entered into on 16 January 2009, as the same may be amended from time to time; (5) the debt securities issued pursuant to the indenture dated 12 January 2009, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as issuer, the Parent Guarantor, the subsidiary guarantors named therein and the Trustee; (6) the debt securities issued pursuant to the indenture dated 16 October 2009, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as Issuer, the Parent Guarantor, the subsidiary guarantors named therein and the Trustee; (7) any debt securities guaranteed by Brandbrev S.A. or Brandbev S.à r.l. under the U.S. Commercial Paper Program of short-term notes due up to a maximum of 364 days from the date of issue issued by Anheuser-Busch InBev Worldwide Inc. pursuant to dealer agreements, an issuing and paying agency agreement, the master note, guarantees and private placement memoranda, each dated on or around 6 June 2011, as amended and restated on or around 20 August 2014; (8) any debt securities issued pursuant to the indentures dated 17 January 2013 and 25 January 2016 and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Finance Inc., as issuer, the Parent Guarantor, the subsidiary guarantors named therein and the Trustee; (9) any debt securities to be issued pursuant to the Indenture and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide Inc., as issuer, the Parent Guarantor, the subsidiary guarantors named therein and the Trustee; and (10) any refinancing (in whole or part) of any of the above items or for the same or a lower amount.

**Terms Applicable to the 2048 Notes and the December 2016 Notes**

For the purposes of this section “—Terms Applicable to the 2048 notes and the December 2016 Notes”: (i) the term “Notes” or “debt securities” shall refer to the 2048 Notes and the December 2016 Notes and (ii) the term “Issuer” shall refer to the Issuer under the 2048 Notes and the December 2016 Notes, (iii) the term “Guarantor” shall refer to any Guarantor under the 2048 Notes and the December 2016 Notes and (iv) the term “Indenture” shall refer to the Indenture under the 2048 Notes and the December 2016 Notes.

**The Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee and principal paying agent under the Indenture. The trustee has two principal functions:

- first, it can enforce a Holder’s rights against us if we default on the Notes. There are some limitations on the extent to which the trustee acts on a Holder’s behalf, described under “—Events of Default”; and
- second, the trustee performs administrative duties for us, such as sending the Holder’s interest payments, transferring Notes to a new buyer and sending notices to Holders.

We and some entities in the AB InBev Group maintain deposit accounts and conduct other banking transactions with the trustee and affiliates of the trustee in the ordinary course of our respective businesses. The address of The Bank of New York Mellon Trust Company, N.A. is 911 Washington Avenue, 3rd Floor, St. Louis, Missouri 63101.

If an Event of Default occurs, or an event occurs that would be an Event of Default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded, the trustee may therefore be considered to have a conflicting interest with respect to the Notes or the Indenture for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign as trustee under the Indenture and we would be required to appoint a successor trustee.

**Additional Notes**

The Notes were issued in the initial aggregate principal amount set forth above. The Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional Notes (the “**Additional Notes**”) maturing on the same maturity date as the other Notes of a series and having the same terms and conditions under the Indenture (including with respect to the Guarantors and the Guarantees) as the previously outstanding Notes of that series in all respects (or in all respects except for the issue date and the principal amount and, in some cases, the date of the first payment of interest thereon) so that such Additional Notes shall be consolidated and form a single





series with the previously outstanding Notes of that series, *provided* that either (i) such Additional Notes are fungible with the Notes of such series offered hereby for U.S. federal income tax purposes or (ii) such Additional Notes shall have a separate CUSIP number. Without limiting the foregoing, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional series of notes with additional or different terms and maturity dates than the Notes.

**Substitution of an Issuer; Consolidation, Merger and Sale of Assets**

The Issuer or any Guarantor, without the consent of the Holders of any of the Notes, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation or an Issuer may at any time substitute for itself either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the Notes (a “**Substitute Issuer**”), *provided* that:

- (a) the Substitute Issuer or any other successor company shall expressly assume the Issuer’s or Guarantor’s respective obligations under the Notes or the Guarantees, as the case may be, and each indenture, as applicable;
- (b) any other successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) the Issuer is not in default of any payments due under the Notes and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease, conveyance or substitution, no Event of Default shall be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the Notes and the Indenture are fully, irrevocably and unconditionally guaranteed by the Guarantors (other than the Substitute Issuer, if applicable) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder), *provided, however*, that such indemnification shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of Additional Amounts on account of any such withholding or deduction;
  - (iii) each stock exchange on which the Notes are listed, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such Notes will continue to be listed on such stock exchange;
  - (iv) each rating agency that rates the Notes, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such Notes will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, “**Affiliate**” shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

Upon the effectiveness of any substitution, all of the foregoing provisions will apply *mutatis mutandis*, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references to any successor company.





### Modifications and Amendment

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the debt securities or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the Redemption Date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of the principal amount of the Notes then outstanding *plus* accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each Note so affected; or (b) reduce the aforesaid percentage of Holders whose consent is required for any such agreement, without the consent of the Holders of the Notes then outstanding. To the extent that any changes directly affect fewer than all the series of the debt securities, only the consent of the Holders (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- (a) to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for Notes;
- (b) to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture;
- (c) to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- (d) to add to the covenants of the Issuer or the Guarantors, for the benefit of the holders of Notes, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- (e) to add any additional Events of Default for the benefit of the holders of Notes;
- (f) to add to, change or eliminate any of the provisions of the Indenture, *provided* that any such addition, change or elimination (A) shall neither (i) apply to any debt security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of Holders with respect to such provision or (B) shall become effective only when there are no Notes outstanding;
- (g) to modify the restrictions on and procedures for resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- (h) to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- (i) to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (i) additional or different covenants, restrictions or conditions applicable to such series, (ii) additional or different Events of Default in respect of such series, (iii) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (iv) immediate enforcement of any Event of Default in respect of such series or (v) limitations upon the remedies available in respect of any Events of Default in respect of such series or upon the rights of the holders of securities of such series to waive any such Event of Default;
- (j) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, the Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict



between the terms hereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;

- (k) to “reopen” the Notes and create and issue additional debt securities having identical terms and conditions as the Notes (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding Notes;
- (l) to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to the Notes, subject to applicable regulatory or contractual limitations relating to such Subsidiary’s Guarantee;
- (m) to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “—Guarantees” above;
- (n) to provide for any amendment, modification or alteration of any Subsidiary Guarantor’s Guarantee and the limitations applicable thereto in the circumstances described under “—Guarantees” above; or

to make any other change that does not materially adversely affect the interests of the Holders.

### Discharge and Defeasance

#### *Discharge of Indentures*

The Indenture provides that the Issuer and the Guarantors will be discharged from any and all obligations in respect of the Indenture (except for certain obligations to register the transfer or exchange of debt securities, replace stolen, lost or mutilated debt securities, make payments of principal and interest and maintain paying agencies) if:

- (a) the Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all debt securities outstanding thereunder;
- (b) the Issuer or the Guarantors shall have delivered to the Trustee for cancellation all debt securities outstanding theretofore authenticated; or
- (c) all debt securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Redemption—Optional Redemption of the Notes” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuer or Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such debt securities, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such debt securities not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the debt securities and all other amounts payable under the Indenture.

“U.S. Government Obligations” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.



**Covenant Defeasance**

The Indenture also provides that the Issuer and the Guarantors need not comply with certain covenants of such indenture (including those described under “—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- (a) the Issuer or the Guarantors irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the Notes then outstanding on the dates such payments are due in accordance with the terms of the debt securities;
- (b) certain Events of Default, or events which with notice or lapse of time or both would become such an Event of Default, shall not have occurred and be continuing on the date of such deposit;
- (c) the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- (d) the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their Notes in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of Notes beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such Notes in carrying on a business in such jurisdiction of incorporation; and
- (e) the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers’ certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as “**Covenant Defeasance**”.

**Limitation on Liens**

So long as the Notes remain outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an “**Encumbrance**”) on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the Notes (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, *provided, however*, the above limitation does not apply to:

- (a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;
- (b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (*provided* such indebtedness is incurred within 180 days after such acquisition);
- (c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;
- (d) Encumbrances to secure the cost of development or construction of property, or improvements thereon, *provided* that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;



- (e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;
- (f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;
- (g) Encumbrances existing at the date of the applicable indenture;
- (h) Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits, provided the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under each indenture;
- (i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;
- (j) judgment Encumbrances not giving rise to an Event of Default;
- (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges;
- (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;
- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), *provided* that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;
- (q) as permitted under the provisions described in the following two paragraphs herein; and
- (r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without ratably securing the Notes, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, *provided* that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by the Indenture as described below under "Sale-Leaseback Transactions Relating to Principal Plants" (computed without duplication of amount) does not at the time exceed 15% of Net Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the



Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase, such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the debt securities (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the Notes (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the Indenture and other agreements relating thereto.

### Events of Default

The occurrence and continuance of one or more of the following events will constitute an “**Event of Default**” under the Indenture and under the Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided, further*, that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;
- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the Notes or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the outstanding Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the Notes;
- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days;
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or



- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the Notes, then, unless the principal of all of the Notes shall already have become due and payable (in which case no action is required for the acceleration of the Notes), the Holders of not less than 25% in aggregate principal amount of Notes then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the Notes, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to the Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of the Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the Indenture at the request of any Holders unless the Holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority Holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Notes, the following must occur:

- (a) The Trustee must be given written notice that an Event of Default has occurred and remains uncured.
- (b) The Holders of not less than 25% in principal amount of all outstanding Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.
- (c) The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- (d) No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding Notes of that series.
- (e) However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.
- (f) We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the Notes, or else specifying any default.

#### **Additional Amounts**

To the extent that any Guarantor is required to make payments in respect of the Notes, such Guarantor will make all payments in respect of the Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the “**Relevant Taxing Jurisdiction**”) unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the “**Additional Amounts**”) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:





- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by any Guarantor from payment of principal or interest made by it;
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction;
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of, such taxes;
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes;
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such debt security;
- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income; (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding;
- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later;
- (h) are payable because any debt security was presented to a particular paying agent for payment if the debt security could have been presented to another paying agent without any such withholding or deduction; or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the Notes shall be deemed to include any Additional Amounts, which may be payable as set forth in each indenture.

In addition, any amounts to be paid by the Issuer or any Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (“**FATCA Withholding**”). Neither any Guarantor nor any Issuer will be required to pay Additional Amounts on account of any FATCA Withholding.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided, however*, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside of the United States.

**Terms Applicable to the 3.650% Notes due 2026, the 4.700% Notes due 2036, the 4.900% Notes due 2046 and the Floating Rate Notes due 2021**

The fixed rate notes due 2026 (the “**2026 Fixed Rate Notes**”) will bear interest at a rate of 3.650% per year, the fixed rate notes due 2036 (the “**2036 Fixed Rate Notes**”) will bear interest at a rate of 4.700% per year the fixed rate notes due 2046 (the “**2046 Fixed Rate Notes**”) and together with the 2026 Fixed Rate Notes and 2036 Fixed Rate Notes, the “**January 2016 Fixed Rate Notes**”) will bear interest at a rate of 4.900% per year). The floating rate notes due 2021 (the “**Floating Rate Notes**”) and together with the January 2016 Fixed Rate Notes, the “**January 2016 Notes**”) will bear interest at a floating rate per year equal to the 3-month U.S. dollar London Interbank Offered Rate (“**LIBOR**”), reset quarterly, plus 1.260%.





The January 2016 Notes are issued by Anheuser-Busch InBev Finance Inc. (the “**Issuer**”, with respect to the January 2016 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Worldwide Inc., Brandbev S.à r.l., Brandbrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**,” and together with the Parent Guarantor, the “**Guarantors**”, with respect to the January 2016 Notes). Each series of January 2016 Notes is listed on the New York Stock Exchange.

Each series of the January 2016 Notes are issued under a supplemental indenture to the indenture dated January 25, 2016 (the “**Indenture**”, with respect to the January 2016 Notes), entered into among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The information below on certain provisions of the January 2016 Notes and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the January 2016 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The January 2016 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The January 2016 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The January 2016 Notes were issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The January 2016 Notes do not provide for any sinking fund. The January 2016 Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).

“**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York, London and Brussels.

#### January 2016 Fixed Rate Notes

The 2023 Fixed Rate Notes will be initially limited to \$6,000,000,000 aggregate principal amount and will mature on 1 February 2023. The 2026 Fixed Rate Notes will be initially limited to \$11,000,000,000 aggregate principal amount and will mature on 1 February 2026. The 2036 Fixed Rate Notes will be initially limited to \$6,000,000,000 aggregate principal amount and will mature on 1 February 2036. The 2046 Fixed Rate Notes will be initially limited to \$11,000,000,000 aggregate principal amount and will mature on 1 February 2046. Interest on the January 2016 Fixed Rate Notes will be payable semi-annually in arrears on 1 February and 1 August of each year, commencing on 1 August 2016. Interest on the January 2016 Fixed Rate Notes will accrue from 25 January 2016. The January 2016 Fixed Rate Notes are senior unsecured obligations of the Issuer and will rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer.

Interest will accrue on the January 2016 Fixed Rate Notes of each series until the principal of such January 2016 Fixed Rate Notes is paid or duly made available for payment. Interest on the January 2016 Fixed Rate Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any January 2016 Fixed Rate Note or the date fixed for redemption or payment in connection with an acceleration of any January 2016 Fixed Rate Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

Interest on the January 2016 Fixed Rate Notes will be paid to the persons in whose names the January 2016 Fixed Rate Notes are registered at the close of business on the 15 January and 15 July immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The January 2016 Fixed Rate Notes, may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and all of the outstanding 2016 Fixed Rate Notes may be redeemed prior to maturity in the circumstances described under “—Special Mandatory Redemption” and “—Optional Tax Redemption.”

**Floating Rate Notes**

The Floating Rate Notes will be initially limited to \$500,000,000 aggregate principal amount and will mature on 1 February 2021. Interest on the Floating Rate Notes will be payable quarterly in arrears on 1 February, 1 May, 1 August, and 1 November of each year, commencing on 2 May 2016, subject to the Business Day Convention (as defined below), and until the principal of such Floating Rate Notes is paid or duly made available for payment. Interest on the Floating Rate Notes will accrue from 25 January 2016.

Interest on the Floating Rate Notes will be paid to the persons in whose names the Floating Rate Notes are registered at the close of business on the fifteenth calendar day immediately preceding the applicable Floating Rate Interest Payment Date, whether or not such day is a Business Day. The Floating Rate Notes may be redeemed prior to maturity in the circumstances described under “—Optional Tax Redemption” or “—Special Mandatory Redemption.”

The interest rate on the Floating Rate Notes for the first Interest Period (as defined below) will be the 3-month U.S. dollar LIBOR, as determined on 21 January 2016, plus 1.260%. Thereafter, the interest rate on the Floating Rate Notes for any Interest Period will be the 3-month U.S. dollar LIBOR, as determined on the applicable Interest Determination Date (as defined below), plus 1.260%. The interest rate on the Floating Rate Notes will be reset quarterly on each Interest Reset Date (as defined below). For each Interest Period, interest on the Floating Rate Notes will be calculated on the basis of the actual number of days in the interest period divided by 360.

The Calculation Agent (as defined below) will determine 3-month U.S. dollar LIBOR in accordance with the following provisions: With respect to any Interest Determination Date, 3-month U.S. dollar LIBOR will be the rate for deposits in U.S. dollars having a maturity of three months commencing on the Interest Reset Date that appears on the designated LIBOR page as of 11:00 a.m., London time, on that Interest Determination Date. If no rate appears, 3-month U.S. dollar LIBOR, in respect of that Interest Determination Date, will be determined as follows: the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected and identified by us, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for the period of three months, commencing on the Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, then 3-month U.S. dollar LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then 3-month U.S. dollar LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on the Interest Determination Date by three major banks in the City of New York selected by and identified by us for loans in U.S. dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time; *provided, however*, that if the banks selected by and identified by us are not providing quotations in the manner described by this sentence, 3-month U.S. dollar LIBOR determined as of that Interest Determination Date will be 3-month U.S. dollar LIBOR in effect on that Interest Determination Date. The designated LIBOR page is the Reuters screen “LIBOR01,” or any successor service for the purpose of displaying the London interbank rates of major banks for U.S. dollars. The Reuters screen “LIBOR01” is the display designated as the Reuters screen “LIBOR01,” or such other page as may replace the Reuters screen “LIBOR01” on that service or such other service or services as may be denominated for the purpose of displaying London interbank offered rates for U.S. dollar deposits by ICE Benchmark Administration Limited (“**IBA**”) or its successor or such other entity assuming the responsibility of the IBA or its successor in calculating the London Inter-Bank Offered Rate in the event the IBA or its successor no longer does so. All calculations made by the Calculation Agent for the purposes of calculating the Interest Rates on the Floating Rate Notes shall be conclusive and binding on the Holders thereof, the Issuer and the Trustee, absent manifest error.

“**Business Day Convention**” means that if any Interest Payment Date (other than the maturity date or a date fixed for redemption or payment in connection with an acceleration of any of the Floating Rate Notes) falls on a day that is not a Business Day, that Interest Payment Date will be postponed to the next succeeding Business Day unless that Business Day is in the next succeeding calendar month, in which case the Interest Payment Date will be the immediately preceding Business Day.

“**Calculation Agent**” means The Bank of New York Mellon Trust Company, N.A.



“**Interest Determination Date**” means, for each particular Interest Reset Date (as defined below), the second London Business Day (as defined below) preceding such Interest Reset Date.

“**Interest Period**” means the period beginning on, and including, an Interest Payment Date and ending on, but not including, the following Interest Payment Date; *provided* that the first Interest Period will begin on 25 January 2016, and will end on, but not include, the first Interest Payment Date.

“**Interest Reset Date**” means, for each Interest Period other than the first Interest Period, the first day of such Interest Period, subject to the Business Day Convention.

“**London Business Day**” means any weekday on which banking or trust institutions in London are not authorized generally or obligated by law, regulation or executive order to close.

If the date of maturity of principal of any of the Floating Rate Notes or the date fixed for redemption or payment under the circumstances described under “—Special Mandatory Redemption” or in connection with an acceleration of any of the Floating Rate Notes is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

#### **Additional Notes**

The January 2016 Notes were issued in the initial aggregate principal amount set forth above. The Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional January 2016 Notes (the “**Additional Notes**”) maturing on the same maturity date as the other January 2016 Notes of a series and having the same terms and conditions under the Indenture (including with respect to the Guarantors and the Guarantees) as the previously outstanding January 2016 Notes of that series in all respects (or in all respects except for the issue date and the principal amount and, in some cases, the date of the first payment of interest thereon) so that such Additional Notes shall be consolidated and form a single series with the previously outstanding January 2016 Notes of that series, *provided* that either (i) such Additional Notes are fungible with the January 2016 Notes of such series offered hereby for U.S. federal income tax purposes or (ii) such Additional Notes shall have a separate CUSIP number. Without limiting the foregoing, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional series of notes with additional or different terms and maturity dates than the January 2016 Notes.

#### **Special Mandatory Redemption**

We intend to use a portion of the net proceeds from this offering towards financing the acquisition of SABMiller. See “Recent Developments” and “Use of Proceeds.” The closing of this offering will occur before completion of the acquisition of SABMiller. If we do not complete the acquisition of SABMiller on or prior to the Acquisition Long Stop Date, or if, on or prior to the Acquisition Long Stop Date, the Parent Guarantor publicly announces the withdrawal or lapse of the acquisition of SABMiller and that it is no longer pursuing the acquisition of SABMiller, then we will be required to redeem all outstanding Floating Rate Notes, 2023 Fixed Rate Notes and 2026 Fixed Rate Notes on the Special Mandatory Redemption Date at a redemption price (the “**Special Mandatory Redemption Price**”) equal to 101% of the aggregate principal amount of the Notes being redeemed plus accrued and unpaid interest, if any, to, but excluding, the Special Mandatory Redemption Date. Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to the Special Mandatory Redemption Date will be payable on such interest payment dates to the registered holders as of the close of business on the relevant record dates in accordance with the Floating Rate Notes, 2023 Fixed Rate Notes and 2026 Fixed Rate Notes and the Indenture.

“**Special Mandatory Redemption Date**” means the earlier to occur of (1) the 15th day (or if such day is not a Business Day, the first Business Day thereafter) after the Acquisition Long Stop Date, if the acquisition of SABMiller has not been completed on or prior to the Acquisition Long Stop Date, or (2) the 15th day (or if such day is not a Business Day, the first Business Day thereafter) following the date the Parent Guarantor publicly announces the withdrawal or lapse of the acquisition of SABMiller and that it is no longer pursuing the acquisition of SABMiller.



“**Acquisition Long Stop Date**” means 11 November 2016, *provided, however*, that the Issuer may, at its option, extend the Acquisition Long Stop Date to 11 May 2017 by providing written notice of such extension at any time prior to 11 November 2016 to each Holder, with a copy to the Trustee.

We will cause the notice of special mandatory redemption to be sent, with a copy to the Trustee, within five Business Days after the occurrence of the event triggering the special mandatory redemption to each holder.

If funds sufficient to pay the Special Mandatory Redemption Price of the outstanding Floating Rate Notes, 2023 Fixed Rate Notes and 2026 Fixed Rate Notes to be redeemed on the Special Mandatory Redemption Date are deposited with the Trustee or a paying agent at or prior to 12:00 p.m. (New York City time) on the Business Day immediately preceding the Special Mandatory Redemption Date, and certain other conditions are satisfied, the outstanding Floating Rate Notes, 2023 Fixed Rate Notes and 2026 Fixed Rate Notes will cease to bear interest on and after the Special Mandatory Redemption Date.

This offering is not conditioned upon the completion of the acquisition of SABMiller. The form and terms of the acquisition of SABMiller may be modified or amended without noteholder consent.

There is no escrow account for or security interest in the proceeds of this offering for the benefit of holders of the Notes that are subject to the special mandatory redemption provision in the event the special mandatory redemption provision is triggered.

The 2036 Fixed Rate Notes and 2046 Fixed Rate Notes are not subject to the special mandatory redemption provision.

### Optional Redemption

The Issuer may, at its option, redeem each series of January 2019 Fixed Rate Notes, but not the Floating Rate Notes, as a whole or in part at any time prior to, with respect to the 2023 Fixed Rate Notes, the 2026 Fixed Rate Notes, the 2036 Fixed Rate Notes and the 2046 Fixed Rate Notes, the applicable Par Call Date (as set forth in the table below), upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the Fixed Rate Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the Fixed Rate Notes to be redeemed (i) through maturity for the 2019 Fixed Rate Notes, or (ii) as if the Fixed Rate Notes to be redeemed matured on the applicable Par Call Date (as defined herein) for the 2021 Fixed Rate Notes, 2023 Fixed Rate Notes, 2026 Fixed Rate Notes, 2036 Fixed Rate Notes and 2046 Fixed Rate Notes (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus the applicable Spread (as defined herein) for such series of Fixed Rate Notes;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

Each of the 2023 Fixed Rate Notes, the 2026 Fixed Rate Notes, the 2036 Fixed Rate Notes and the 2046 Fixed Rate Notes will be redeemable in whole or in part, at the Issuers option at any time and from time to time on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the Fixed Rate Notes being redeemed, plus accrued and unpaid interest to, but excluding the date of redemption.

Series	Maturity Date/Par Call Date	Spread
2023 Fixed Rate Notes	1 December 2022 (two months prior to maturity)	25 bps
2026 Fixed Rate Notes	1 November 2025 (three months prior to maturity)	25 bps
2036 Fixed Rate Notes	1 August 2035 (six months prior to maturity)	30 bps
2046 Fixed Rate Notes	1 August 2045 (six months prior to maturity)	35 bps



“**Treasury Rate**” means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption “Treasury constant maturities—Nominal,” for the maturity corresponding to the applicable Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the Fixed Rate Notes, yields for the two published maturities most closely corresponding to the applicable Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or
- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, calculated using a price for the applicable Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Fixed Rate Notes to be redeemed through maturity for the 2019 Fixed Rate Notes or as if such Fixed Rate Notes had matured on the applicable Par Call Date for the 2021 Fixed Rate Notes, the 2023 Fixed Rate Notes, the 2026 Fixed Rate Notes, the 2036 Fixed Rate Notes and the 2046 Fixed Rate Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Fixed Rate Notes through maturity for the 2019 Fixed Rate Notes or through the applicable Par Call Date for the 2021 Fixed Rate Notes, the 2023 Fixed Rate Notes, the 2026 Fixed Rate Notes, the 2036 Fixed Rate Notes and the 2046 Fixed Rate Notes.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Independent Investment Banker**” means Barclays Capital Inc., Deutsche Bank Securities Inc. or Merrill Lynch, Pierce, Fenner & Smith Incorporated, as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means (i) Barclays Capital Inc., Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the January 2016 Fixed Rate Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the



Indenture) money sufficient to pay the redemption price of and accrued interest on the January 2016 Fixed Rate Notes to be redeemed on such date. If fewer than all of the January 2016 Fixed Rate Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular January 2016 Fixed Rate Notes of such series or portions thereof for redemption from the outstanding January 2016 Fixed Rate Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate, *provided* that if the January 2016 Fixed Rate Notes of a series are represented by one or more global notes, interests in such global notes shall be selected for redemption by DTC in accordance with its standard procedures therefor.

### Optional Tax Redemption

A series of January 2016 Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see "—Additional Amounts" below), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after 25 January 2016 (any such change or amendment, a "**Change in Tax Law**", with respect to the January 2016 Notes), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under "—Additional Amounts" below; *provided, however*, that the January 2016 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the January 2016 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

### Events of Default

The occurrence and continuance of one or more of the following events will constitute an "**Event of Default**" under the Indenture and under the Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the

Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;

- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the Notes or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the outstanding Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Notes;





- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days;
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or
- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the Notes, then, unless the principal of all of the Notes shall already have become due and payable (in which case no action is required for the acceleration of the Notes), the Holders of not less than 25% in aggregate principal amount of Notes then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to the Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of the Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the Indenture at the request of any Holders unless the Holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority Holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Notes, the following must occur:

- The Trustee must be given written notice that an event of default has occurred and remains uncured.
- The Holders of not less than 25% in principal amount of all outstanding Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.





- The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding Notes of that series.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.

We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the Notes, or else specifying any default.

#### Modifications and Amendment

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or

change the currency of payment of principal of, or interest on, any Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of all of the Holders of the affected series of the notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the Notes;
- to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the Notes;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- to add to the covenants of the Issuer or the Guarantors, for the benefit of the Holders of the Notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the Holders of the Notes;
- to add to, change or eliminate any of the provisions of the Indenture in respect of the Notes, *provided* that any such addition, change or elimination (A) shall neither (i) apply to any Note created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Note with respect to such provision or (B) shall become effective only when there is no such Note outstanding;



- to modify the restrictions on and procedures for, resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;
- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, the Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms thereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the Notes and create and issue additional Notes having identical terms and conditions as the Notes (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding Notes;
- to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary’s Guarantee;
- to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “Description of Debt Securities and Guarantees—Guarantees” in the Prospectus;
- to provide for any amendment, modification or alteration of any Subsidiary Guarantor’s Guarantee and the limitations applicable thereto in the circumstances described under “Description of Debt Securities and Guarantees—Guarantees” in the Prospectus; or
- to make any other change that does not materially adversely affect the interests of the holders of the notes affected thereby.

**The Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee and principal paying agent under each indenture. The trustee has two principal functions:

- first, it can enforce a holder’s rights against us if we default on debt securities issued under the relevant indenture. There are some limitations on the extent to which the trustee acts on a holder’s behalf, described under “—Events of Default”; and
- second, the trustee performs administrative duties for us, such as sending the holder’s interest payments, transferring debt securities to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee and affiliates of the trustee in the ordinary course of our respective businesses. The address of The Bank of New York Mellon Trust Company, N.A. is 911 Washington Avenue, 3rd Floor; St. Louis, Missouri 63101.



If an event of default occurs, or an event occurs that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded, the trustee may therefore be considered to have a conflicting interest with respect to the debt securities or the applicable indenture for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign as trustee under the applicable indenture and we would be required to appoint a successor trustee.

**Substitution of an Issuer or Guarantor; Consolidation, Merger and Sale of Assets**

In all cases subject to any provisions contained in the applicable prospectus supplement describing the Holders' option to require repayment upon a change in control, (i) any Issuer or Guarantor, without the consent of the Holders of any of the debt securities, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation or (ii) an Issuer may at any time substitute for itself either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the debt securities (a "Substitute Issuer"); provided that:

- (a) the Substitute Issuer or any other successor company shall expressly assume such Issuer's or Guarantor's respective obligations under the debt securities or the Guarantees, as the case may be, and each indenture, as applicable, except that if the Parent Guarantor is merged into any corporation organized under the laws of the Kingdom of Belgium via a "merger by absorption" in accordance with the Belgian Companies Code, that successor company shall, by virtue of the operation of Belgian law and without any further action by the Parent Guarantor or its successor, assume the obligations of the Parent Guarantor under the Guarantees and each indenture and no express assumption will be required;
- (b) any other successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) such Issuer is not in default of any payments due under the debt securities and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease, conveyance or substitution, no Event of Default shall be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the debt securities and each indenture, as applicable, are fully, irrevocably and unconditionally guaranteed by the Guarantors (other than the Substitute Issuer, if applicable) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the applicable Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder), provided, however, that such indemnification shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of additional amounts on account of any such withholding or deduction;
  - (iii) each stock exchange on which the debt securities are listed, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to be listed on such stock exchange; and
  - (iv) each rating agency that rates the debt securities, if any, shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.



For purposes of the foregoing, “**Affiliate**” shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

Upon the effectiveness of any substitution, all of the foregoing provisions will apply mutatis mutandis, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

**Discharge and Defeasance**

*Discharge of Indentures*

Each indenture provides that the applicable Issuer and the Guarantors will be discharged from any and all obligations in respect of such indenture (except for certain obligations to register the transfer of or exchange debt securities, replace stolen, lost or mutilated debt securities, make payments of principal and interest and maintain paying agencies) if:

- the applicable Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all debt securities outstanding thereunder;
- the applicable Issuer or the Guarantors shall have delivered to the Trustee for cancellation all debt securities outstanding theretofore authenticated; or
- all debt securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Optional Redemption” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the applicable Issuer or Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such debt securities, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such debt securities not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the debt securities and all other amounts payable under the applicable indenture by the applicable Issuer.

“**U.S. Government Obligations**” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

*Covenant Defeasance*

Each indenture also provides that the applicable Issuer and the Guarantors need not comply with certain covenants of such indenture (including those described under “—Certain Covenants—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the applicable Issuer or the Guarantors irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such debt securities, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the debt securities then outstanding on the dates such payments are due in accordance with the terms of the debt securities;



- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;
- the applicable Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- the applicable Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their debt securities in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of debt securities beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such debt securities in carrying on a business in such jurisdiction of incorporation; and
- the applicable Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as "Covenant Defeasance."

#### Additional Amounts

To the extent that any Guarantor is required to make payments in respect of the Notes, such Guarantor will make all payments in respect of the Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the "**Relevant Taxing Jurisdiction**") unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by any Guarantor from payment of principal or interest made by it;
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction;
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of, such taxes;
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes;
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such debt security;



- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income; (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding;
- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later;
- (h) are payable because any debt security was presented to a particular paying agent for payment if the debt security could have been presented to another paying agent without any such withholding or deduction; or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the Notes shall be deemed to include any Additional Amounts, which may be payable as set forth in each indenture.

In addition, any amounts to be paid by the Issuer or any Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (“**FATCA Withholding**”). Neither any Guarantor nor any Issuer will be required to pay Additional Amounts on account of any FATCA Withholding.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided, however*, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside of the United States.

#### **Terms Applicable to the 4.625% Notes due 2044**

The fixed rate notes due 2044 (the “**2044 Notes**”) will bear interest at a rate of 4.625% per year.

The 2044 Notes are issued by Anheuser-Busch InBev Finance Inc. (the “**Issuer**”, with respect to the 2044 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Worldwide Inc., Brandbev S.à r.l., BrandBrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**”, and together with the Parent Guarantor, the “**Guarantors**”). The 2044 Notes are listed on the New York Stock Exchange.

The 2044 Notes are issued under a supplemental indenture to the indenture (the “**Indenture**”), dated January 17, 2013, among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The information below on certain provisions of the Notes and the Indenture should be read together with “Description of Debt Securities—Terms Applicable to the 2044 Notes and the 2043 Notes” below. This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the 2044 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2044 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The 2044 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The 2044 Notes are issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The 2044 Notes do not provide for any sinking fund. The Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).



“**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York, London and Brussels.

The 2044 Notes are initially limited to \$850,000,000 in aggregate principal amount and will mature on February 1, 2044. Interest on the 2044 Notes will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2014.

Interest will accrue on the 2044 Notes of each series until the principal of such 2044 Notes is paid or duly made available for payment. Interest on the 2044 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any 2044 Note or the date fixed for redemption or payment in connection with an acceleration of any 2044 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

Interest on the 2044 Notes will be paid to the persons in whose names the 2044 Notes are registered at the close of business on the January 15 and July 15 immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The 2044 Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and all of the Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Tax Redemption.”

#### Additional Notes

The 2044 Notes were issued in the initial aggregate principal amount set forth above. The Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional Notes (the “**Additional Notes**”) maturing on the same maturity date as the other 2044 Notes of a series and having the same terms and conditions under the Indenture (including with respect to the Guarantors and the Guarantees) as the previously outstanding 2044 Notes of that series in all respects (or in all respects except for the issue date and the amount and, in some cases, the date of the first payment of interest thereon) so that such Additional Notes shall be consolidated and form a single series with the previously outstanding 2044 Notes of that series. Without limiting the foregoing, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional series of notes with additional or different terms and maturity dates than the 2044 Notes.

#### Optional Redemption

The Issuer may, at its option, redeem the 2044 Notes, as a whole or in part at any time upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the 2044 Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2044 Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

“**Treasury Rate**” means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption “Treasury constant maturities—Nominal,” for the maturity





corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the 2044 Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or

- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the 2044 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2044 Notes.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Independent Investment Banker**” means Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated or RBS Securities Inc., as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means (i) Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBS Securities Inc., and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the 2044 Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the 2044 Notes to be redeemed on such date. If fewer than all of the 2044 Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular 2044 Notes of such series or portions thereof for redemption from the outstanding 2044 Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate.

### Optional Tax Redemption

The 2044 Notes may be redeemed at any time, at the Issuer’s or the Parent Guarantor’s option, as a whole, but not in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount of the 2044 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see “Terms Applicable to the 2044 Notes and 2043 Notes- Additional Amounts” below), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or



any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after January 27, 2014 (any such change or amendment, a “**Change in Tax Law**”), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the 2044 Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under “Terms Applicable to the 2044 Notes and 2043 Notes- Additional Amounts” below; *provided, however*, that the 2044 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the 2044 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the 2044 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

**Terms Applicable to the 4.000% Notes due 2043**

The fixed rate notes due 2043 (the “**2043 Notes**”) will bear interest at a rate of 4.000% per year.

The 2043 Notes are issued by Anheuser-Busch InBev Finance Inc. (the “**Issuer**”, with respect to the 2013 Notes) and are fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Anheuser-Busch InBev Worldwide Inc., Brandbev S.à r.l., BrandBrew S.A., Cobrew NV, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**”, and together with the Parent Guarantor, the “**Guarantors**”). The 2043 Notes are listed on the New York Stock Exchange.

The 2043 Notes are issued under a supplemental indenture to the indenture, dated January 17, 2013 (the “**Indenture**”), entered into among the Issuer, each of the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The information below on certain provisions of the 2043 Notes and the Indenture should be read together with “Description of Debt Securities—Terms Applicable to the 2044 Notes and the 2043 Notes” below. This information, however, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the 2043 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2043 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The 2043 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The Notes are issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The 2043 Notes do not provide for any sinking fund. The 2043 Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).

“**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York, London and Brussels.

The 2043 Notes will be initially limited to \$750,000,000 aggregate principal amount and will mature on 17 January 2043. Interest on the 2043 Notes will be payable semi-annually in arrears on 17 January and 17 July of each year, commencing on 17 July 2013.



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Interest will accrue on the 2043 Notes until the principal of the 2043 Notes is paid or duly made available for payment. Interest on the 2043 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day acceleration of any January 2013 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

Interest on the 2043 Notes will be paid to the persons in whose names the 2043 Notes are registered at the close of business on the January 1 and July 1, immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The 2043 Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and “—Optional Tax Redemption.”

**Optional Redemption**

The Issuer may, at its option, redeem the 2043 Notes as a whole or in part at any time upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the 2043 Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2043 Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

“**Treasury Rate**” means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption “Treasury constant maturities—Nominal,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the 2043 Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or
- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the 2043 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2043 Notes.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.



“**Independent Investment Banker**” means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, or RBS Securities Inc., as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means (i) Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, and RBS Securities Inc., and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the 2043 Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the 2043 Notes to be redeemed on such date. If fewer than all of the 2043 Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular Notes of such series or portions thereof for redemption from the outstanding 2043 Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate.

#### Optional Tax Redemption

The 2043 Notes may be redeemed at any time, at the Issuer’s or the Parent Guarantor’s option, as a whole, but not in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount of the 2043 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see “Description of Debt Securities—Terms Applicable to the 2044 Notes and 2043 Notes—Additional Amounts” below), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after 14 January 2013 (any such change or amendment, a “**Change in Tax Law**”), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the 2043 Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under “Description of Debt Securities —Terms Applicable to the 2044 Notes and 2043 Notes—Additional Amounts” below; *provided, however*, that the 2043 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the 2043 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the 2043 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.



**Terms Applicable to the 2044 Notes and the 2043 Notes**

For the purposes of this section “—Terms Applicable to the 2044 Notes and the 2043 Notes”: (i) the term “Notes” or “debt securities” shall refer to the 2044 Notes and the 2043 Notes and (ii) the term “Issuer” shall refer to the Issuer under the 2044 Notes and the 2043 Notes, (iii) the term “Guarantor” shall refer to any Guarantor under the 2044 Notes and the 2043 Notes and (iv) the term “Indenture” shall refer to the Indenture under the 2044 Notes and the 2043 Notes.

**Events of Default**

The occurrence and continuance of one or more of the following events will constitute an “Event of Default” under the Indenture and under the Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;
- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the Notes or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the outstanding Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the Notes;
- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days;
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or
- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the Notes, then, unless the principal of all of the Notes shall already have become due and payable (in which case no action is required for the acceleration of the Notes), the Holders of not less than 25% in aggregate principal amount of Notes then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the



entire principal of all the Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to the Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of the Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the indenture at the request of any Holders unless the Holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority Holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

- The Trustee must be given written notice that an event of default has occurred and remains uncured.
- The Holders of not less than 25% in principal amount of all outstanding Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.
- The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding Notes of that series.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.

We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the Notes, or else specifying any default.

**Modifications and Amendment**

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any Note, or change the Issuer’s or a Guarantor’s obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of all of the Holders of the affected series of the notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.





The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the Notes;
- to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the Notes;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- to add to the covenants of the Issuer or the Guarantors, for the benefit of the Holders of the Notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the Holders of the Notes;
- to add to, change or eliminate any of the provisions of the Indenture in respect of the Notes, provided that any such addition, change or elimination (A) shall neither (i) apply to any Note created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Note with respect to such provision or (B) shall become effective only when there is no such Note outstanding;
- to modify the restrictions on and procedures for, resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;
- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, the Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms thereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the Notes and create and issue additional Notes having identical terms and conditions as the Notes (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding Notes;





- to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary's Guarantee;
- to provide for the release and termination of any Subsidiary Guarantor's Guarantee in the circumstances described under "Description of Debt Securities and Guarantees—Guarantees" in the Prospectus;
- to provide for any amendment, modification or alteration of any Subsidiary Guarantor's Guarantee and the limitations applicable thereto in the circumstances described under "Description of Debt Securities and Guarantees—Guarantees" in the Prospectus; or
- to make any other change that does not materially adversely affect the interests of the holders of the notes affected thereby.

### Guarantee

Each debt security will benefit from an unconditional, full and irrevocable guarantee by the Parent Guarantor. One or more of the following Subsidiary Guarantors, which are subsidiaries of the Parent Guarantor, may, along with the Parent Guarantor, jointly and severally guarantee the debt securities on a full, unconditional and irrevocable basis:

- Anheuser-Busch Companies, LLC
- Anheuser-Busch InBev Worldwide Inc.
- Brandbev S.à r.l.
- BrandBrew S.A.
- Cobrew NV

The Subsidiary Guarantors, if any, for any particular series of debt securities will be specified in the applicable prospectus supplement.

Each guarantee to be provided is referred to as a "**Guarantee**" and collectively, the "**Guarantees**;" the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the "**Subsidiary Guarantors**" and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the "**Guarantors**."

All such Guarantees are set forth in the indenture, or a supplement thereto. The Guarantees provided by several of the Guarantors will be subject to certain limitations set forth below under "—Guarantee Limitations."

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, if any) due under the debt securities in accordance with the indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Each of the Subsidiary Guarantors shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event that at the time its Guarantee of the debt securities is terminated, (i) the relevant Subsidiary Guarantor is released from its guarantee of 2010 Senior Facility Agreement (as defined in the Annual Report under the heading "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources") and the 2012 Facilities Agreement (as defined and in note 16 to the financial statements contained in our Six-Month Report), or is no longer a guarantor under either facility and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this clause, the amount of a Guarantor's indebtedness for borrowed money shall not include (A) the debt securities issued pursuant to the indentures dated 12 January 2009 and 16 October 2009, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide, Inc., as



Issuer, the Parent Guarantor, certain of the Subsidiary Guarantors and the Trustee, (B) any other debt the terms of which permit the termination of the Guarantor's guarantee of such debt under similar circumstances, as long as such Guarantor's obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the debt securities, and (C) any debt that is being refinanced at substantially the same time that the Guarantee of the debt securities is being released, *provided* that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor's indebtedness for borrowed money.

In addition, BrandBrew S.A. and Brandbev S.à r.l., whose guarantee is subject to certain limitations described below shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, with respect to any or all series of the notes issued under the indenture, in the event that BrandBrew S.A. or Brandbev S.à r.l determines that under the rules, regulations or interpretations of the SEC it would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under the indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, BrandBrew S.A. and Brandbev S.à r.l. will be entitled to amend or modify by execution of an indenture supplemental to the indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by BrandBrew S.A. or Brandbev S.à r.l to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.

### **Supplemental Information on Subsidiary Guarantors**

BrandBrew S.A. and Brandbev S.à r.l., the Subsidiary Guarantors whose Guarantees are subject to limitations, as described below under "—Guarantee Limitations," accounted in aggregate for less than 0.12% of the total consolidated EBITDA, as defined, of AB InBev Group for the six month period ended 30 June 2012 and approximately 5.81% of the total consolidated debt of AB InBev Group as of 30 June 2012.

### **Guarantee Limitations**

Pursuant to restrictions imposed by Luxembourg law, notwithstanding anything to the contrary in the Guarantees to be provided by BrandBrew S.A. or Brandbev S.à r.l., (each, a "**Luxembourg Guarantor**"), for the purposes of any such Guarantees, the maximum aggregate liability of such Luxembourg Guarantor under its Guarantee (including any actual or contingent liabilities as a guarantor under the Other Guaranteed Facilities (as defined below)) shall not exceed an amount equal to the aggregate of (without double counting):

- (1) the aggregate amount of all moneys received by such Luxembourg Guarantor and its Subsidiaries as a borrower or issuer under the Other Guaranteed Facilities;
- (2) the aggregate amount of all outstanding intercompany loans made to such Luxembourg Guarantor and its Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the Notes and the Other Guaranteed Facilities; and
- (3) an amount equal to 100% of the greater of:
  - (a) the sum of such Luxembourg Guarantor's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (2) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in such Luxembourg Guarantor's then most recent annual accounts approved by the competent organ of such Luxembourg Guarantor (as audited by its external auditor (*réviseur d'entreprises*), if required by law) at the date an enforcement is made under such Luxembourg Guarantor's Guarantee; and
  - (b) the sum of such Luxembourg Guarantor's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (2) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in its most recent annual accounts available as of the date of the indenture.



For the avoidance of doubt, the limitation on the Guarantee provided by such Luxembourg Guarantor shall not apply to any Guarantee by it of any obligations owed by its Subsidiaries under the Other Guaranteed Facilities.

In addition, the obligations and liabilities of BrandBrew S.A. under its Guarantee and under any of the Other Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to BrandBrew S.A.

“**Other Guaranteed Facilities**” means: (1) the 2010 Senior Facilities Agreement (as defined in the Annual Report under the heading “Item 5. Operating and Financial Review—G. Liquidity and Capital Resources”); (2) the 2012 Facilities Agreement (as defined and in note 16 to the financial statements contained in our Six-Month Report); (3) any debt securities guaranteed pursuant to the guarantee dated 18 November 2008 entered into by the Parent Guarantor (formerly InBev NV) and Anheuser-Busch Worldwide Inc. (formerly InBev Worldwide S.à r.l.); (4) the US\$850,000,000 note purchase and guarantee agreement dated 22 October 2003 between, amongst others, the Parent Guarantor as issuer, Cobrew NV and BrandBrew S.A.; (5) any debt securities issued or guaranteed by BrandBrew S.A. or the Parent Guarantor under the €15,000,000,000 Euro Medium Term Note Programme entered into on 16 January 2009; (6) the debt securities issued pursuant to the indenture dated 12 January 2009, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide, Inc., as Issuer, the Parent Guarantor, certain of the Subsidiary Guarantors and the Trustee; (7) the debt securities issued pursuant to the indenture dated 16 October 2009, and the indentures supplemental thereto, in each case between Anheuser-Busch InBev Worldwide, Inc., as Issuer, the Parent Guarantor, certain of the Subsidiary Guarantors and the Trustee; (8) any debt securities guaranteed by BrandBrew S.A. under the U.S. Commercial Paper Program of short-term notes due up to a maximum of 364 days from the date of issue issued by Anheuser-Busch InBev Worldwide Inc. pursuant to dealer agreements, an issuing and paying agency agreement, the master note, guarantees and private placement memoranda, each dated on or around 6 June 2011; (9) any debt securities to be guaranteed by BrandBrew S.A. and Brandbev S.à r.l. pursuant to the U.S. Commercial Paper Program to be entered into by the Company, the Parent Guarantor, BrandBrew S.A., Brandbev S.à r.l. and the other subsidiary guarantors listed therein on or prior to 31 March 2013; and (10) any refinancing (in whole or part) of any of the above items or for the same or a lower amount. In this respect, Brandbev S.à r.l. will accede as a guarantor to the above items (other than (9)) on or around 20 December 2012.

#### The Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee and principal paying agent under the indenture. The trustee has two principal functions:

- first, it can enforce a holder’s rights against us if we default on debt securities issued under the indenture. There are some limitations on the extent to which the trustee acts on a holder’s behalf, described under “—Events of Default”; and
- second, the trustee performs administrative duties for us, such as sending the holder’s interest payments, transferring debt securities to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee and affiliates of the trustee in the ordinary course of our respective businesses. The address of The Bank of New York Mellon Trust Company, N.A. is 911 Washington Avenue, 3rd Floor; St. Louis, Missouri 63101.

#### Substitution of the Issuer or Guarantor; Consolidation, Merger and Sale of Assets

In all cases subject to any provisions contained in the applicable prospectus supplement describing the Holders’ option to require repayment upon a change in control, (i) the Issuer or a Guarantor, without the consent of the Holders of any of the debt securities, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation and (ii) the Issuer may at any time substitute for the Issuer either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the debt securities (a “Substitute Issuer”); provided that:

- (a) the Substitute Issuer or any other successor company shall expressly assume the Issuer’s or such Guarantor’s respective obligations under the debt securities or the Guarantees, as the case may be, and the indenture;



- (b) any other successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) the Issuer is not in default of any payments due under the debt securities and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease or conveyance, no Event of Default shall have occurred and be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the debt securities and the indenture are fully, irrevocably and unconditionally guaranteed by the Parent Guarantor and each Subsidiary Guarantor (if any) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder) , *provided, however*, that such indemnification shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of additional amounts on account of any such withholding or deduction;
  - (iii) each stock exchange on which the debt securities are listed shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to be listed on such stock exchange; and
  - (iv) each rating agency that rates the debt securities shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, "Affiliate" shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

Upon the effectiveness of any substitution, all of the foregoing provisions will apply mutatis mutandis, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

## Discharge and Defeasance

### *Discharge of Indenture*

The indenture provides that the Issuer and the Guarantors will be discharged from any and all obligations in respect of the indenture (except for certain obligations to register the transfer of or exchange debt securities, replace stolen, lost or mutilated debt securities, make payments of principal and interest and maintain paying agencies) if:

- the Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all debt securities outstanding thereunder;



- the Issuer or the Guarantors shall have delivered to the Trustee for cancellation all debt securities outstanding theretofore authenticated; or
- all debt securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Optional Redemption” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuer or the Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such debt securities, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such debt securities not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the debt securities and all other amounts payable under the indenture by the Issuer.

“U.S. Government Obligations” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

**Covenant Defeasance**

The indenture also provides that the Issuer and the Guarantors need not comply with certain covenants of the indenture (including those described under “—Certain Covenants—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the Issuer (or the Guarantors) irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such debt securities, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the debt securities then outstanding on the dates such payments are due in accordance with the terms of the debt securities;
- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their debt securities in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of debt securities beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such debt securities in carrying on a business in such jurisdiction of incorporation; and



- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as "Covenant Defeasance."

### Certain Covenants

#### *Limitation on Liens*

So long as any of the debt securities remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an "Encumbrance") on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the debt securities (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the debt securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, provided, however, the above limitation does not apply to:

- purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;
- Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition);
- Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;
- Encumbrances to secure the cost of development or construction of property, or improvements thereon, provided that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;
- Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;
- Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;
- Encumbrances existing at the date of the indenture;
- Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits, provided the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the indenture;
- any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;
- judgment Encumbrances not giving rise to an event of default;
- any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges;
- any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;





- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), provided that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;
- (q) as permitted under the provisions described in the following two paragraphs herein; and
- (r) in connection with sale-leaseback transactions permitted under the indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without ratably securing the debt securities, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, provided that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by the indenture as described below under "Sale-Leaseback Financings" (computed without duplication of amount) does not at the time exceed 15% of Net Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase, such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the debt securities (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the debt securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the Covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the debt securities (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the indenture and other agreements relating thereto.

***Sale-Leaseback Transactions Relating to Principal Plants***

- (a) Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any program, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:





- (b) the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property and
- (c) subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)
  - (i) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of debt securities equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or
  - (ii) repay other pari passu indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or
  - (iii) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or
  - (iv) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.
- (d) At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:
- (e) an Officers' Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to
  - (i) the amount of debt securities theretofore redeemed and the amount of debt securities theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of debt securities purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,
  - (i) the amount thereof previously credited under paragraph (d) below,
  - (ii) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below, and
  - (iii) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and
- (f) a deposit with the Trustee for cancellation of the debt securities then being surrendered as set forth in such certificate.
- (g) Notwithstanding the restriction of paragraph (a) above, the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate principal amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under "—Limitation on Liens" which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.
- (h) The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire debt securities under this covenant, for the principal amount of any debt securities deposited with the Trustee for the purpose and also for the principal amount of
  - (i) any debt securities theretofore redeemed at the option of the Parent Guarantor and (ii) any debt securities previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the debt securities.
- (i) For purposes of this covenant, the amount or the principal amount of debt securities which are issued with original issue discount shall be the principal amount of such debt securities that on the date of the purchase or redemption of such debt securities referred to in this covenant could be declared to be due and payable pursuant to the indenture.



**Additional Amounts**

To the extent that any Guarantor is required to make payments in respect of the debt securities, such Guarantor will make all payments in respect of the debt securities without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the "Relevant Taxing Jurisdiction") unless such withholding or deduction is required by law. Where a Guarantor is a Luxembourg resident, please refer to the section entitled "Tax Considerations—Luxembourg Taxation" for a description of tax consequences under Luxembourg law. In such event, such Guarantor will pay to the Holders such additional amounts (the "Additional Amounts") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it;
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the debt securities or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction;
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of, such taxes;
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes;
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such debt security;
- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income; (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding;
- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later ;
- (h) are payable because any debt security was presented to a particular paying agent for payment if the debt security could have been presented to another paying agent without any such withholding or deduction; or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the debt securities shall be deemed to include any Additional Amounts, which may be payable as set forth in the indenture.

In addition, any amounts to be paid by the Company or any Guarantor on the debt securities will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code ("FATCA Withholding"). Neither any Guarantor nor the Company will be required to pay Additional Amounts on account of any FATCA Withholding.



The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; provided, however, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside of the United States. The prospectus supplement relating to the debt securities may describe additional circumstances in which the Guarantors would not be required to pay additional amounts.

#### **Terms Applicable to the 3.750% Notes due 2042**

The fixed rate notes due 2042 (the “**2042 Notes**”) will bear interest at a rate of 3.750% per year.

The 2042 Notes were issued by Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the 2042 Notes) and will be fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), Brandbrew S.A., Cobrew NV/SA, and Anheuser-Busch Companies, LLC (the “**Subsidiary Guarantors**”, together with the Parent Guarantor, the “**Guarantors**”, with respect to the 2042 Notes). The 2042 Notes are listed on the New York Stock Exchange.

Each series of the 2042 Notes was issued under a supplemental indenture to the indenture, dated as of 16 October 2009, as amended by the supplemental indentures thereto (the “**Indenture**”, with respect to the 2042 Notes), among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, each of the subsidiary guarantors listed under “—Guarantees” below and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The information below on certain provisions of the 2042 Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the 2042 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2042 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The 2042 Notes will be repaid at maturity in U.S. dollars at a price equal to 100% of the principal amount thereof. The 2042 Notes are issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The 2042 Notes do not provide for any sinking fund. The Notes will be recorded on, and transferred through, the records maintained by DTC and its direct and indirect participants, including Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”).

“**Business Day**” means a day on which commercial banks and exchange markets are open, or not authorized to close, in the City of New York, London and Brussels.

The 2042 Notes are initially limited to \$1,000,000,000 aggregate principal amount and will mature on 15 July 2042. Interest on the 2042 Notes will be payable semi-annually in arrears on 15 January and 15 July of each year, commencing on 15 January 2013.

Interest will accrue on the 2042 Notes until the principal of the July 2012 Notes is paid or duly made available for payment. Interest on the 2042 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If the date of maturity of interest on or principal of any July 2012 Note or the date fixed for redemption or payment in connection with an acceleration of any July 2012 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or payment in connection with an acceleration, and no interest shall accrue as a result of the delayed payment.

Interest on the 2042 Notes will be paid to the persons in whose names the 2042 Notes are registered at the close of business on the 1 January and 1 July, immediately preceding the applicable interest payment date, whether or not such date is a Business Day. The 2042 Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and “—Optional Tax Redemption.”



**Additional Notes**

The 2042 Notes were issued in the initial aggregate principal amount set forth above. The Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional 2042 Notes (the “**Additional Notes**”) maturing on the same maturity date as the other 2042 Notes of a series and having the same terms and conditions under the Indenture (including with respect to the Guarantors and the Guarantees) as the previously outstanding 2042 Notes of that series in all respects (or in all respects except for the issue date and the amount and, in some cases, the date of the first payment of interest thereon) so that such Additional Notes shall be consolidated and form a single series with the previously outstanding 2042 Notes of that series. Without limiting the foregoing, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue, pursuant to the Indenture and in accordance with applicable laws and regulations, additional series of notes with additional or different terms and maturity dates than the 2042 Notes.

**Optional Redemption**

The Issuer may, at its option, redeem the 2042 Notes as a whole or in part at any time upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the 2042 Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2042 Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

“**Treasury Rate**” means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption “Treasury constant maturities—Nominal,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the 2042 Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or
- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the 2042 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2042 Notes.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Independent Investment Banker**” means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc. or J.P. Morgan Securities LLC, as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.



“**Reference Treasury Dealer**” means (i) Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC, and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the 2042 Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on such date. If fewer than all of the 2042 Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular 2042 Notes of such series or portions thereof for redemption from the outstanding 2042 Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate.

### Optional Tax Redemption

The 2042 Notes may be redeemed at any time, at the Issuer’s or the Parent Guarantor’s option, as a whole, but not in part, upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount of the 2042 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts (see “– Additional Amounts” below), if any) to (but excluding) the redemption date, if (i) as a result of any change in, or amendment to, the laws, treaties, regulations or rulings of a jurisdiction in which the Issuer or any Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax, or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after 11 July 2012 (any such change or amendment, a “**Change in Tax Law**”), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to the 2042 Notes of such series and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described under “– Additional Amounts” below; *provided, however*, that the 2042 Notes of such series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under the 2042 Notes of such series to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the 2042 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

For the purposes of this section “– Terms Applicable to the 3.750% Notes due 2042”: (i) the term “Notes” or “debt securities” shall refer to the 2042 Notes, (ii) the term “Issuer” shall refer to the Issuer under the 2042 Notes, (iii) the term “Guarantor” shall refer to any Guarantor under the 2042 Notes and (iv) the term “Indenture” shall refer to the Indenture under the 2042 Notes.



**Events of Default**

The occurrence and continuance of one or more of the following events will constitute an “Event of Default” under the Indenture and under the Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;
- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the Notes or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the outstanding Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the Notes;
- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days;
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or
- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the Notes, then, unless the principal of all of the Notes shall already have become due and payable (in which case no action is required for the acceleration of the Notes), the Holders of not less than 25% in aggregate principal amount of Notes then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to the Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of the Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.





Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the indenture at the request of any Holders unless the Holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority Holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

- The Trustee must be given written notice that an event of default has occurred and remains uncured.
- The Holders of not less than 25% in principal amount of all outstanding Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.
- The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding Notes of that series.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.

We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the Notes, or else specifying any default.

#### Modifications and Amendment

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of all of the Holders of the affected series of the notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the Notes;





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- to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the Notes;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- to add to the covenants of the Issuer or the Guarantors, for the benefit of the Holders of the Notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the Holders of the Notes;
- to add to, change or eliminate any of the provisions of the Indenture in respect of the Notes, provided that any such addition, change or elimination (A) shall neither (i) apply to any Note created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Note with respect to such provision or (B) shall become effective only when there is no such Note outstanding;
- to modify the restrictions on and procedures for, resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;
- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, the Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms thereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the Notes and create and issue additional Notes having identical terms and conditions as the Notes (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding Notes;
- to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary’s Guarantee;
- to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “Description of the Debt Securities and Guarantees—Guarantees” in the Prospectus;



- to provide for any amendment, modification or alteration of any Subsidiary Guarantor's Guarantee and the limitations applicable thereto in the circumstances described under "Description of the Debt Securities and Guarantees—Guarantees" in the Prospectus; or
- to make any other change that does not materially adversely affect the interests of the holders of the notes affected thereby.

### The Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee and principal paying agent under the indentures. The trustee has two principal functions:

- first, it can enforce a holder's rights against us if we default on debt securities issued under the indenture. There are some limitations on the extent to which the trustee acts on a holder's behalf, described under "—Events of Default"; and
- second, the trustee performs administrative duties for us, such as sending the holder's interest payments, transferring debt securities to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee and affiliates of the trustee in the ordinary course of our respective businesses. The address of The Bank of New York Mellon Trust Company, N.A. is 911 Washington Avenue, 3rd Floor; St. Louis, Missouri 63101.

If an event of default occurs, or an event occurs that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded, the trustee may therefore be considered to have a conflicting interest with respect to the debt securities or the applicable indenture for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign as trustee under the applicable indenture and we would be required to appoint a successor trustee.

### Substitution of the Issuer or Guarantor; Consolidation, Merger and Sale of Assets

In all cases subject to any provisions contained in the applicable prospectus supplement describing the Holders' option to require repayment upon a change in control, (i) the Issuer or a Guarantor, without the consent of the Holders of any of the debt securities, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation and (ii) the Issuer may at any time substitute for the Issuer either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the debt securities (a "Substitute Issuer"); provided that:

- (a) the Substitute Issuer or any other successor company shall expressly assume the Issuer's or such Guarantor's respective obligations under the debt securities or the Guarantees, as the case may be, and the Indenture;
- (b) any other successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) the Issuer is not in default of any payments due under the debt securities and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease or conveyance, no Event of Default shall have occurred and be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the debt securities and the Indenture are fully, irrevocably and unconditionally guaranteed by the Parent Guarantor and each Subsidiary Guarantor (if any) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder);



- (iii) each stock exchange on which the debt securities are listed shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to be listed on such stock exchange; and
- (iv) each rating agency that rates the debt securities shall have confirmed that, following the proposed substitution of the Substitute Issuer, such debt securities will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, "Affiliate" shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.

Upon the effectiveness of any substitution, all of the foregoing provisions will apply mutatis mutandis, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

## Discharge and Defeasance

### Discharge of Indenture

The Indenture provides that the Issuer and the Guarantors will be discharged from any and all obligations in respect of the Indenture (except for certain obligations to register the transfer of or exchange debt securities, replace stolen, lost or mutilated debt securities, make payments of principal and interest and maintain paying agencies) if:

- the Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all debt securities outstanding thereunder;
- the Issuer or the Guarantors shall have delivered to the Trustee for cancellation all debt securities outstanding theretofore authenticated; or
- all debt securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under "—Optional Redemption" within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuer or the Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such debt securities, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such debt securities not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the debt securities and all other amounts payable under the Indenture by the Issuer.

"U.S. Government Obligations" means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.



**Covenant Defeasance**

The Indenture also provides that the Issuer and the Guarantors need not comply with certain covenants of the Indenture (including those described under “—Certain Covenants—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the Issuer (or the Guarantors) irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such debt securities, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the debt securities then outstanding on the dates such payments are due in accordance with the terms of the debt securities;
- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their debt securities in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of debt securities beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such debt securities in carrying on a business in such jurisdiction of incorporation; and
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers’ certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as “Covenant Defeasance.”

**Guarantee**

Each debt security will benefit from an unconditional, full and irrevocable guarantee by the Parent Guarantor. One or more of the following Subsidiary Guarantors, which are subsidiaries of the Parent Guarantor, may, along with the Parent Guarantor, jointly and severally guarantee the debt securities on a full, unconditional and irrevocable basis:

- BrandBrew S.A.;
- Cobrew NV/SA; and
- Anheuser-Busch Companies, Inc.

The Subsidiary Guarantors, if any, for any particular series of debt securities will be specified in the applicable prospectus supplement.

Each guarantee to be provided is referred to as a “**Guarantee**” and collectively, the “**Guarantees**”; the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the “**Subsidiary Guarantors**” and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the “**Guarantors**.”

All such Guarantees are set forth in the Indenture, or a supplement thereto. The Guarantees provided by several of the Guarantors will be subject to certain limitations set forth below under “—Guarantee Limitations.”



Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, if any) due under the debt securities in accordance with the Indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Each of the Subsidiary Guarantors shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event that at the time its Guarantee of the debt securities is terminated, (i) the relevant Subsidiary Guarantor is released from its guarantee of the Issuer's 2008 Senior Facilities Agreement and the Issuer's 2010 Senior Facilities Agreement, or is no longer a guarantor under either facility and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this clause, the amount of a Guarantor's indebtedness for borrowed money shall not include (A) the debt securities (or the January Notes, the May Notes, October Notes or March Notes), (B) any other debt the terms of which permit the termination of the Guarantor's guarantee of such debt under similar circumstances, as long as such Guarantor's obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the debt securities, and (C) any debt that is being refinanced at substantially the same time that the Guarantee of the debt securities is being released, *provided* that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor's indebtedness for borrowed money.

In addition, BrandBrew, whose guarantee is subject to certain limitations described below shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, with respect to any or all series of the notes issued under the Indenture, in the event that BrandBrew determines that under the rules, regulations or interpretations of the SEC it would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under the Indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, BrandBrew will be entitled to amend or modify by execution of an indenture supplemental to the Indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by BrandBrew to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.

**Supplemental Information on Subsidiary Guarantors**

BrandBrew S.A., whose Guarantees are subject to the limitations described below under “—Guarantee Limitations,” accounted for less than 1% of the total consolidated EBITDA, as defined, of AB InBev Group for the six month period ended 30 June 2010 and approximately 5% of the total consolidated debt of AB InBev Group as of 30 June 2010.

**Guarantee Limitations**

**BrandBrew S.A.**

Notwithstanding anything to the contrary in the Guarantee provided by BrandBrew S.A., the maximum aggregate liability of BrandBrew S.A. under its Guarantee and as a guarantor of the BrandBrew Guaranteed Facilities (excluding its Guarantee) shall not exceed an amount equal to the aggregate of (without double counting):

- (1) the aggregate amount of all moneys received by BrandBrew S.A. and the BrandBrew Subsidiaries as a borrower or issuer under the BrandBrew Guaranteed Facilities;



- (2) the aggregate amount of all outstanding intercompany loans made to BrandBrew S.A. and the BrandBrew Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the BrandBrew Guaranteed Facilities; and
- (3) an amount equal to 100% of the greater of:
  - a. the sum of BrandBrew S.A.'s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under (B) above) (both as referred to in article 34 of the Luxembourg law 19 December 2002 on the commercial register and annual accounts, as amended (the "**Law of 2002**") as reflected in BrandBrew S.A.'s most recent annual accounts approved by the competent organ of BrandBrew S.A. (as audited by its *réviseur d'entreprises* (external auditor), if required by law); and
  - b. the sum of BrandBrew S.A.'s own capital (i) and its subordinated debt (*dettes subordonnées*) (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of its Guarantee.

For the avoidance of doubt, the limitation on the Guarantee provided by BrandBrew S.A. shall not apply to any Guarantee by BrandBrew S.A. of any obligations owed by the BrandBrew Subsidiaries under the BrandBrew Guaranteed Facilities.

In addition to the limitation referred to above in respect of the Guarantee provided by BrandBrew S.A., the obligations and liabilities of BrandBrew S.A. under the Guarantee provided by BrandBrew S.A. and under any of the BrandBrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to BrandBrew S.A.

**"BrandBrew Guaranteed Facilities"** means: (i) the €2,500,000,000 syndicated credit facility agreement dated 8 December 2005 among the Parent Guarantor, Fortis Bank and others; (ii) the €150,000,000 facility agreement dated 13 May 2008 between the Parent Guarantor, Cobrew NV/SA and BNP Paribas as lender; (iii) the €150,000,000 facility agreement dated 20 June 2008 between, among others, the Parent Guarantor, Cobrew and The Royal Bank of Scotland plc as lender; (iv) the Existing Target Debt; (v) the USD 850,000,000 note purchase and guarantee agreement dated 22 October 2003 and entered into between, among others, the Parent Guarantor as issuer, Cobrew and BrandBrew; (vi) any notes issued by BrandBrew S.A. or the Parent Guarantor under the Programme; (vii) the 2008 Senior Facilities Agreement; (viii) the January Notes; (ix) the May Notes; (x) the October Notes; (xi) the March Notes; (xii) the 2010 Facilities Agreement; and (xiii) the debt securities, or any refinancing (in whole or part) of any of the above items for the same or a lower amount.

**"BrandBrew Subsidiaries"** means each entity of which BrandBrew S.A. has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**"Existing Target Debt"** means the following notes, debentures and bonds of Anheuser-Busch Companies, Inc.: (i) 6.450% Debentures due 1 September 2037; (ii) 5.50% Notes due 15 January 2018; (iii) 9.0% Debentures due 1 December 2009; (iv) 6.75% Debentures due 15 December 2027; (v) 6.50% Debentures due 1 January 2028; (vi) 5.75% Notes due 1 April 2010; (vii) 7.50% Notes due 15 March 2012; (viii) 7.55% Debentures due 1 October 2030; (ix) 6.80% Debentures due 15 January 2031; (x) 6.00% Notes due 15 April 2011; (xi) 6.80% Debentures due 20 August 2032; (xii) 5.625% Notes due 1 October 2010; (xiii) 6.00% Debentures due 1 November 2041; (xiv) 6.50% Debentures due 1 May 2042; (xv) 6.50% Debentures due 1 February 2043; (xvi) 4.375% Notes due 15 January 2013; (xvii) 5.95% Debentures due 15 January 2033; (xviii) 4.625% Notes due 1 February 2015; (xix) 4.50% Notes due 1 April 2018; (xx) 5.35% Notes due 15 May 2023; (xxi) 4.95% Notes due 15 January 2014; (xxii) 5.05% Notes due 15 October 2016; (xxiii) 5.00% Notes due 1 March 2019; (xxiv) 4.70% Notes due 15 April 2012; (xxv) 5.00% Notes due 15 January 2015; (xxvi) 5.491% Notes due 15 November 2017; (xxvii) 5.75% Debentures due 1 April 2036; (xxviii) 5.60% Notes due 1 March 2017; (xxix) Notes issued on 1 December 1989 by the Development Authority of Cartersville\*; (xxx) Notes issued on 1 November 1990 by the Development Authority of Cartersville\*; (xxxi) Notes issued on 1 May 1991 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xxxii) Notes issued on 1 April 1997 by the Industrial Development Authority of the County



of James City, Virginia\*; (xxxiii) Notes issued on 1 April 1997 by the Development Authority of Cartersville\*; (xxxiv) Notes issued on 1 August 1999 by the Ohio Water Development Agency\*; (xxxv) Notes issued on 1 December 1999 by The Onondaga County Industrial Development Agency\*; (xxxvi) Notes issued on 1 July 2000 by the Ohio Water Development Agency\*; (xxxvii) Notes issued on 1 November 2001 by the Ohio Water Development Agency\*; (xxxviii) Notes issued on 1 March 2002 by the Development Authority of Cartersville\*; (xxxix) Notes issued on 1 April 2002 by the Gulf Coast Waste Disposal Authority\*; (xl) Notes issued on 1 October 2002 by the City of Jonesboro, Arkansas\*; (xli) Notes issued on 1 July 2006 by The Onondaga County Industrial Development Agency\*; (xlii) Notes issued on 1 February 2007 by The Business Finance Authority of the State of New Hampshire\*; (xliii) Notes issued on 1 February 2007 by the Jacksonville Economic Development Commission\*; (xliv) Notes issued on 1 February 2007 by the City of Fort Collins, Colorado\*; (xlv) Notes issued on 1 February 2007 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xlvi) Notes issued on 1 February 2007 by the California Statewide Communities Development Authority\*; (xlvii) Notes issued on 31 May 2007 by the New Jersey Economic Development Authority\*; (xlviii) Notes issued on 1 August 2007 by the Development Authority of Cartersville\*; and (xlix) Notes issued on 1 September 2007 by the California Enterprise Development Authority\*.

\* Anheuser-Busch Companies, Inc. has subsequently become the principal debtor in respect of the debt securities listed in sub-paragraphs (xxix) to (xlix).

“**Programme**” means the Euro Medium Term Note Programme established by BrandBrew S.A. and Anheuser-Busch InBev SA/NV, as issuers, in January 2009 and subsequently recommenced on 24 February 2010.

### Certain Covenants

#### Limitation on Liens

So long as any of the debt securities remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an “Encumbrance”) on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the debt securities (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the debt securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, provided, however, the above limitation does not apply to:

- (a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;
- (b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition);
- (c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;
- (d) Encumbrances to secure the cost of development or construction of property, or improvements thereon, provided that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;
- (e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;
- (f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;





- (g) Encumbrances existing at the date of the Indenture;
- (h) Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits, provided the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the Indenture;
- (i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;
- (j) judgment Encumbrances not giving rise to an event of default;
- (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges;
- (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;
- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), provided that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;
- (q) as permitted under the provisions described in the following two paragraphs herein; and
- (r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without ratably securing the debt securities, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, provided that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by the Indenture as described below under "Sale-Leaseback Financings" (computed without duplication of amount) does not at the time exceed 15% of Net Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase, such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to



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such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the debt securities (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the debt securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the Covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the debt securities (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the indentures and other agreements relating thereto.

***Sale-Leaseback Transactions Relating to Principal Plants***

- a. Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any program, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:
  - b. the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property and
  - c. subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)
    - (i) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of debt securities equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or
    - (ii) repay other pari passu indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or
    - (iii) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or
    - (iv) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.
  - d. At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:
  - e. an Officers' Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to
    - (i) the amount of debt securities theretofore redeemed and the amount of debt securities theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of debt securities purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,
    - (ii) the amount thereof previously credited under paragraph (d) below,



- (iii) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below, and
- (iv) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and
- f. a deposit with the Trustee for cancellation of the debt securities then being surrendered as set forth in such certificate.
- g. Notwithstanding the restriction of paragraph (a) above, the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate principal amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under “—Limitation on Liens” which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.
- h. The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire debt securities under this covenant, for the principal amount of any debt securities deposited with the Trustee for the purpose and also for the principal amount of (i) any debt securities theretofore redeemed at the option of the Parent Guarantor and (ii) any debt securities previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the debt securities.
- i. For purposes of this covenant, the amount or the principal amount of debt securities which are issued with original issue discount shall be the principal amount of such debt securities that on the date of the purchase or redemption of such debt securities referred to in this covenant could be declared to be due and payable pursuant to the Indenture.

**Additional Amounts**

To the extent that any Guarantor is required to make payments in respect of the debt securities, such Guarantor will make all payments in respect of the debt securities without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the “Relevant Taxing Jurisdiction”) unless such withholding or deduction is required by law. Where a Guarantor is a Luxembourg resident, please refer to the section entitled “Tax Considerations—Luxembourg Taxation” for a description of tax consequences under Luxembourg law. In such event, such Guarantor will pay to the Holders such additional amounts (the “Additional Amounts”) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it;
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the debt securities or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction;



- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of, such taxes;
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes;
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such debt security;
- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income; (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding;
- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later;
- (h) are payable because any debt security was presented to a particular paying agent for payment if the debt security could have been presented to another paying agent without any such withholding or deduction; or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the debt securities shall be deemed to include any Additional Amounts, which may be payable as set forth in the Indenture.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; provided, however, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside of the United States. The prospectus supplement relating to the debt securities may describe additional circumstances in which the Guarantors would not be required to pay additional amounts.

#### Terms Applicable to the 8.200% Notes due 2039

The 8.20% Notes due 2039 (the “**2039 Notes**”) were issued under an indenture dated 16 October 2009 (as amended and supplemented, the “**Indenture**”, with respect to the 2039 Notes) among Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the 2039 Notes), Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), each of the subsidiary guarantors listed under “—Guarantees” below (the “**Subsidiary Guarantors**” and, together with the Parent Guarantor, the “**Guarantors**”, with respect to the 2039 Notes) and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The following summaries of certain provisions of the 2039 Notes and the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the 2039 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2039 Notes are limited to \$1,250,000,000 aggregate principal amount and will mature on 15 January 2039. The 2039 Notes are the direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The 2039 Notes will be senior unsecured obligations of the Issuer and will rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer.

The 2039 Notes will bear interest at a rate of 8.20% per annum from 15 January 2011 or the most recent interest payment date of the 8.20% Notes due 2039 issued by Anheuser-Busch InBev Worldwide Inc. in a private offering on 12 January 2009 (“**Old Notes**”) for which interest has been paid or duly provided, as applicable, payable semi-annually in arrears on 15 January and 15 July of each year, commencing on 15 July 2011, and until full repayment of the outstanding principal of the January Notes. Interest will be payable to the Holders of record at the close of business on 1 January and 1 July immediately preceding such interest payment date, whether or not such day is a Business Day (as defined above). Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.



The interest rates on the 2039 Notes will be subject to adjustment upon certain rating events as described under “—Interest Rate Adjustment Based on Rating Events.” The 2039 Notes will be repaid at maturity at a price equal to 100% of the principal amount thereof. Each series of 2039 Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and “—Optional Tax Redemption.” The 2039 Notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The 2039 Notes do not provide for any sinking fund.

The term “**Business Day**” means any day other than a day on which commercial banks or foreign exchange markets are permitted or required to be closed in New York City, London or Brussels. If the date of maturity of interest on or principal of the 2039 Notes or the date fixed for redemption of any 2039 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue as a result of the delayed payment.

### Guarantees

Each 2039 Note will benefit from an unconditional, full and irrevocable guarantee by the Parent Guarantor. Each of the following companies, which are subsidiaries of the Parent Guarantor, will, along with the Parent Guarantor, jointly and severally guarantee the 2039 Notes on a full, unconditional and irrevocable basis:

- Brandbrew S.A.;
- Cobrew NV/SA; and
- Anheuser-Busch Companies, Inc.

Each guarantee to be provided is referred to as a “**Guarantee**” and collectively, the “**Guarantees**”; the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the “**Subsidiary Guarantors**” and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the “**Guarantors**.”

All such Guarantees are set forth in the Indenture, or a supplement thereto. The Guarantees provided by certain of the Subsidiary Guarantors will be subject to certain limitations set forth below under “—Guarantee Limitations.”

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, if any) due under the 2039 Notes in accordance with the Indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Each of the Guarantors other than the Parent Guarantor shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event that at the time its Guarantee of the 2039 Notes is terminated, (i) the relevant Guarantor is released from its guarantee of the Issuer’s 2010 Senior Facilities Agreement, or is no longer a guarantor under that facility and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this clause, the amount of a Guarantor’s indebtedness for borrowed money shall not include (A) the 2039 Notes (or the Old Notes, the October 2009 Notes or the March 2010 Notes), (B) any other debt the terms of which permit the termination of the Guarantor’s guarantee of such debt under similar circumstances, as long as such Guarantor’s obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the 2039 Notes, and (C) any debt that is being refinanced at substantially the same time that the Guarantee of the 2039 Notes is being released, *provided* that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor’s indebtedness for borrowed money.



### ***Prior Termination of Certain Subsidiary Guarantees***

In addition to the Guarantees of the Subsidiary Guarantors, each Old Note was, at the time of issuance, guaranteed by certain other of our subsidiaries: InBev Belgium SA/NV, InBev France SAS, InBev Nederland N.V., Interbrew International B.V., Interbrew Central European Holding B.V., Sun Interbrew Limited, Nimbuspath Limited and AmBrew S.A. In May 2010, pursuant to the provisions of the Old Indenture, the guarantees of these subsidiaries were terminated and these subsidiaries ceased to be guarantors of the Old Notes. At the same time, the guarantees of these subsidiaries were also terminated under a significant portion of our outstanding long-term debt, including the October 2009 Notes, the March 2010 Notes and our 2010 Senior Facilities Agreement. As a result the Subsidiary Guarantors guaranteeing the 2039 Notes are the same entities currently guaranteeing the Old Notes.

### ***Supplemental Information on Subsidiary Guarantors***

Brandbrew S.A., whose Guarantees are subject to the limitations described below under “—Guarantee Limitations,” accounted for less than 1% of the total consolidated EBITDA, as defined, of AB InBev Group for the six month period ended 30 June 2010 and approximately 5% of the total consolidated debt of AB InBev Group as of 30 June 2010.

### ***Guarantee Limitations***

#### ***Brandbrew S.A.***

Notwithstanding anything to the contrary in the Guarantee provided by Brandbrew S.A., the maximum aggregate liability of Brandbrew S.A. under its Guarantee and as a guarantor of the Brandbrew Guaranteed Facilities (excluding its Guarantee) shall not exceed an amount equal to the aggregate of (without double counting):

- (1) the aggregate amount of all moneys received by Brandbrew S.A. and the Brandbrew Subsidiaries as a borrower or issuer under the Brandbrew Guaranteed Facilities;
- (2) the aggregate amount of all outstanding intercompany loans made to Brandbrew S.A. and the Brandbrew Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the Brandbrew Guaranteed Facilities; and
- (3) an amount equal to 100% of the greater of:
  - a. the sum of Brandbrew S.A.’s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under (B) above) (both as referred to in article 34 of the Law of 2002) as reflected in Brandbrew S.A.’s most recent annual accounts approved by the competent organ of Brandbrew S.A. (as audited by its *réviseur d’entreprises* (external auditor), if required by law); and
  - b. the sum of Brandbrew S.A.’s own capital (i) and its subordinated debt (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of its Guarantee.

For the avoidance of doubt, the limitation on the Guarantee provided by Brandbrew S.A. shall not apply to any Guarantee by Brandbrew S.A. of any obligations owed by the Brandbrew Subsidiaries under the Brandbrew Guaranteed Facilities.

In addition to the limitation referred to above in respect of the Guarantee provided by Brandbrew S.A., the obligations and liabilities of Brandbrew S.A. under the Guarantee provided by Brandbrew S.A. and under any of the Brandbrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to Brandbrew S.A.





“**Brandbrew Guaranteed Facilities**” means: (i) the €2,500,000,000 syndicated credit facility agreement dated 8 December 2005 among the Parent Guarantor, Fortis Bank and others; (ii) the €150,000,000 facility agreement dated 13 May 2008 between the Parent Guarantor, Cobrew NV/SA and BNP Paribas as lender; (iii) the €150,000,000 facility agreement dated 20 June 2008 between, among others, the Parent Guarantor, Cobrew and The Royal Bank of Scotland plc as lender; (iv) the Existing Target Debt; (v) the USD 850,000,000 note purchase and guarantee agreement dated 22 October 2003 and entered into between, among others, the Parent Guarantor as issuer, Cobrew and Brandbrew; (vi) any notes issued by Brandbrew S.A. or the Parent Guarantor under the Programme; (vii) the 2008 Senior Facilities Agreement; (viii) the Old Notes; (ix) the October 2009 Notes; (x) the March 2010 Notes; (xi) the 2010 Senior Facilities Agreement; and (xiii) the 2039 Notes, or any refinancing (in whole or part) of any of the above items for the same or a lower amount.

“**Brandbrew Subsidiaries**” means each entity of which Brandbrew S.A. has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

“**Existing Target Debt**” means the following notes, debentures and bonds of Anheuser-Busch Companies, Inc.: (i) 6.450% Debentures due 1 September 2037; (ii) 5.50% Notes due 15 January 2018; (iii) 9.0% Debentures due 1 December 2009; (iv) 6.75% Debentures due 15 December 2027; (v) 6.50% Debentures due 1 January 2028; (vi) 5.75% Notes due 1 April 2010; (vii) 7.50% Notes due 15 March 2012; (viii) 7.55% Debentures due 1 October 2030; (ix) 6.80% Debentures due 15 January 2031; (x) 6.00% Notes due 15 April 2011; (xi) 6.80% Debentures due 20 August 2032; (xii) 5.625% Notes due 1 October 2010; (xiii) 6.00% Debentures due 1 November 2041; (xiv) 6.50% Debentures due 1 May 2042; (xv) 6.50% Debentures due 1 February 2043; (xvi) 4.375% Notes due 15 January 2013; (xvii) 5.95% Debentures due 15 January 2033; (xviii) 4.625% Notes due 1 February 2015; (xix) 4.50% Notes due 1 April 2018; (xx) 5.35% Notes due 15 May 2023; (xxi) 4.95% Notes due 15 January 2014; (xxii) 5.05% Notes due 15 October 2016; (xxiii) 5.00% Notes due 1 March 2019; (xxiv) 4.70% Notes due 15 April 2012; (xxv) 5.00% Notes due 15 January 2015; (xxvi) 5.491% Notes due 15 November 2017; (xxvii) 5.75% Debentures due 1 April 2036; (xxviii) 5.60% Notes due 1 March 2017; (xxix) Notes issued on 1 December 1989 by the Development Authority of Cartersville\*; (xxx) Notes issued on 1 November 1990 by the Development Authority of Cartersville\*; (xxxi) Notes issued on 1 May 1991 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xxxii) Notes issued on 1 April 1997 by the Industrial Development Authority of the County of James City, Virginia\*; (xxxiii) Notes issued on 1 April 1997 by the Development Authority of Cartersville\*; (xxxiv) Notes issued on 1 August 1999 by the Ohio Water Development Agency\*; (xxxv) Notes issued on 1 December 1999 by The Onondaga County Industrial Development Agency\*; (xxxvi) Notes issued on 1 July 2000 by the Ohio Water Development Agency\*; (xxxvii) Notes issued on 1 November 2001 by the Ohio Water Development Agency\*; (xxxviii) Notes issued on 1 March 2002 by the Development Authority of Cartersville\*; (xxxix) Notes issued on 1 April 2002 by the Gulf Coast Waste Disposal Authority\*; (xl) Notes issued on 1 October 2002 by the City of Jonesboro, Arkansas\*; (xli) Notes issued on 1 July 2006 by The Onondaga County Industrial Development Agency\*; (xlii) Notes issued on 1 February 2007 by The Business Finance Authority of the State of New Hampshire\*; (xliii) Notes issued on 1 February 2007 by the Jacksonville Economic Development Commission\*; (xliv) Notes issued on 1 February 2007 by the City of Fort Collins, Colorado\*; (xlv) Notes issued on 1 February 2007 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xlvi) Notes issued on 1 February 2007 by the California Statewide Communities Development Authority\*; (xlvii) Notes issued on 31 May 2007 by the New Jersey Economic Development Authority\*; (xlviii) Notes issued on 1 August 2007 by the Development Authority of Cartersville\*; and (xlix) Notes issued on 1 September 2007 by the California Enterprise Development Authority\*.

\* Anheuser-Busch Companies, Inc. has subsequently become the principal debtor in respect of the notes listed in sub-paragraphs (xxix) to (xlix).

“**Programme**” means the Euro Medium-Term Note Programme established by Brandbrew S.A. and Anheuser-Busch InBev SA/NV, as issuers, in January 2009 and subsequently recommenced on 24 February 2010.

### Optional Redemption

The Issuer may, at its option, redeem any series of 2039 Notes as a whole or in part at any time upon not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the 2039 Notes to be redeemed; and





- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2039 Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 80 basis points in the case of the 2039 Notes;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

“**Treasury Rate**” means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption “Treasury constant maturities—Nominal,” for the maturity corresponding to the applicable Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the related 2039 Notes, yields for the two published maturities most closely corresponding to the applicable Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or
- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, calculated using a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the related Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the 2039 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2039 Notes.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Independent Investment Banker**” means Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., J.P. Morgan Securities Inc., or Deutsche Bank Securities Inc., as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means (i) Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., J.P. Morgan Securities Inc., and Deutsche Bank Securities Inc. and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in The City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the 2039 Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the 2039 Notes to be redeemed on such date. If fewer than all of the 2039 Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular 2039 Notes of such series or portions thereof for redemption from the 2039 Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate.



### Optional Tax Redemption

Each series of 2039 Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the 2039 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts, if any) to (but excluding) the redemption date, if (i) any change in, or amendment to, the laws, treaties, regulations or rulings of a Relevant Taxing Jurisdiction (as defined below) or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after the issue date (any such change or amendment, a "**Change in Tax Law**"), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to such series of 2039 Notes and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described below under "**Additional Amounts**"; *provided, however*, that any series of 2039 Notes may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under such 2039 Notes to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognized standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the 2039 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

### Holders' Option to Require Repayment Upon a Change in Control

The following provisions (the "**Change in Control Clause**") will not be effective unless and until they are approved by a resolution of the general meeting of shareholders of the Parent Guarantor. The Parent Guarantor will procure that a resolution to approve the Change in Control Clause is put to shareholders of the Parent Guarantor at the first annual general meeting after 1 May 2010, and at each successive annual general meeting of the Parent Guarantor thereafter until such a resolution is passed and, immediately following approval of such a resolution, will file a copy thereof with the Clerk of the Commercial Court of Brussels ("*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*"). The Parent Guarantor will notify the Trustee promptly after the shareholder meeting of the results of the vote on the proposed resolution.

If the general meeting of shareholders of the Parent Guarantor has not approved a Change in Control Clause substantially in the form described below by the date that is 18 months following the initial issue date of the 2039 Notes, as applicable, the interest rate relating to such series of 2039 Notes will increase by 0.25% with effect from the next following day until the date that the Parent Guarantor notifies the Trustee that a Change in Control Clause benefiting Holders substantially in the form described below has been approved (or unless and until such approval is no longer required in order for the Change in Control Clause to be effective), following which the interest rate relating to such series of 2039 Notes will decrease by the same amount.

In the event that (a) a Change of Control occurs, and (b) within the Change of Control Period, a Ratings Downgrade in respect of that Change of Control occurs with respect to a series of 2039 Notes (an "**Early Redemption Event**"):

- (i) the Issuer will (A) within 30 days after becoming aware of the Early Redemption Event, provide written notice thereof to the Holders of the 2039 Notes of such series, and (B) determine and provide written notice of the effective date for the purposes of early repayment (the "**Effective Date**"). The Effective Date must be a Business Day not less than 60 and not more than 90 days after the giving of the notice regarding the Early Redemption Event pursuant to subparagraph (i)(A); and



- (ii) any Holder of the 2039 Notes of such series may, by submitting a redemption notice (the “**Early Redemption Notice**”), demand from the Issuer repayment as of the Effective Date of any (in integral multiples of \$1,000 provided that the unredeemed portion must be in principal amount of at least \$2,000) or all of its 2039 Notes which have not otherwise been declared due for early redemption, at a repurchase price in cash of 101% of their principal amount plus interest accrued until (but excluding) the Effective Date (and all Additional Amounts, if any).

Any Early Redemption Notice shall be made in writing in English and shall be delivered by hand, registered mail or facsimile transmission to the Trustee not less than 30 days prior to the Effective Date at its specified office. The Early Redemption Notice must be accompanied by evidence showing that the relevant Holder is the Holder of the relevant 2039 Note(s) at the time the Early Redemption Notice is delivered. Such evidence may be provided in the form of a certificate issued by any custodian or in any other suitable manner. Early Redemption Notices shall be irrevocable.

The Issuer will not be required to redeem the 2039 Notes under this clause following an Early Redemption Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer and such third party purchases all the 2039 Notes properly tendered and not withdrawn under its offer. The Issuer will also not be required to redeem the 2039 Notes of a particular series under this clause if it has exercised its right to redeem the 2039 Notes of such series in full as described above or has defeased the 2039 Notes as described below.

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 Parent Guarantor; *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 Parent Guarantor 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 Parent Guarantor.

“**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 Parent Guarantor by any of them, either directly or indirectly, to obtain Control of the Parent Guarantor. “Stichting Anheuser-Busch InBev” means the company incorporated under the laws of The Netherlands under registered number 34144185 with registered address at Hofplein 20, 3032AC, Rotterdam, The Netherlands, and its successors.

“**Change of Control Announcement**” for these purposes means the public announcement by the Parent Guarantor or any actual purchaser relating to a Change of Control.

The “**Change of Control Period**” shall commence on the date of the Change of Control Announcement, but not later than on the date of the Change of Control, and shall end 60 days after the Change of Control (which period shall be extended with respect to a rating agency so long as the rating of the relevant 2039 Notes is under publicly announced consideration for possible downgrade by that rating agency, such extension not to exceed 60 days after the public announcement of such consideration).

“**Control**” in relation to any entity means either the direct or indirect ownership of more than 50% of the share capital or similar rights of ownership of the entity or the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise.

A “**Ratings Downgrade**” shall occur if any two solicited credit ratings for the Parent Guarantor’s long-term unsecured debt fall below investment grade or if all three Rating Agencies (as defined below) cease to assign (other than temporarily) a credit rating to the Parent Guarantor. A credit rating below investment grade shall mean, in relation to Standard & Poor’s Rating Services, a rating of BB+ or below, in relation to Moody’s Investor Services Inc., a rating of Ba1 or below, in relation to Fitch, Inc. a rating of BB+ or below and, where another “nationally recognized statistical rating agency” has been designated by the Parent Guarantor, a comparable rating. A Ratings Downgrade shall not occur with respect to a particular Rating Agency in respect of a Change of Control unless the Rating Agency downgrading the Parent Guarantor announces or publicly confirms or informs the Parent Guarantor in writing at its request that the downgrade was the result, in whole or in part, of the applicable Change of Control. If one or more Rating Agencies issues an improved credit rating for the Parent Guarantor prior to the Effective Date so that the circumstances giving rise to the Ratings Downgrade terminate, then the Ratings Downgrade shall be deemed not to have occurred and the Holders shall have no right to demand redemption of their 2039 Notes under this clause.



“**Rating Agencies**” shall mean each of Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc., Fitch, Inc., or Moody’s Investors Services, Inc., their respective successors, or any other nationally recognized statistical rating agency designated by the Parent Guarantor.

If, as a result of this clause, Holders submit Early Redemption Notices in respect of at least 85% of the aggregate principal amount of a series of the 2039 Notes outstanding, the Issuer will have the ability by notice to the Trustee to redeem the entire outstanding principal amount of such series of 2039 Notes on the Effective Date at the same price as for the 2039 Notes being redeemed under this clause. Such notice shall be irrevocable and shall be given to the Trustee no later than 15 days prior to the Effective Date. Notice of such redemption shall be given by the Issuer to the Holders of the 2039 Notes of the relevant series in accordance with the Indenture, or at the Issuer’s request, by the Trustee, in each case as soon as practicable after receipt by the Trustee of the foregoing notice from the Issuer.

**Interest Rate Adjustment Based on Rating Events**

The interest rate payable on a series of 2039 Notes will be subject to adjustment from time to time if any of the three Rating Agencies downgrades (or subsequently upgrades) its rating assigned to that series of 2039 Notes, as set forth below.

If the debt rating on a series of 2039 Notes from any one or more of the three Ratings Agencies is decreased to a rating set forth in the table below, the interest rate on that series of 2039 Notes will increase from the interest rate otherwise payable on the original issue date by the sum of the rates set forth in the table below opposite that rating level (calculated per agency), *provided* that, at no time shall the interest rate on any series increase by more than 2.00%, irrespective of ratings, from the original interest rate effective as of the date of issuance of such notes; *provided, further* that only the two lowest ratings assigned to a series of 2039 Notes will be taken into account for purposes of any interest rate adjustment.

<b>S&amp;P/Fitch</b>	<b>Moody’s</b>	<b>Adjustment from Original Interest Rate (per Rating Agency)</b>
BB+	Ba1	.25%
BB	Ba2	.50%
BB-	Ba3	.75%
B+	B1	1.00%
B	B2	1.25%
B-	B3	1.50%
CCC+	Caa	1.75%
CCC	Ca	2.00%

If at any time the interest rate on a series of 2039 Notes has been increased as a result of a ratings downgrade by a Rating Agency and such Rating Agency subsequently increases its rating of that series to any of the ratings set forth in the table above, the interest rate on that series will be decreased to the interest rate otherwise payable on that series on the date of the issuance of such notes plus the sum of the applicable interest rates set forth opposite the ratings in the table above. If any of the Rating Agencies subsequently increases its rating of a series of 2039 Notes to better than BB+/Ba1 or its equivalent, the adjustment from the original interest rate attributable to that Rating Agency shall no longer apply, and unless one or more other Rating Agencies rates that series BB+/Ba1 or lower, the interest rate shall revert to the interest rate payable on that series at the date of their issuance.



If at any time during the term of the 2039 Notes, any series is rated A-/A3 or above by any two of the Rating Agencies, the provisions described under this "Interest Rate Adjustment Based on Ratings Event" section will cease to apply to such series and the effective interest rate on such series at original issuance will remain in effect until the maturity or redemption of that series.

Any interest rate increase or decrease described above will take effect from the first Business Day of the interest period during which a rating change requiring an adjustment in the interest rate occurs. If any Rating Agency changes its rating of a series more than once during any particular interest period, the last such change to occur will control in the event of a conflict. For purposes of this section, the term "interest period" shall mean the period from and including an interest payment date to and excluding the next succeeding interest payment date, or in connection with the first interest period, the period from and including the issue date of relevant notes to and excluding the first interest payment date.

### Modifications and Amendment

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the 2039 Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any 2039 Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any 2039 Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the 2039 Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each 2039 Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of all of the Holders of the affected series of the notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the 2039 Notes;
- to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the 2039 Notes;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;
- to add to the covenants of the Issuer or the Guarantors, for the benefit of the holders of all or any series of the notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the Holders of all or any series of 2039 Notes (and if such additional events of default are to be for the benefit of less than all series of Holders, stating that such additional events of default are expressly being included solely for the benefit of such series);
- to add to, change or eliminate any of the provisions of the Indenture in respect of one or more series of 2039 Notes, provided that any such addition, change or elimination (A) shall neither (i) apply to any 2039 Note of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such 2039 Note with respect to such provision or (B) shall become effective only when there is no such 2039 Note outstanding;



- to modify the restrictions on and procedures for, resale and other transfers of the 2039 Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issues of securities in exchange for one or more series of outstanding debt securities;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;
- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, any series of 2039 Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms thereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the 2039 Notes of any series and create and issue additional 2039 Notes having identical terms and conditions as the 2039 Notes of such series (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding 2039 Notes;
- to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary’s Guarantee;
- to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “—Guarantees” above;
- to provide for any amendment, modification or alteration of any Subsidiary Guarantor’s Guarantee and the limitations applicable thereto in the circumstances described under “—Guarantees” above; or
- to make any other change that does not materially adversely affect the interests of the holders of the series of notes affected thereby.

## Certain Covenants

### Limitation on Liens

So long as any of the 2039 Notes remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an “**Encumbrance**”) on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the 2039 Notes (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the 2039 Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, *provided, however*, the above limitation does not apply to:

- (a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;
- (b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition);





- (c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;
- (d) Encumbrances to secure the cost of development or construction of property, or improvements thereon, *provided* that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;
- (e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;
- (f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;
- (g) Encumbrances existing at the date of the Indenture;
- (h) Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits, *provided* the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the Indenture;
- (i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;
- (j) judgment Encumbrances not giving rise to an event of default;
- (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges;
- (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;
- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), *provided* that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;
- (q) as permitted under the provisions described in the following two paragraphs herein; and
- (r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without ratably securing the 2039 Notes, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such





indebtedness, *provided* that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by the Indenture as described below under “Sale-Leaseback Financings” (computed without duplication of amount) does not at the time exceed 15% of Net-Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase, such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the 2039 Notes (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the 2039 Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the Covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the 2039 Notes (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the Indenture and other agreements relating thereto.

#### ***Sale-Leaseback Transactions Relating to Principal Plants***

- (a) Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any program, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:
  - (i) the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property and
  - (ii) subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)
    - (A) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of 2039 Notes equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or
    - (B) repay other *pari passu* indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or
    - (C) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or



- (D) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.
- (b) At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:
  - (i) an Officers' Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to
    - (A) the amount of 2039 Notes theretofore redeemed and the amount of 2039 Notes theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of 2039 Notes purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,
    - (B) the amount thereof previously credited under paragraph (d) below,
    - (C) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below, and
    - (D) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and
  - (ii) a deposit with the Trustee for cancellation of the 2039 Notes then being surrendered as set forth in such certificate.
- (c) Notwithstanding the restriction of paragraph (a) above, the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate principal amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under "—Limitation on Liens" which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.
- (d) The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire 2039 Notes under this covenant, for the principal amount of any 2039 Notes deposited with the Trustee for the purpose and also for the principal amount of
  - (i) any 2039 Notes theretofore redeemed at the option of the Parent Guarantor and
  - (ii) any 2039 Notes previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the 2039 Notes.
- (e) For purposes of this covenant, the amount or the principal amount of 2039 Notes which are issued with original issue discount shall be the principal amount of such 2039 Notes that on the date of the purchase or redemption of such 2039 Notes referred to in this covenant could be declared to be due and payable pursuant to the Indenture.

**Events of Default**

The occurrence and continuance of one or more of the following events will constitute an "Event of Default" under the Indenture and under each series of 2039 Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the 2039 Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or events beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment;



- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the 2039 Notes of a series or the Indenture and such default remains unremedied for 90 days after a written notice has been given to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the outstanding 2039 Notes of the applicable series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the 2039 Notes of such series;
- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days;
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days;
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the 2039 Notes and the Guarantees, respectively, and this situation is not cured within 90 days; or
- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.

If an Event of Default occurs and is continuing with respect to the 2039 Notes of any series, then in each and every case, unless the principal of all of the 2039 Notes of such series shall already have become due and payable (in which case no action is required for the acceleration of the 2039 Notes of such series), the Holders of not less than 25% in aggregate principal amount of 2039 Notes of such series then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the 2039 Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however*, that if an Event of Default specified in paragraph (d) above with respect to any series of the 2039 Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of a series of 2039 Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the indenture at the request of any Holders unless the Holders offer the Trustee reasonable protection from costs, expenses and liability. This protection is called an indemnity. If reasonable indemnity is provided, the Holders of a majority in principal amount of the outstanding 2039 Notes of any series may direct the time, method and place of conducting any proceeding seeking any remedy available to the Trustee. These majority Holders may also direct the Trustee in performing any other action under the Indenture, so long as such direction would not involve the Trustee in personal liability.

Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

- The Trustee must be given written notice that an event of default has occurred and remains uncured.
- The Holders of not less than 25% in principal amount of all outstanding 2039 Notes of the relevant series must make a written request that the Trustee institute proceedings because of the default, and must offer indemnity and/or security satisfactory to the Trustee against the costs, expenses and liabilities of taking such request.



- The Trustee must have not taken action for 60 days after receipt of the above notice, request and offer of indemnity.
- No direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of the majority in principal amount of the outstanding 2039 Notes of that series.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your security on or after its due date.

We will furnish to the Trustee every year a written statement of certain of our officers and directors, certifying that, to their knowledge, we are in compliance with the Indenture and the 2039 Notes, or else specifying any default.

**Substitution of the Issuer or Guarantor; Consolidation, Merger and Sale of Assets**

In all cases subject to the provisions described above under “—Holders’ Option to Require Repayment upon a Change in Control,” (i) the Issuer or a Guarantor, without the consent of the Holders of any of the 2039 Notes, may consolidate with or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation and (ii) the Issuer may at any time substitute for the Issuer either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the 2039 Notes (a “**Substitute Issuer**”); *provided that*:

- (a) the Substitute Issuer or any other successor company shall expressly assume the Issuer’s or such Guarantor’s respective obligations under the 2039 Notes or the Guarantees, as the case may be, and the Indenture;
- (b) any other successor company is organized under the laws of a member country of the Organization for Economic Co-Operation and Development;
- (c) the Issuer is not in default of any payments due under the 2039 Notes and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease or conveyance, no Event of Default shall have occurred and be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the 2039 Notes and the Indenture are fully, irrevocably and unconditionally guaranteed by the Parent Guarantor and each Subsidiary Guarantor (if any) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder);
  - (iii) each stock exchange on which the 2039 Notes are listed shall have confirmed that, following the proposed substitution of the Substitute Issuer, such 2039 Notes will continue to be listed on such stock exchange; and
  - (iv) each rating agency that rates the 2039 Notes shall have confirmed that, following the proposed substitution of the Substitute Issuer, such 2039 Notes will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, “**Affiliate**” shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.



Upon the effectiveness of any substitution, all of the foregoing provisions will apply *mutatis mutandis*, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

## Discharge and Defeasance

### Discharge of Indenture

The Indenture provides that the Issuer and the Guarantors will be discharged from any and all obligations in respect of the Indenture (except for certain obligations to register the transfer of 2039 Notes, replace stolen, lost or mutilated 2039 Notes, make payments of principal and interest and maintain paying agencies) if:

- the Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all 2039 Notes outstanding thereunder;
- the Issuer or the Guarantors shall have delivered to the Trustee for cancellation all 2039 Notes outstanding theretofore authenticated; or
- all 2039 Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Optional Redemption” or “—Optional Tax Redemption” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuer or the Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such 2039 Notes, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such 2039 Notes not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the Notes and all other amounts payable under the Indenture by the Issuer.

“U.S. Government Obligations” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

### Covenant Defeasance

The Indenture also provides that the Issuer and the Guarantors need not comply with certain covenants of the Indenture (including those described under “—Certain Covenants—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the Issuer (or the Guarantors) irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such 2039 Notes, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the 2039 Notes then outstanding on the dates such payments are due in accordance with the terms of the 2039 Notes;
- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the 2039 Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;



- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognized standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their 2039 Notes in carrying on a business in such jurisdiction of incorporation, to recognize income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of 2039 Notes beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such 2039 Notes in carrying on a business in such jurisdiction of incorporation; and
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as “**Covenant Defeasance.**”

#### **Additional Amounts**

To the extent that any Guarantor is required to make payments in respect of the 2039 Notes, such Guarantor will make all payments in respect of the 2039 Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the “**Relevant Taxing Jurisdiction**”) unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the “**Additional Amounts**”) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it;
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the 2039 Notes or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction;
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of, such taxes;
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes;
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such 2039 Note;
- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income; (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding;



- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later;
- (h) are payable because any 2039 Note was presented to a particular paying agent for payment if the 2039 Note could have been presented to another paying agent without any such withholding or deduction; or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the 2039 Notes shall be deemed to include any Additional Amounts, which may be payable as set forth in the Indenture.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided, however*, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside the United States.

The Trustee, principal paying agent, transfer agent and registrar is The Bank of New York Mellon Trust Company, N.A.





### Terms Applicable to the 6.375% Notes due 2040

The 6.375% notes due 2040 (the “**2040 Notes**”) were issued under an Indenture dated 16 October 2009 (as amended and supplemented, the “**Indenture**”, with respect to the 2040 Notes), among Anheuser-Busch InBev Worldwide Inc. (the “**Issuer**”, with respect to the 2040 Notes), Anheuser-Busch InBev SA/NV (the “**Parent Guarantor**”), each of the Subsidiary Guarantors listed under “—Guarantees” below (the “**Subsidiary Guarantors**” and, together with the Parent Guarantor, the “**Guarantors**”, with respect to the 2040 notes) and The Bank of New York Mellon Trust Company, N.A., as trustee, principal paying agent, transfer agent and registrar (the “**Trustee**”). The following summaries of certain provisions of the 2040 Notes and the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the 2040 Notes and the Indenture, including the definitions of certain terms contained therein. The Indenture is by its terms subject to and governed by the Trust Indenture Act of 1939, as amended.

The 2040 Notes are initially limited to \$500,000,000 aggregate principal amount and will mature on 15 January 2040. The 2040 Notes will be the direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The 2040 Notes are senior unsecured obligations of the Issuer and rank equally with all other existing and future unsecured and unsubordinated debt obligations of the Issuer. The 2040 Notes will bear interest at a rate of 6.375% per annum from 16 October 2009, payable semi-annually in arrears on 15 April and 15 October of each year, commencing on 15 July 2010, and until full repayment of the outstanding principal of the 2040 Notes. Interest will be payable to the Holders of record at the close of business on 1 January and 1 July, immediately preceding such interest payment date, whether or not such day is a Business Day (as defined below). Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The interest rate on the 2040 Notes will be subject to adjustment upon certain rating events as described under “—Interest Rate Adjustment Based on Rating Events”. The 2040 Notes will be repaid at maturity at a price equal to 100% of the principal amount thereof. Each series of 2040 Notes may be redeemed at any time prior to maturity in the circumstances described under “—Optional Redemption” and “—Optional Tax Redemption”. The 2040 Notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The 2040 Notes do not provide for any sinking fund.

The term “**Business Day**” means any day other than a day on which commercial banks or foreign exchange markets are permitted or required to be closed in New York City, London or Brussels. If the date of maturity of interest on or principal of the 2040 Notes or the date fixed for redemption of any 2040 Note is not a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue as a result of the delayed payment.

### Guarantees

Each 2040 Note will benefit from an unconditional, full and irrevocable guarantee by the Parent Guarantor. Each of the following companies, which are subsidiaries of the Parent Guarantor, will, along with the Parent Guarantor, jointly and severally guarantee the 2040 Notes on a full, unconditional and irrevocable basis:

- InBev Belgium SA/NV;
- BrandBrew S.A.;
- Cobrew NV/SA;
- AB InBev France S.A.S.;
- InBev Nederland N.V.;
- Interbrew International B.V.;
- Interbrew Central European Holding B.V.;
- Nimbuspath Limited;
- AmBrew S.A.; and
- Anheuser-Busch Companies, Inc.



Each guarantee to be provided is referred to as a “**Guarantee**” and collectively, the “**Guarantees**”; the subsidiaries of the Parent Guarantor providing Guarantees are referred to as the “**Subsidiary Guarantors**” and the Parent Guarantor and Subsidiary Guarantors collectively are referred to as the “**Guarantors**”.

All such Guarantees are set forth in the Indenture, or a supplement thereto. The Guarantees provided by several of the Guarantors will be subject to certain limitations set forth below under “—Guarantee Limitations”.

Under the Guarantees, the Guarantors will guarantee to each Holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, if any) due under the 2040 Notes in accordance with the Indenture. Each Guarantor will also pay Additional Amounts (if any) in respect of payments under its Guarantee. The Guarantees will be the full, direct, unconditional, unsecured and unsubordinated general obligations of the Guarantors. The Guarantees will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise, and at least equally with all other unsecured and unsubordinated general obligations of the Guarantors from time to time outstanding.

Each of the Guarantors other than the Parent Guarantor shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event that at the time its Guarantee of the 2040 Notes is terminated, (i) the relevant Guarantor is released from its guarantee of or is no longer a guarantor under the Issuer’s \$45,000,000,000 senior facilities agreement and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this clause, the amount of a Guarantor’s indebtedness for borrowed money shall not include (A) the 2040 Notes (or the Old Notes, January Notes or the May Notes), (B) any other debt the terms of which permit the termination of the Guarantor’s guarantee of such debt under similar circumstances, as long as such Guarantor’s obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the 2040 Notes, and (C) any debt that is being refinanced at substantially the same time that the Guarantee of the 2040 Notes is being released, *provided that* any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included in the calculation of the Guarantor’s indebtedness for borrowed money.

In addition, any Subsidiary Guarantor whose Guarantee is subject to the limitations described below shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, with respect to any or all series of the notes issued under the Indenture, in the event that such Subsidiary Guarantor determines that under the rules, regulations or interpretations of the SEC such Subsidiary Guarantor would be required to include its financial statements in any registration statement filed with the SEC with respect to any series of notes or guarantees issued under the Indenture or in periodic reports filed with or furnished to the SEC (by reason of such limitations or otherwise). Furthermore, each such Subsidiary Guarantor will be entitled to amend or modify by execution of an indenture supplemental to the Indenture the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth below, in any respect reasonably deemed necessary by such Subsidiary Guarantor to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the SEC.

#### ***Supplemental Information on Subsidiary Guarantors***

AB InBev France S.A.S., Interbrew International B.V., Interbrew Central European Holding B.V., InBev Nederland N.V., AmBrew S.A and BrandBrew S.A., the six Subsidiary Guarantors whose Guarantees are subject to the limitations described below under “—Guarantee Limitations”, accounted for approximately two percent (2%) of the total consolidated EBITDA of AB InBev Group for the first six months of 2009 and approximately two percent (2%) of the total consolidated debt of AB InBev Group as of 30 June 2009.



### **Guarantee Limitations**

#### **AB InBev France S.A.S.**

Notwithstanding anything to the contrary in the Guarantee provided by AB InBev France S.A.S., such Guarantee will be subject to the following limitations:

- (A) the obligations and liabilities of AB InBev France S.A.S. under its Guarantee will not include any obligation or liability which if incurred would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a “misuse of corporate assets” within the meaning of article L.241-3 or L.242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts; and
- (B) the obligations and liabilities of AB InBev France S.A.S. under its Guarantee for the obligations of the Issuer shall be limited, at any time, to an amount equal to the aggregate nominal amount of all notes issued by the Issuer to the extent directly or indirectly on-lent or otherwise provided to AB InBev France S.A.S. and/or any AB InBev France Subsidiary(ies) under intercompany loan or similar arrangements and outstanding at the date a payment is to be made by AB InBev France S.A.S. under its Guarantee.

For the avoidance of doubt, any obligations or liabilities that may arise from AB InBev France acting jointly and severally with the other Guarantors (including as “*co-débiteur solidaire*”) are subject always to the limitations set out in the preceding paragraphs.

#### **Interbrew International B.V., Interbrew Central European Holding B.V. and InBev Nederland N.V.**

With respect to the Guarantees provided by Interbrew International B.V., Interbrew Central European Holding B.V. and InBev Nederland N.V., such Guarantees will not apply to any liability to the extent that it would result in such Guarantee constituting unlawful financial assistance.

#### **AmBrew S.A.**

Notwithstanding anything to the contrary in the Guarantee provided by AmBrew S.A., the maximum aggregate liability of AmBrew S.A. under such Guarantee shall not exceed an amount equal to the aggregate of (without double counting):

- (A) the aggregate amount of all moneys received by AmBrew S.A. and the AmBrew Subsidiaries as a borrower or issuer under the AmBrew Guaranteed Facilities;
- (B) the aggregate amount of all outstanding intercompany loans made to AmBrew S.A. and the AmBrew Subsidiaries by other members of the Anheuser-Busch InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the AmBrew Guaranteed Facilities; and
- (C) an amount equal to 100% of the greater of:
  - I. the sum of AmBrew S.A.’s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under (B) above) (both as referred to in article 34 of the Luxembourg law of 19 December 2002 on the commercial register and annual accounts, as amended (the “**Law of 2002**”)) as reflected in AmBrew S.A.’s most recent annual accounts approved by the competent organ of AmBrew S.A. (as audited by its *réviseur d’entreprises* (external auditor), if required by law); and
  - II. the sum of AmBrew S.A.’s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of its Guarantee.

For the avoidance of doubt, the limitation on AmBrew S.A.’s Guarantee shall not apply to the Guarantee by AmBrew S.A. of any obligations owed by the AmBrew Subsidiaries under the AmBrew Guaranteed Facilities.

In addition to the limitation referred to above in respect of AmBrew’s Guarantee, the obligations and liabilities of AmBrew S.A. under AmBrew’s Guarantee and under any of the AmBrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to AmBrew S.A.

**BrandBrew S.A.**

Notwithstanding anything to the contrary in the Guarantee provided by BrandBrew S.A., the maximum aggregate liability of BrandBrew S.A. under its Guarantee and as a guarantor of the Brandbrew Guaranteed Facilities (excluding its Guarantee) shall not exceed an amount equal to the aggregate of (without double counting):

- (A) the aggregate amount of all moneys received by BrandBrew S.A. and the Brandbrew Subsidiaries as a borrower or issuer under the Brandbrew Guaranteed Facilities;
- (B) the aggregate amount of all outstanding intercompany loans made to BrandBrew S.A. and the Brandbrew Subsidiaries by other members of the AB InBev Group which have been directly or indirectly funded using the proceeds of borrowings under the Brandbrew Guaranteed Facilities; and
- (C) an amount equal to 100% of the greater of:
  - I. the sum of BrandBrew S.A.'s own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under (B) above) (both as referred to in article 34 of the Law of 2002) as reflected in BrandBrew S.A.'s most recent annual accounts approved by the competent organ of BrandBrew S.A. (as audited by its *réviseur d'entreprises* (external auditor), if required by law); and
  - II. the sum of BrandBrew S.A.'s own capital (i) and its subordinated debt (*dettes subordonnées*) (both as referred to in article 34 of the Law of 2002) as reflected in its filed annual accounts available as of the date of its Guarantee.

For the avoidance of doubt, the limitation on the Guarantee provided by BrandBrew S.A. shall not apply to any Guarantee by BrandBrew S.A. of any obligations owed by the Brandbrew Subsidiaries under the Brandbrew Guaranteed Facilities.

In addition to the limitation referred to above in respect of the Guarantee provided by BrandBrew S.A., the obligations and liabilities of Brandbrew S.A. under the Guarantee provided by BrandBrew S.A. and under any of the Brandbrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to Brandbrew S.A.

“**AmBrew Guaranteed Facilities**” means: (i) the €2,500,000,000 syndicated credit facility agreement dated 8 December 2005 among AB InBev, Fortis Bank and others; (ii) the €200,000,000 facility agreement dated 15 April 2008 between Brandbrew and Fortis Bank as lender; (iii) the €150,000,000 facility agreement dated 20 March 2008 between Brandbrew and Santander Benelux S.A./NV as lender; (iv) the €250,000,000 facility agreement dated 3 April 2008 between BrandBrew S.A. and Société Générale as lender; (v) the €50,000,000 facility agreement dated as of 29 August 2007 among BrandBrew S.A., AB InBev and S G Immobil SA as lender; (vi) the €150,000,000 facility agreement dated 13 May 2008 between AB InBev, Cobrew NV/SA and BNP Paribas as lender; (vii) the €150,000,000 facility agreement dated 20 June 2008 between, amongst others, AB InBev, Cobrew NV/SA and The Royal Bank of Scotland plc as lender; (viii) the Existing Target Debt; (ix) any notes issued by BrandBrew S.A. or AB InBev under the Programme; (x) the Senior Facility Agreement; and (xi) the 2040 Notes, or any refinancing (in whole or part) of any of the above items for the same or a lower amount;

“**AmBrew Subsidiaries**” means each entity of which AmBrew has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and “control” for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

“**Brandbrew Guaranteed Facilities**” means: (i) the €2,500,000,000 syndicated credit facility agreement dated 8 December 2005 among AB InBev, Fortis Bank and others; (ii) the €150,000,000 facility agreement dated 13 May 2008 between AB InBev, Cobrew and BNP Paribas as lender; (iii) the €150,000,000 facility



agreement dated 20 June 2008 between, amongst others, AB InBev, Cobrew and The Royal Bank of Scotland plc as lender; (iv) the Existing Target Debt; (v) the US\$850,000,000 note purchase and guarantee agreement dated 22 October 2003 and entered into between, amongst others, AB InBev as issuer, Cobrew and Brandbrew; (vi) any notes issued by BrandBrew S.A. or AB InBev under the Programme; (vii) the Senior Facility Agreement; and (viii) the 2040 Notes, or any refinancing (in whole or part) of any of the above items for the same or a lower amount;

“**Brandbrew Subsidiaries**” means each entity of which BrandBrew S.A. has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

“**Existing Target Debt**” means the following notes, debentures and bonds of Anheuser-Busch Companies, Inc.: (i) 6.450% Debentures due 1 September 2037; (ii) 5.50% Notes due 15 January 2018; (iii) 9.0% Debentures due 1 December 2009; (iv) 6.75% Debentures due 15 December 2027; (v) 6.50% Debentures due 1 January 2028; (vi) 5.75% Notes due 1 April 2010; (vii) 7.50% Notes due 15 March 2012; (viii) 7.55% Debentures due 1 October 2030; (ix) 6.80% Debentures due 15 January 2031; (x) 6.00% Notes due 15 April 2011; (xi) 6.80% Debentures due 20 August 2032; (xii) 5.625% Notes due 1 October 2010; (xiii) 6.00% Debentures due 1 November 2041; (xiv) 6.50% Debentures due 1 May 2042; (xv) 6.50% Debentures due 1 February 2043; (xvi) 4.375% Notes due 15 January 2013; (xvii) 5.95% Debentures due 15 January 2033; (xviii) 4.625% Notes due 1 February 2015; (xix) 4.50% Notes due 1 April 2018; (xx) 5.35% Notes due 15 May 2023; (xxi) 4.95% Notes due 15 January 2014; (xxii) 5.05% Notes due 15 October 2016; (xxiii) 5.00% Notes due 1 March 2019; (xxiv) 4.70% Notes due 15 April 2012; (xxv) 5.00% Notes due 15 January 2015; (xxvi) 5.491% Notes due 15 November 2017; (xxvii) 5.75% Debentures due 1 April 2036; (xxviii) 5.60% Notes due 1 March 2017; (xxix) Notes issued on 1 December 1989 by the Development Authority of Cartersville\*; (xxx) Notes issued on 1 November 1990 by the Development Authority of Cartersville\*; (xxxi) Notes issued on 1 May 1991 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xxxii) Notes issued on 1 April 1997 by the Industrial Development Authority of the County of James City, Virginia\*; (xxxiii) Notes issued on 1 April 1997 by the Development Authority of Cartersville\*; (xxxiv) Notes issued on 1 August 1999 by the Ohio Water Development Agency\*; (xxxv) Notes issued on 1 December 1999 by The Onondaga County Industrial Development Agency\*; (xxxvi) Notes issued on 1 July 2000 by the Ohio Water Development Agency\*; (xxxvii) Notes issued on 1 November 2001 by the Ohio Water Development Agency\*; (xxxviii) Notes issued on 1 March 2002 by the Development Authority of Cartersville\*; (xxxix) Notes issued on 1 April 2002 by the Gulf Coast Waste Disposal Authority\*; (xl) Notes issued on 1 October 2002 by the City of Jonesboro, Arkansas\*; (xli) Notes issued on 1 July 2006 by The Onondaga County Industrial Development Agency\*; (xlii) Notes issued on 1 February 2007 by The Business Finance Authority of the State of New Hampshire\*; (xliiii) Notes issued on 1 February 2007 by the Jacksonville Economic Development Commission\*; (xliv) Notes issued on 1 February 2007 by the City of Fort Collins, Colorado\*; (xlv) Notes issued on 1 February 2007 by The Industrial Development Authority of the City of St. Louis, Missouri\*; (xlvi) Notes issued on 1 February 2007 by the California Statewide Communities Development Authority\*; (xlvii) Notes issued on 31 May 2007 by the New Jersey Economic Development Authority\*; (xlviii) Notes issued on 1 August 2007 by the Development Authority of Cartersville\*; and (xlix) Notes issued on 1 September 2007 by the California Enterprise Development Authority\*;

\* Anheuser-Busch Companies, Inc. has subsequently become the principal debtor in respect of the notes listed in sub-paragraphs (xxix) to (xlix).

“**AB InBev France Subsidiary**” means an entity of which AB InBev France has direct or indirect control or owns directly or indirectly more than 50% of the voting share capital or similar right of ownership; and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise; and

“**Programme**” means the Euro Medium Term Note Programme established by Brandbrew S.A. and Anheuser-Busch InBev SA/NV, as issuers, in January 2009.



### Optional Redemption

The Issuer may, at its option, redeem any series of 2040 Notes as a whole or in part at any time upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the 2040 Notes to be redeemed; and
- as determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the 2040 Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points;

plus, in each case described above, accrued and unpaid interest on the principal amount being redeemed to (but excluding) such redemption date.

“**Treasury Rate**” means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. treasury securities adjusted to constant maturity under the caption “Treasury constant maturities—Nominal”, for the maturity corresponding to the applicable Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the related 2040 Notes, yields for the two published maturities most closely corresponding to the applicable Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or
- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, calculated using a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the related Comparable Treasury Price for such redemption date.

The Treasury Rate will be calculated on the third Business Day preceding such redemption date.

“**Comparable Treasury Issue**” means the U.S. Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the 2040 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2040 Notes.

“**Comparable Treasury Price**” means, with respect to a redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“**Independent Investment Banker**” means J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp. or Deutsche Bank Securities Inc., as specified by the Issuer, or if all of these firms are unwilling or unable to serve in that capacity, an independent investment banking institution of national standing in the United States appointed by the Issuer.

“**Reference Treasury Dealer**” means (i) J.P. Morgan Securities Inc., Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp. and Deutsche Bank Securities Inc. and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in The City of New York (a “**Primary Treasury Dealer**”), the Issuer will substitute therefor another Primary Treasury Dealer and (ii) any three other Primary Treasury Dealers selected by the Issuer after consultation with an Independent Investment Banker.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.





Unless the Issuer (and/or the Guarantors) defaults on payment of the redemption price, from and after the redemption date interest will cease to accrue on the 2040 Notes or portions thereof called for redemption. On the redemption date, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in the Indenture) money sufficient to pay the redemption price of and accrued interest on the 2040 Notes to be redeemed on such date. If fewer than all of the 2040 Notes of any series are to be redeemed, the Trustee will select, not more than 60 days prior to the redemption date, the particular 2040 Notes of such series or portions thereof for redemption from the 2040 Notes of that series not previously called for redemption, on a pro rata basis across such series, or by such method as the Trustee deems fair and appropriate.

**Optional Tax Redemption**

Each series of 2040 Notes may be redeemed at any time, at the Issuer's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the 2040 Notes of such series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts, if any) to (but excluding) the redemption date, if (i) any change in, or amendment to, the laws, treaties, regulations or rulings of a Relevant Taxing Jurisdiction (as defined below) or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after the issue date (any such change or amendment, a "**Change in Tax Law**"), the Issuer (or if a payment were then due under a Guarantee, the relevant Guarantor) would be required to pay Additional Amounts, with respect to such series of 2040 Notes and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Issuer under the circumstances described below under "**Additional Amounts**"; *provided, however*, that any series of 2040 Notes may not be redeemed to the extent such Additional Amounts arise solely as a result of the Issuer assigning its obligations under such 2040 Notes to a Substitute Issuer, unless this assignment to a Substitute Issuer is undertaken as part of a plan of merger by Parent Guarantor.

Prior to the mailing of any notice of redemption pursuant to the foregoing, the Issuer or the relevant Guarantor will deliver to the Trustee an opinion of independent tax counsel of recognised standing to the effect that the Issuer or the relevant Guarantor is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts if a payment in respect of the 2040 Notes were then due.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture.

**Holders' Option to Require Repayment Upon a Change in Control**

The following provisions (the "**Change in Control Clause**") will not be effective unless and until they are approved by a resolution of the general meeting of shareholders of the Parent Guarantor. The Parent Guarantor will procure that a resolution to approve the Change in Control Clause is put to shareholders of the Parent Guarantor at the first annual general meeting after 16 October 2009, and at each successive annual general meeting of the Parent Guarantor thereafter until such a resolution is passed and, immediately following approval of such a resolution, will file a copy thereof with the Clerk of the Commercial Court of Brussels ("*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*"). The Parent Guarantor will notify the Trustee promptly after the shareholder meeting of the results of the vote on the proposed resolution.

If the general meeting of shareholders of the Parent Guarantor has not approved a Change in Control Clause substantially in the form described below by the date that is 18 months following the initial issue date of the 6.375% Notes due 2040 issued by Anheuser-Busch InBev Worldwide Inc. in a private offering (the "**Old Notes**"), the interest rate applicable to the 2040 Notes will increase by 0.25% with effect from the next following day until the date that the Parent Guarantor notifies the Trustee that a Change in Control Clause benefiting Holders substantially in the form described below has been approved (or unless and until such approval is no longer required in order for the Change in Control Clause to be effective), following which the interest rate applicable to the 2040 Notes will decrease by the same amount.





In the event that (a) a Change of Control occurs, and (b) within the Change of Control Period, a Ratings Downgrade in respect of that Change of Control occurs with respect to a series of 2040 Notes (an “**Early Redemption Event**”):

- (i) the Issuer will (A) within 30 days after becoming aware of the Early Redemption Event, provide written notice thereof to the Holders of the 2040 Notes of such series, and (B) determine and provide written notice of the effective date for the purposes of early repayment (the “**Effective Date**”). The Effective Date must be a Business Day not less than 60 and not more than 90 days after the giving of the notice regarding the Early Redemption Event pursuant to subparagraph (i)(A); and
- (ii) any Holder of the 2040 Notes of such series may, by submitting a redemption notice (the “**Early Redemption Notice**”), demand from the Issuer repayment as of the Effective Date of any (in integral multiples of \$1,000 provided that the unredeemed portion must be in principal amount of at least \$2,000) or all of its 2040 Notes which have not otherwise been declared due for early redemption, at a repurchase price in cash of 101% of their principal amount plus interest accrued until (but excluding) the Effective Date (and all Additional Amounts, if any).

Any Early Redemption Notice shall be made in writing in English and shall be delivered by hand, registered mail, or by facsimile transmission to the Trustee not less than 30 days prior to the Effective Date at its specified office. The Early Redemption Notice must be accompanied by evidence showing that the relevant Holder is the Holder of the relevant 2040 Note(s) at the time the Early Redemption Notice is delivered. Such evidence may be provided in the form of a certificate issued by any custodian or in any other suitable manner. Early Redemption Notices shall be irrevocable.

The Issuer will not be required to redeem the 2040 Notes under this clause following an Early Redemption Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer and such third-party purchases all the 2040 Notes properly tendered and not withdrawn under its offer. The Issuer will also not be required to redeem the 2040 Notes of a particular series under this clause if it has exercised its right to redeem the 2040 Notes of such series in full as described above or has defeased the 2040 Notes as described below.

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 Parent Guarantor; *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 Parent Guarantor 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 Parent Guarantor.

“**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 Parent Guarantor by any of them, either directly or indirectly, to obtain Control of the Parent Guarantor. “Stichting Anheuser-Busch InBev” means the company incorporated under the laws of The Netherlands under registered number 34144185 with registered address at Hofplein 20, 3032AC, Rotterdam, The Netherlands, and its successors.

“**Change of Control Announcement**” for these purposes means the public announcement by the Parent Guarantor or any actual purchaser relating to a Change of Control.

The “**Change of Control Period**” shall commence on the date of the Change of Control Announcement, but not later than on the date of the Change of Control, and shall end 60 days after the Change of Control (which period shall be extended with respect to a rating agency so long as the rating of the relevant 2040 Notes is under publicly announced consideration for possible downgrade by that rating agency, such extension not to exceed 60 days after the public announcement of such consideration).

“**Control**” in relation to any entity means either the direct or indirect ownership of more than 50% of the share capital or similar rights of ownership of the entity or the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise.



A “**Ratings Downgrade**” shall occur if any two solicited credit ratings for the Parent Guarantor’s long-term unsecured debt fall below investment grade or if all three Rating Agencies (as defined below) cease to assign (other than temporarily) a credit rating to the Parent Guarantor. A credit rating below investment grade shall mean, in relation to Standard & Poor’s Rating Services, a rating of BB+ or below, in relation to Moody’s Investor Services Inc., a rating of Ba1 or below, in relation to Fitch, Inc. a rating of BB+ or below and, where another “nationally recognised statistical rating agency” has been designated by the Parent Guarantor, a comparable rating. A Ratings Downgrade shall not occur with respect to a particular Rating Agency in respect of a Change of Control unless the Rating Agency downgrading the Parent Guarantor announces or publicly confirms or informs the Parent Guarantor in writing at its request that the downgrade was the result, in whole or in part, of the applicable Change of Control. If one or more Rating Agencies issues an improved credit rating for the Parent Guarantor prior to the Effective Date so that the circumstances giving rise to the Ratings Downgrade terminate, then the Ratings Downgrade shall be deemed not to have occurred and the Holders shall have no right to demand redemption of their 2040 Notes under this clause.

“**Rating Agencies**” shall mean each of Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc., Fitch, Inc., or Moody’s Investors Services, Inc., their respective successors, or any other nationally recognised statistical rating agency designated by the Parent Guarantor.

If, as a result of this clause, Holders submit Early Redemption Notices in respect of at least 85% of the aggregate principal amount of a series of 2040 Notes and Old Notes outstanding, the Issuer will have the ability by notice to the Trustee to redeem the entire outstanding principal amount of such series of 2040 Notes and Old Notes on the Effective Date at the same price as for the 2040 Notes and Old Notes being redeemed under this clause. Such notice shall be irrevocable and shall be given to the Trustee no later than 15 days prior to the Effective Date. Notice of such redemption shall be given by the Issuer to the Holders of the 2040 Notes and the Old Notes of the relevant series in accordance with the Indenture, or at the Issuer’s request, by the Trustee, in each case as soon as practicable after receipt by the Trustee of the foregoing notice from the Issuer.

**Interest Rate Adjustment Based on Rating Events**

The interest rate payable on a series of 2040 Notes will be subject to adjustment from time to time if any of the three Rating Agencies downgrades (or subsequently upgrades) its rating assigned to that series of 2040 Notes and Old Notes, as set forth below.

If the debt rating on a series of 2040 Notes and Old Notes from any one or more of the three Ratings Agencies is decreased to a rating set forth in the table below, the interest rate on that series will increase from the interest rate otherwise payable on the original issue date by the sum of the rates set forth in the table below opposite that rating level (calculated per agency), *provided* that, at no time shall the interest rate on any of the 2040 Notes or the Old Notes increase by more than 2.00%, irrespective of ratings, from the original interest rate effective as of the date of issuance of such notes; *provided, further* that only the two lowest ratings assigned to a series of 2040 Notes and the Old Notes will be taken into account for purposes of any interest rate adjustment.

<u>S&amp;P/Fitch</u>	<u>Moody’s</u>	<u>Adjustment from Original Interest Rate (per Rating Agency)</u>
BB+	Ba1	.25%
BB	Ba2	.50%
BB-	Ba3	.75%
B+	B1	1.00%
B	B2	1.25%
B-	B3	1.50%
CCC+	Caa	1.75%
CCC	Ca	2.00%



If at any time the interest rate on a series of 2040 Notes and the Old Notes has been increased as a result of a ratings downgrade by a Rating Agency and such Rating Agency subsequently increases its rating of that series to any of the ratings set forth in the table above, the interest rate on that series will be decreased to the interest rate otherwise payable on that series on the date of the issuance of such notes plus the sum of the applicable interest rates set forth opposite the ratings in the table above. If any of the Rating Agencies subsequently increases its rating of a series of 2040 Notes and Old Notes to better than BB+/Ba1 or its equivalent, the adjustment from the original interest rate attributable to that Rating Agency shall no longer apply, and unless one or more other Rating Agencies rates that series BB+/Ba1 or lower, the interest rate shall revert to the interest rate payable on that series at the date of their issuance.

If at any time during the term of the 2040 Notes, its series is rated A-/A3 or above by any two of the Rating Agencies, the provisions described under this "Interest Rate Adjustment Based on Ratings Event" section will cease to apply to such series and the effective interest rate on such series at original issuance will remain in effect until the maturity or redemption of that series.

Any interest rate increase or decrease described above will take effect from the first Business Day of the interest period during which a rating change requiring an adjustment in the interest rate occurs. If any Rating Agency changes its rating of a series more than once during any particular interest period, the last such change to occur will control in the event of a conflict. The term "interest period" shall mean the period from and including an interest payment date to and excluding the next succeeding interest payment date, or in connection with the first interest period, the period from and including the issue date of the relevant notes to and excluding the first interest payment date.

### Modifications and Amendment

The Issuer, the Guarantors and the Trustee may execute agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental agreement or modifying in any manner the rights of the Holders under the 2040 Notes or the Guarantees only with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding (irrespective of series) that would be affected by the proposed modification or amendment; *provided* that no such agreement shall (a) change the maturity of the principal of, or any installment of interest on, any 2040 Note, or reduce the principal amount or the interest thereof, or extend the time of payment of any installment of interest thereon, or change the currency of payment of principal of, or interest on, any 2040 Note, or change the Issuer's or a Guarantor's obligation to pay Additional Amounts, impair or affect the right of any Holder to institute suit for the enforcement of any such payment on or after the due date thereof (or in the case of redemption on or after the redemption date) or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the 2040 Notes then outstanding plus accrued and unpaid interest (and all Additional Amounts, if any) without the consent of the Holder of each 2040 Note so affected; or (b) reduce the aforesaid percentage of notes, the consent of the Holders of which is required for any such agreement, without the consent of the Holders of the affected series of notes then outstanding. To the extent that any changes directly affect fewer than all the series of the notes issued under the Indenture, only the consent of the Holders of notes of the relevant series (in the respective percentages set forth above) will be required.

The Issuer, the Guarantors and the Trustee may, without the consent of the Holders, from time to time execute agreements or amendments or enter into an indenture or indentures supplemental thereto (including in respect of one series of notes only) for one or more of the following purposes:

- to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the 2040 Notes;
- to evidence the succession of another person to the Issuer or any Guarantors, or successive successions, and the assumption by the successor person of the covenants of the Issuer or any of the Guarantors, pursuant to the Indenture and the 2040 Notes;
- to evidence and provide for the acceptance of appointment of a successor or successors to the Trustee in any of its capacities and to add to or change any of the provisions of the Indenture to facilitate the administration of the trusts created thereunder by more than one trustee;



- to add to the covenants of the Issuer or the Guarantors, for the benefit of the holders of all or any series of the notes issued under the Indenture, or to surrender any rights or powers conferred on the Issuer or the Guarantors in the Indenture;
- to add any additional events of default for the benefit of the Holders of all or any series of 2040 Notes (and if such additional events of default are to be for the benefit of less than all series of Holders, stating that such additional events of default are expressly being included solely for the benefit of such series);
- to add to, change or eliminate any of the provisions of the Indenture in respect of one or more series of 2040 Notes, *provided* that any such addition, change or elimination (A) shall neither (i) apply to any 2040 Note of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such 2040 Note with respect to such provision or (B) shall become effective only when there is no such 2040 Note outstanding;
- to modify the restrictions on and procedures for, resale and other transfers of the 2040 Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to provide for the issuance and terms of any particular series of securities, the rights and obligations of the Guarantors and the holders of the securities of such series, the form or forms of the securities of such series and such other matters in connection therewith as the Issuer and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default;
- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture, any series of 2040 Notes or the Guarantees, or in any supplemental agreement, which may be defective or inconsistent with any other provision contained therein or in any supplemental agreement, (b) to eliminate any conflict between the terms hereof and the Trust Indenture Act or (c) to make such other provision in regard to matters or questions arising under the Indenture or under any supplemental agreement as the Issuer may deem necessary or desirable and which will not adversely affect the interests of the Holders to which such provision relates in any material respect;
- to “reopen” the 2040 Notes of any series and create and issue additional 2040 Notes having identical terms and conditions as the 2040 Notes of such series (or in all respects except for the issue date, issue price, first interest accrual date and first interest payment date) so that the additional notes are consolidated and form a single series with the outstanding 2040 Notes and any outstanding Old Notes;
- to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of notes, subject to applicable regulatory or contractual limitations relating to such subsidiary’s Guarantee;
- to provide for the release and termination of any Subsidiary Guarantor’s Guarantee in the circumstances described under “—Guarantees” above;
- to provide for any amendment, modification or alteration of any Subsidiary Guarantor’s Guarantee and the limitations applicable thereto in the circumstances described under “—Guarantees” above;
- to make any other change that does not materially adversely affect the interests of the holders of the series of notes affected thereby.



## Certain Covenants

### Limitation on Liens

So long as any of the 2040 Notes remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any mortgage, pledge, security interest or lien (an “**Encumbrance**”) on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the 2040 Notes (together with, if the Parent Guarantor shall so determine, any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the 2040 Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith, *provided, however*, the above limitation does not apply to:

- (a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon,
- (b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition),
- (c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary,
- (d) Encumbrances to secure the cost of development or construction of property, or improvements thereon, *provided* that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements,
- (e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities,
- (f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary,
- (g) Encumbrances existing at the date of the Indenture,
- (h) Encumbrances required in connection with state or local governmental programmes which provide financial or tax benefits, *provided* the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the Indenture,
- (i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith,
- (j) judgment Encumbrances not giving rise to an event of default,
- (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics’, materialmen’s, carriers’, workmen’s, vendors’ or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers’ compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges,
- (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor’s or any such Restricted Subsidiary’s obligations in respect of bankers’ acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods,
- (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business,



- (n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favour of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes,
- (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies,
- (p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), *provided* that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant,
- (q) as permitted under the provisions described in the following two paragraphs herein and
- (r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without rateably securing the 2040 Notes, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, *provided* that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in certain sale and leaseback transactions permitted by Indenture as described below under "Sale-Leaseback Financings" (computed without duplication of amount) does not at the time exceed 15% of Net-Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the 2040 Notes (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the 2040 Notes and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and rateably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the Covenant described above.

In each instance referred to in the preceding paragraphs where the Parent Guarantor is obligated to provide security for the 2040 Notes (except, for certain issues of indebtedness, in the case of transactions relating to stock of a Restricted Subsidiary), the Parent Guarantor would be required to provide comparable security for other outstanding indebtedness under the indentures and other agreements relating thereto.

***Sale-Leaseback Transactions Relating to Principal Plants***

- (a) Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any programme, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will



not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:

- (i) the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property and
- (ii) subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)
  - (A) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of 2040 Notes equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or
  - (B) repay other *pari passu* indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or
  - (C) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or
  - (D) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.
- (b) At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:
  - (i) an Officers' Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to
    - (A) the amount of 2040 Notes theretofore redeemed and the amount of 2040 Notes theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of 2040 Notes purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,
    - (B) the amount thereof previously credited under paragraph (d) below,
    - (C) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below, and
    - (D) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and
  - (ii) a deposit with the Trustee for cancellation of the 2040 Notes then being surrendered as set forth in such certificate.
- (c) Notwithstanding the restriction of paragraph (a), the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate principal amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under "—Limitation on Liens" which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.
- (d) The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire 2040 Notes under this covenant, for the principal amount of any 2040 Notes deposited with the Trustee for the purpose and also for the principal amount of
  - (i) any 2040 Notes theretofore redeemed at the option of the Parent Guarantor and
  - (ii) any 2040 Notes previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the 2040 Notes.





- (e) For purposes of this covenant, the amount or the principal amount of 2040 Notes which are issued with original issue discount shall be the principal amount of such 2040 Notes that on the date of the purchase or redemption of such 2040 Notes referred to in this covenant could be declared to be due and payable pursuant to the Indenture.

#### Events of Default

The occurrence and continuance of one or more of the following events will constitute an “Event of Default” under the Indenture and under each series of 2040 Notes and Old Notes:

- (a) *payment default*—(i) the Issuer or a Guarantor fails to pay interest within 30 days from the relevant due date, or (ii) the Issuer or a Guarantor fails to pay the principal (or premium, if any) due on the 2040 Notes or the Old Notes at maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or event beyond the control of the Issuer or Guarantors, no Event of Default shall occur for three days following such failure to pay; *provided further* that, in the case of a redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment; or
- (b) *breach of other material obligations*—the Issuer or a Guarantor defaults in the performance or observance of any of its other material obligations under or in respect of the 2040 Notes or the Old Notes of a series or the Indenture and such default remains unremedied for 90 days after there has been given a written notice to the Issuer and the Parent Guarantor by the Trustee or to the Issuer, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the 2040 Notes and Old Notes of the series affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” under the 2040 Notes and the Old Notes of such series; or
- (c) *cross-acceleration*—any obligation for the payment or repayment of borrowed money having an aggregate outstanding principal amount of at least €100,000,000 (or its equivalent in any other currency) of the Issuer or a Guarantor becomes due and payable prior to its stated maturity by reason of a default and is not paid within 30 days; or
- (d) *bankruptcy or insolvency*—a court of competent jurisdiction commences bankruptcy or other insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary under the applicable laws of their respective jurisdictions of incorporation, or the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary applies for or institutes such proceedings or offers or makes an assignment for the benefit of its creditors generally, or a third party institutes bankruptcy or insolvency proceedings against the Issuer, the Parent Guarantor or a Guarantor that is a Significant Subsidiary and such proceedings are not discharged or stayed within 90 days; or
- (e) *impossibility due to government action*—any governmental order, decree or enactment shall be made in or by Belgium or the jurisdiction of incorporation of a Guarantor that is a Significant Subsidiary whereby the Issuer, the Parent Guarantor, or such Guarantor that is a Significant Subsidiary is prevented from observing and performing in full its obligations as set forth in the terms and conditions of the 2040 Notes and the Guarantees, respectively, and this situation is not cured within 90 days, or
- (f) *invalidity of the Guarantees*—the Guarantees provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary cease to be valid and legally binding for any reason whatsoever or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under the Guarantee.



If an Event of Default occurs and is continuing with respect to the 2040 Notes and the Old Notes of any series, then in each and every case, unless the principal of all of the 2040 Notes and Old Notes of such series shall already have become due and payable (in which case no action is required for the acceleration of the 2040 Notes and Old Notes of such series), the Holders of not less than 25% in aggregate principal amount of the 2040 Notes and Old Notes of such series then outstanding, by written notice to the Issuer, the Parent Guarantor and the Trustee as provided in the Indenture, may declare the entire principal of all the 2040 Notes and Old Notes of such series, and the interest accrued thereon, to be due and payable immediately, *provided, however,* that if an Event of Default specified in paragraph (d) above with respect to any series of 2040 Notes and Old Notes at the time outstanding occurs, the principal amount of that series shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable. Under certain circumstances, the Holders of a majority in aggregate principal amount of a series of 2040 Notes and Old Notes then outstanding may, by written notice to the Issuer and the Trustee as provided in the Indenture, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

***Substitution of the Issuer or Guarantor; Consolidation, Merger and Sale of Assets***

In all cases subject to the provisions described above under “—Holders’ Option to Require Repayment upon a Change in Control”, (i) the Issuer or a Guarantor, without the consent of the Holders of any of the 2040 Notes, may consolidate with, or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any corporation and (ii) the Issuer may at any time substitute for the Issuer either a Guarantor or any Affiliate (as defined below) of a Guarantor as principal debtor under the 2040 Notes (a “**Substitute Issuer**”); *provided that:*

- (a) the Substitute Issuer or any other successor company shall expressly assume the Issuer’s or such Guarantor’s respective obligations under the 2040 Notes or the Guarantees, as the case may be, and the Indenture;
- (b) any other successor company is organized under the laws of a member country of Organisation for Economic Co-Operation and Development;
- (c) the Issuer is not in default of any payments due under the 2040 Notes and immediately before and after giving effect to such consolidation, merger, sale, transfer, lease or conveyance no Event of Default shall have occurred and be continuing;
- (d) in the case of a Substitute Issuer:
  - (i) the obligations of the Substitute Issuer arising under or in connection with the 2040 Notes and the Indenture are fully, irrevocably and unconditionally guaranteed by the Parent Guarantor and each Subsidiary Guarantor (if any) on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;
  - (ii) the Parent Guarantor, the Issuer and the Substitute Issuer jointly and severally indemnify each Holder for any income tax or other tax (if any) recognised by such Holder solely as a result of the substitution of the Substitute Issuer (and not as a result of any transfer by such Holder);
  - (iii) each stock exchange on which the 2040 Notes are listed shall have confirmed that, following the proposed substitution of the Substitute Issuer, such 2040 Notes will continue to be listed on such stock exchange;
  - (iv) each rating agency that rates the 2040 Notes shall have confirmed that, following the proposed substitution of the Substitute Issuer, such 2040 Notes will continue to have the same or better rating as immediately prior to such substitution; and
- (e) written notice of such transaction shall be promptly provided to the Holders.

For purposes of the foregoing, “**Affiliate**” shall mean, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person.



Upon the effectiveness of any substitution, all of the foregoing provisions will apply *mutatis mutandis*, and references elsewhere herein to the Issuer or a Guarantor will, where the context so requires, be deemed to be or include references, to any successor company.

**Discharge and Defeasance**

***Discharge of Indenture***

The Indenture provides that the Issuer and the Guarantors will be discharged from any and all obligations in respect of the Indenture (except for certain obligations to register the transfer of or 2040 Notes, replace stolen, lost or mutilated 2040 Notes, make payments of principal and interest and maintain paying agencies) if:

- the Issuer or the Guarantors have paid or caused to be paid in full the principal of and interest on all 2040 Notes outstanding thereunder;
- the Issuer or the Guarantors shall have delivered to the Trustee for cancellation all 2040 Notes outstanding theretofore authenticated; or
- all 2040 Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable; (ii) will become due and payable in accordance with their terms within one year or (iii) are to be, or have been, called for redemption as described under “—Optional Redemption” or “—Optional Tax Redemption” within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and, in any such case, the Issuer or the Guarantors shall have irrevocably deposited with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such 2040 Notes, (a) cash in U.S. dollars in an amount, or (b) U.S. Government Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than the due date of any payment, cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest (and Additional Amounts, if any) on, all such 2040 Notes not theretofore delivered to the Trustee for cancellation on the dates such payments are due in accordance with the terms of the 2040 Notes and all other amounts payable under the Indenture by the Issuer.

“U.S. Government Obligations” means securities which are (i) direct obligations of the U.S. government or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the U.S. government, the payment of which is unconditionally guaranteed by the U.S. government, which, in either case, are full faith and credit obligations of the U.S. government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof.

***Covenant Defeasance***

The Indenture also provides that the Issuer and the Guarantors need not comply with certain covenants of the Indenture (including those described under “—Certain Covenants—Limitation on Liens”), and the Guarantors shall be released from their obligations under the Guarantees, if:

- the Issuer (or the Guarantors) irrevocably deposit with the Trustee as trust funds in irrevocable trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such 2040 Notes, (i) cash in U.S. dollars in an amount, or (ii) U.S. government obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide not later than one day before the due date of any payment cash in U.S. dollars in an amount, or (iii) any combination of (i) and (ii), sufficient to pay all the principal of, and interest on, the 2040 Notes then outstanding on the dates such payments are due in accordance with the terms of the 2040 Notes;
- certain events of default, or events which with notice or lapse of time or both would become such an event of default, shall not have occurred and be continuing on the date of such deposit;



- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognised standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the 2040 Notes will not recognise income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would be the case if such Covenant Defeasance had not occurred;
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an opinion of tax counsel of recognised standing in its jurisdiction of incorporation to the effect that such deposit and related Covenant Defeasance will not cause the Holders, other than Holders who are or who are deemed to be residents of such jurisdiction of incorporation or use or hold or are deemed to use or hold their 2040 Notes in carrying on a business in such jurisdiction of incorporation, to recognise income, gain or loss for income tax purposes in such jurisdiction of incorporation, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of such jurisdiction of incorporation or political subdivision thereof or therein having power to tax, except in the case of 2040 Notes beneficially owned (i) by a person who is or is deemed to be a resident of such jurisdiction of incorporation or (ii) by a person who uses or holds or is deemed to use or hold such 2040 Notes in carrying on a business in such jurisdiction of incorporation; and
- the Issuer, or the Guarantors, as the case may be, deliver to the Trustee an officers' certificate and an opinion of legal counsel of recognised standing, each stating that all conditions precedent provided for relating to such Covenant Defeasance have been complied with.

The effecting of these arrangements is also known as “**Covenant Defeasance**”.

#### **Additional Amounts**

To the extent that any Guarantor is required to make payments in respect of the 2040 Notes, such Guarantor will make all payments in respect of the 2040 Notes without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organised, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the “**Relevant Taxing Jurisdiction**”) unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the “**Additional Amounts**”) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it, or
- (b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the 2040 Notes or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction, or
- (c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence, or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of such taxes, or
- (d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or
- (e) are imposed on or with respect to any payment by the applicable Guarantors to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such 2040 Note, or



- (f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding, or
- (g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later, or
- (h) are payable because any 2040 Note was presented to a particular paying agent for payment if the 2040 Note could have been presented to another paying agent without any such withholding or deduction, or
- (i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the 2040 Notes shall be deemed to include any Additional Amounts, which may be payable as set forth in the Indenture.

The preceding covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided, however*, that such covenant will apply to the Issuer at any time when it is incorporated in a jurisdiction outside of the United States.

### Definitions

“**Net Tangible Assets**” means the total assets of the Parent Guarantor and its Restricted Subsidiaries (including, with respect to the Parent Guarantor, its net investment in subsidiaries that are not Restricted Subsidiaries) after deducting therefrom (a) all current liabilities (excluding any thereof constituting debt by reason of being renewable or extendable) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense, organisation and developmental expenses and other like segregated intangibles, all as computed by the Parent Guarantor in accordance with generally accepted accounting principles applied by the Parent Guarantor as of a date within 90 days of the date as of which the determination is being made; provided, that any items constituting deferred income taxes, deferred investment tax credit or other similar items shall not be taken into account as a liability or as a deduction from or adjustment to total assets.

“**Principal Plant**” means (a) any brewery, or any manufacturing, processing or packaging plant, now owned or hereafter acquired by the Parent Guarantor or any Subsidiary, but shall not include (i) any brewery or manufacturing, processing or packaging plant which the Parent Guarantor shall by board resolution have determined is not of material importance to the total business conducted by the Parent Guarantor and its Subsidiaries, (ii) any plant which the Parent Guarantor shall by board resolution have determined is used primarily for transportation, marketing or warehousing (any such determination to be effective as of the date specified in the applicable board resolution) or (iii) at the option of the Parent Guarantor, any plant that (A) does not constitute part of the brewing operations of the Parent Guarantor and its Subsidiaries and (B) has a net book value, as reflected on the balance sheet contained in the Parent Guarantor’s financial statements of not more than \$100,000,000, and (b) any other facility owned by the Parent Guarantor or any of its Subsidiaries that the Parent Guarantor shall, by board resolution, designate as a Principal Plant. Following any determination, designation or election referred to herein that a brewery or plant shall not be included as a Principal Plant, the Parent Guarantor may, at its option, by board resolution, elect that such facility subsequently be included as a Principal Plant.

“**Restricted Subsidiary**” means (a) any Subsidiary which owns or operates a Principal Plant, (b) any other subsidiary which the Parent Guarantor, by board resolution, shall elect to be treated as a Restricted Subsidiary, until such time as the Parent Guarantor may, by further board resolution, elect that such Subsidiary shall no longer be a Restricted Subsidiary, successive such elections being permitted without restriction, and (c) the Issuer and the Subsidiary Guarantors; *provided* that each of Companhia de Bebidas das Américas—AmBev and Grupo Modelo S.A.B. de C.V. shall not be “Restricted Subsidiaries” until and unless the Parent Guarantor owns, directly or indirectly, 100% of the equity interests in such company. Any such election will be effective as of the date specified in the applicable board resolution.



“**Significant Subsidiary**” means any Subsidiary (i) the consolidated revenue of which represents 10% or more of the consolidated revenue of the Parent Guarantor, (ii) the consolidated earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) of which represents 10% or more of the consolidated EBITDA of the Parent Guarantor or (iii) the consolidated gross assets of which represent 10% or more of the consolidated gross assets of the Parent Guarantor, in each case as reflected in the most recent annual audited financial statements of the Parent Guarantor, *provided* that (A) in the case of a Subsidiary acquired by the Parent Guarantor during or after the financial year shown in the most recent annual audited financial statements of the Parent Guarantor, such calculation shall be made on the basis of the contribution of the Subsidiary considered on a pro-forma basis as if it had been acquired at the beginning of the relevant period, with the pro-forma calculation (including any adjustments) being made by the Parent Guarantor acting in good faith and (B) EBITDA shall be calculated by the Parent Guarantor in substantially the same manner as it is calculated for the amounts shown in the “Summary Financial Information” included in Form F-4.

“**Subsidiary**” means any corporation of which more than 50% of the issued and outstanding stock entitled to vote for the election of directors (otherwise than by reason of default in dividends) is at the time owned directly or indirectly by the Parent Guarantor or a Subsidiary or Subsidiaries or by the Parent Guarantor and a Subsidiary or Subsidiaries.

The Trustee, principal paying agent, transfer agent and registrar is The Bank of New York Mellon Trust Company, N.A.



### American Depositary Shares

This section will summarize the material provisions of the Amended and Restated Deposit Agreement, dated as of March 23, 2018 (the “**Deposit Agreement**”), among AB InBev, The Bank of New York Mellon, as depositary, and the owners and holders of American Depositary Shares (“**ADSs**”) from time to time under the Deposit Agreement. As used in this section headed “—*American Depositary Shares*” all references to the “depositary” are references to The Bank of New York Mellon in its capacity as depositary under the Deposit Agreement, and all references to the “custodian” are to the principal Brussels office of ING Belgium SA/NV in its capacity as custodian under the Deposit Agreement as appointed by the depositary.

We do not, however, describe every aspect of the deposit agreement, which has been filed as Exhibit 4.2 to our registration statement on Form S-8, filed with the SEC on 14 September 2018. You should read the Deposit Agreement for a more detailed description of the terms of the ADRs. You may obtain copies of the Deposit Agreement and any amendments thereto from the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of the Deposit Agreement are also on file at the ADR depositary’s corporate trust office and the office of the custodian. They are open to inspection by owners and holders during business hours.

Uncertificated ADSs may be registered on the books of the depositary in electronic book-entry form by means of the Direct Registration System (“**DRS**”) operated by The Depository Trust Company (“**DTC**”). Periodic statements will be mailed to our ADS holders that reflect their ownership interest in such ADSs. Alternatively, under the Deposit Agreement, our ADSs may be certificated by ADRs delivered by the depositary to evidence the ADSs. Unless otherwise specified in this description, references to “ADSs” include (i) our uncertificated ADSs, the ownership of which will be evidenced by periodic statements ADS holders will receive, and (ii) our certificated ADSs evidenced by our ADRs.

The depositary’s office is located at 240 Greenwich Street, New York, New York 10286, United States. Because the depositary or its nominee actually holds the underlying Ordinary Shares, ADS holders generally receive the benefit from such underlying AB InBev Ordinary Shares through the depositary. ADS holders must rely on the depositary to exercise the rights of a shareholder on their behalf, including the voting of the Ordinary Shares represented by the ADSs. If a person becomes an owner of our ADSs, it will become a party to the Deposit Agreement and therefore will be bound by its terms and by the terms of the ADSs and the ADRs. The Deposit Agreement specifies the rights and obligations of AB InBev, the ADS holders’ rights and obligations as owners of ADSs and the rights and obligations of the depositary. The Deposit Agreement, the ADSs and the ADRs will be governed by New York law. However, the underlying Ordinary Shares will continue to be governed by Belgian law, which may be different from New York law.

#### **General**

The Bank of New York Mellon, as depositary, will register and deliver ADSs. Each ADS will represent one share (or a right to receive one share) deposited with the principal Brussels office of ING Belgium SA/NV, as custodian for the depositary. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The depositary’s corporate trust office at which the ADSs will be administered is located at 240 Greenwich Street, New York, New York 10286, United States. The Bank of New York Mellon’s principal executive office is located at 240 Greenwich Street, New York, New York 10286, United States.

You may hold ADSs either (A) directly (i) by having an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the DRS, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

DRS is a system administered by DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Belgian law governs shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the Deposit Agreement and the ADSs.



**Dividends and Other Distributions**

The depositary will agree to pay to ADS holders the cash dividends or other distributions it or the custodian will receive on shares or other deposited securities, after deducting its fees and expenses. Shareholders will receive these distributions in proportion to the number of ordinary shares their ADSs represent.

**Cash.** The depositary will convert, as promptly as practicable, any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval that is required is not filed, sought or obtained in a reasonable period by the depositary, the Deposit Agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, adviser, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent.

**Shares.** The depositary may, and will, if we ask it to in writing, distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. The depositary will not be required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory assurance from us that it is legal to make that distribution. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares sufficient to pay its fees and expenses in connection with that distribution.

If we declare a distribution in which holders of deposited securities have a right to elect whether to receive cash, shares or other securities, or a right to elect to have a distribution sold on their behalf, the depositary shall endeavor to consult with us and, if we so request in writing, to make that right of election available for exercise by owners of ADSs in any manner the depositary considers to be lawful and practical. The depositary may require satisfactory assurances from us that doing so would not require registration of any securities under the Securities Act.

**Rights to purchase additional shares or other rights.** If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may, after consulting with us, make these rights available to ADS holders or may sell the rights and distribute the proceeds in the same way as it does with cash. The depositary will allow rights that are not distributed or sold (either due to the terms of such rights offering or for any other reason) to lapse. In circumstances where rights would otherwise not be distributed, if an ADS holder requests a distribution of warrants or other instruments in order to exercise the rights allocable to the ADS of such holder, the depositary will make such right available to such holder upon our written notice that we permit such rights to be exercised and the holder has executed such documents as reasonably required under applicable law.

If the depositary makes rights available to ADS holders, upon the instruction from such ADS holders, it will exercise the rights and purchase the shares on their behalf. The depositary will then deposit the shares and deliver ADSs to the persons entitled to them. It will only exercise rights if you pay it the exercise price and any other charges the rights require you to pay.



U.S. securities laws may restrict transfers and cancellation of the ADSs represented by shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

**Other Distributions.** The depositary will send to ADS holders anything else that we distribute on deposited securities by any means it may reasonably think is legal, equitable and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. However, the depositary will not be required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory assurance from us that it is legal to make that distribution. The depositary will be permitted to sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

The depositary will not be responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We will have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also will have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. See Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Dividend Policy” in the 2020 Form 20-F for further information on our current dividend policy.

### ***Deposit, Withdrawal, Cancellation and Transfer***

The depositary will deliver ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

You may surrender your ADSs at the depositary’s corporate trust office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its corporate trust office, if feasible.

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

ADSs evidenced by an ADR, when the ADR is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York. ADSs not evidenced by ADRs shall be transferable as uncertificated registered securities under the laws of the State of New York. The depositary, notwithstanding any notice to the contrary, may treat the owner of ADSs as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes, and neither the depositary nor AB InBev shall have any obligation or be subject to any liability under this Deposit Agreement to any holder of ADSs (but instead only to the owner of those ADSs).

### ***Voting Rights***

ADS holders may instruct the depositary to vote the number of deposited shares their ADSs represent. The depositary will notify ADS holders of shareholders’ meetings and arrange to deliver at our expense, except as we may otherwise agree with the depositary, our voting materials to them if we so request. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary (the “**Instruction Cutoff Date**”).



The depositary will try, as far as practical, subject to the laws of Belgium and of our articles of association or similar documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders (assuming such instruction was received prior to the Instruction Cutoff Date). The depositary will only vote or attempt to vote as instructed, or as provided below.

If (a) we made a request to the depositary and gave the depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of ordinary shares in connection with the meeting at least 30 days prior to the meeting date and (b) no instructions are received by the depositary from an owner of ADSs with respect to an amount of deposited securities represented by ADSs of that owner and a matter on or before the Instruction Cutoff Date, the depositary shall deem that owner to have instructed the depositary to give, and the depositary shall give, a discretionary proxy to a person designated by us with respect to that amount of deposited securities to vote that amount of deposited securities as to that matter in accordance with any of our recommendations (including any recommendation by us to vote deposited securities on any issue in accordance with the majority shareholders' vote on that issue) as determined by the appointed proxy, except that such instruction shall not be deemed to have been given and the depositary shall not give a discretionary proxy with respect to any matter as to which we inform the depositary (and we agree to provide that information as promptly as practicable in writing, if applicable) that (i) we do not wish to receive a discretionary proxy, (ii) substantial opposition exists or (iii) the matter materially and adversely affects the rights of holders of ordinary shares.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions.

***Amendment and Termination***

The form of ADRs and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between the us and the depositary without the consent of owners or holders of ADSs in any respect which we may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of owners of ADSs, shall, however, not become effective as to outstanding ADSs until the expiration of 30 days after notice of such amendment shall have been disseminated to the owners of outstanding ADSs. Every owner and holder of ADSs, at the time any amendment so becomes effective, shall be deemed, by continuing to hold such ADSs or any interest therein, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the owner of ADSs to surrender ADSs and receive therefor the ordinary shares represented thereby, except in order to comply with mandatory provisions of applicable law.

We may terminate the Deposit Agreement by instructing the depositary to mail notice of termination to the owners of ADSs then outstanding at least 30 days prior to the termination date included in such notice. The depositary may likewise terminate the Deposit Agreement, if at any time 90 days shall have expired after the depositary delivered to us a written resignation notice and if a successor depositary shall not have been appointed and accepted its appointment as provided in the Deposit Agreement; in such case the depositary shall disseminate a notice of termination to the owners of ADSs then outstanding at least 30 days prior to the termination date. On and after the date of termination, the owner of ADSs will, upon (a) surrender of such ADSs, (b) payment of the fee of the depositary for the surrender of ADSs referred, and (c) payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of ordinary shares represented by those ADSs.

If any ADSs shall remain outstanding after the date of termination, the depositary thereafter shall discontinue the registration of transfers of ADSs, shall suspend the distribution of dividends to the owners thereof, and shall not give any further notices or perform any further acts under the Deposit Agreement, except that the depositary shall continue to collect dividends and other distributions pertaining to the ordinary shares, shall sell rights and other property as provided in the Deposit Agreement, and shall continue to deliver ordinary shares, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, upon surrender of ADSs (after deducting, in each case, the fee of the depositary for the surrender of ADSs, any expenses for the account of the owner of such ADSs in accordance with the terms and conditions of the Deposit Agreement, and any applicable taxes or governmental charges). At



any time after the expiration of four months from the date of termination, the depositary may sell the ordinary shares then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it thereunder, unsegregated and without liability for interest, for the pro rata benefit of the owners of ADSs that have not theretofore been surrendered, such owners thereupon becoming general creditors of the depositary with respect to such net proceeds and that other cash. After making such sale, the depositary shall be discharged from all obligations under the Deposit Agreement, except to account for such net proceeds and other cash (after deducting, in each case, the fee of the depositary for the surrender of ADSs, any expenses for the account of the owner of such ADSs in accordance with the terms and conditions of the Deposit Agreement, and any applicable taxes or governmental charges). Upon the termination of the Deposit Agreement, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the depositary with respect to indemnification, charges, and expenses.

***Liability of AB InBev and the Depositary***

Neither AB InBev nor the depositary, nor any of their respective directors, employees, agents or affiliates shall incur any liability to any owner of holder of ADSs:

- (i) if by reason of (A) any provision of any present or future law or regulation or other act of the government of the United States, any State of the United States or any other state or jurisdiction, or of any governmental or regulatory authority or stock exchange; (B) (in the case of the depositary only) any provision, present or future, of the articles of association or similar document of AB InBev, or by reason of any provision of any securities issued or distributed by us, or any offering or distribution thereof; or (C) any event or circumstance, whether natural or caused by a person or persons, that is beyond the ability of the depositary, its agents or us, as the case may be, to prevent or counteract by reasonable care or effort (including, but not limited to earthquakes, floods, severe storms, fires, explosions, war, terrorism, civil unrest, labor disputes or criminal acts; interruptions or malfunctions of utility services, internet or other communications lines or systems; unauthorized access to or attacks on computer systems or websites; or other failures or malfunctions of computer hardware or software or other systems or equipment), the depositary or the Company is, directly or indirectly, prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of the Deposit Agreement or the deposited securities, it is provided shall be done or performed;
- (ii) for any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement (including any determination by the depositary to take, or not take, any action that the Deposit Agreement provides the depositary may take);
- (iii) for the inability of any owner or holder of ADSs to benefit from any distribution, offering, right or other benefit that is made available to holders of deposited securities but is not, under the terms of the Deposit Agreement, made available to owners or holders of ADSs; or
- (iv) for any special, consequential or punitive damages for any breach of the terms of the Deposit Agreement.

Where, by the terms of a distribution of cash, shares or other distributions, or an offering or distribution of rights to subscribe for additional shares, or for any other reason, such distribution or offering may not be made available to owners of ADRs, and the depositary may not dispose of such distribution or offering on behalf of such owners and make the net proceeds available to such owners, then the depositary shall not make such distribution or offering, and shall allow any rights, if applicable, to lapse. Neither we nor the depositary assume any obligation or shall be subject to any liability under the Deposit Agreement to owners or holders of ADSs, except that they agree to perform their obligations specifically set forth in the Deposit Agreement without negligence or bad faith. The depositary shall not be a fiduciary or have any fiduciary duty to owners or holders of ADSs. The depositary shall not be subject to any liability with respect to the validity or worth of the deposited securities. Neither we nor the depositary shall be under any obligation to appear in, prosecute or defend any action, suit, or other proceeding in respect of any deposited securities or in respect of the ADSs, on behalf of any owner or holder of ADSs or other person. Neither we nor the depositary shall be liable for any action or nonaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting ordinary shares for deposit, any owner or holder of ADSs, or any other person believed by it in good faith to be competent to give such advice or information.

Each of the depositary and AB InBev may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. The depositary shall not be liable for any acts or omissions made by a successor



depository whether in connection with a previous act or omission of the depository or in connection with a matter arising wholly after the removal or resignation of the depository, provided that in connection with the issue out of which such potential liability arises, the depository performed its obligations without negligence or bad faith while it acted as depository. The depository shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of deposited securities or otherwise. The depository shall not be responsible for any failure to carry out any instructions to vote any of the deposited securities or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action or nonaction is in good faith. The depository shall not be liable for the inability or failure of an owner or holder of ADSs to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

No disclaimer of liability under the Securities Act of 1933 is intended by any provision of the Deposit Agreement.

**Notices and reports**

If we take or decide to take any corporate action related to cash dividends, share distributions, the offering of rights to subscribe for additional shares, or other distributions, or that effects or will effect a change of our name or legal structure, or that effects or will effect a change to our ordinary shares, we shall notify the depository and the custodian of that action or decision as soon as it is lawful and reasonably practical to give that notice.

We will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulations of the SEC, and the prompt transmittal by us to the depository and the custodian of such notices and any other reports and communications which are made generally available by us to holders of our ordinary shares. If we so request in writing, the depository will disseminate, at our expense (except as otherwise agreed between us), of copies of such notices, reports and communications to all owners of ADSs or otherwise make them available to owners of ADSs in a manner that we specify as substantially equivalent to the manner in which those communications are made available to holders of ordinary shares and compliant with the requirements of any securities exchange on which the ADSs are listed. We will timely provide the depository with the quantity of such notices, reports, and communications, as requested by the depository from time to time, in order for the depository to effect that dissemination. The depository will disseminate to any owner of ADSs upon its request a copy of our most recent annual report, to the extent the Company has supplied copies of that report to the depository for that purpose.

**Changes Affecting Deposited Securities**

Upon any change in par value, split-up, consolidation or any other reclassification of deposited securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting us or to which we are a party, or upon the redemption or cancellation by us of the deposited securities, any securities, cash or property which shall be received by the depository or a custodian in exchange for, in conversion of, in lieu of or in respect of deposited securities, shall be treated as new deposited securities under the Deposit Agreement, and ADSs shall thenceforth represent, in addition to the existing deposited securities, the right to receive the new deposited securities so received, unless additional ADSs are delivered pursuant to the following sentence. In any such case the depository may, and shall, if we so request in writing, deliver additional ADSs as in the case of a dividend in ordinary shares, or call for the surrender of outstanding ADRs to be exchanged for new ADRs specifically describing such new deposited securities.

**Your Right to Transfer ADSs or Receive the Shares Underlying Your ADRs**

ADS holders will have the right to transfer or cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depository has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or



- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

***Pre-release of ADSs***

The Deposit Agreement permits the depository to deliver ADSs before deposit of the underlying shares. This is called a pre-release of the ADSs. The depository may also deliver shares upon cancellation of pre-released ADSs (even if the ADSs are canceled before the pre-release transaction has been closed out). A pre-release will be closed out as soon as the underlying shares are delivered to the depository. The depository may receive ADSs instead of shares to close out a pre-release. The depository may pre-release ADSs only under the following conditions: (i) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depository in writing that it or its customer owns the shares or ADSs to be deposited; (ii) the pre-release is fully collateralized with cash or other collateral that the depository considers appropriate; (iii) the depository must be able to close out the pre-release on not more than five business days' notice; and (iv) subject to such further indemnities and credit regulation as the depository deems appropriate. In addition, the depository will limit the number of ADSs that may be outstanding at any time as a result of pre-release, although the depository may disregard the limit from time to time, if it thinks it is appropriate to do so.

***Direct Registration System***

In the Deposit Agreement, all parties to the Deposit Agreement acknowledge that the DRS and Profile Modification System (“**Profile**”) will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the depository to the registered holders of uncertificated ADSs. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the depository to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depository of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the Deposit Agreement understand that the depository will not verify, determine or otherwise ascertain that the DTC participant which is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the Deposit Agreement, the parties will agree that the depository's reliance on and compliance with instructions received by the depository through the DRS/Profile and in accordance with the Deposit Agreement shall not constitute negligence or bad faith on the part of the depository.

**Shareholder Communications; Inspection of Register of Holders of ADSs**

The depository will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depository will send you copies of those communications if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.



**Exhibit 4.3**

**CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL. [\*\*\*] INDICATES THAT INFORMATION HAS BEEN REDACTED.**

**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

AMENDMENT AND RESTATEMENT AGREEMENT

DATED \_\_\_\_\_ 2021

FOR

ANHEUSER-BUSCH INBEV SA/NV

AS COMPANY

WITH

BNP PARIBAS FORTIS SA/NV  
ACTING AS AGENT

\_\_\_\_\_  
RELATING TO A USD9,000,000,000 FACILITIES  
AGREEMENT  
DATED 26 FEBRUARY 2010 (AS AMENDED ON  
25 JULY 2011, EXTENDED ON 20 AUGUST 2013,  
AMENDED AND RESTATED ON 28 AUGUST 2015  
AND AMENDED ON 27 OCTOBER 2015)  
\_\_\_\_\_





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**ANHEUSER-BUSCH INBEV**

Donnelley Financial

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**ANHEUSER BUSCH FORM**

None

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## Exhibit 4.3

**THIS AGREEMENT** is dated \_\_\_\_\_ 2021 and made between:

- (1) **ANHEUSER-BUSCH INBEV SA/NV**, a *naamloze vennootschap/société anonyme*, with its registered seat at Grand Place 1, 1000 Brussels, registered with the Crossroads Bank of Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0417.497.106 (RPR/RPM Brussels) (the “**Company**”);
- (2) **THE COMPANIES** listed in Part I of Schedule 1 (*The Parties*) as borrowers (the “**Borrowers**”);
- (3) **THE COMPANIES** listed in Part II of Schedule 1 (*The Parties*) as guarantors (the “**Guarantors**”);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Part III of Schedule 1 (*The Parties*), as lenders (the “**Existing Lenders**”);
- (5) **BANCO SANTANDER, S.A., NEW YORK BRANCH, BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH, BANK OF AMERICA, N.A., LONDON BRANCH, CITIBANK, N.A., LONDON BRANCH, J.P. MORGAN AG, MIZUHO BANK EUROPE N.V., SOCIÉTÉ GÉNÉRALE S.A., BRUSSELS BRANCH, STANDARD CHARTERED BANK, NATIONAL WESTMINSTER BANK PLC and UNICREDIT S.P.A.** as new lenders (the “**New Lenders**”);
- (6) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BANCO SANTANDER, S.A., NEW YORK BRANCH, BANK OF AMERICA EUROPE DESIGNATED ACTIVITY COMPANY, BARCLAYS BANK PLC, BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH, BNP PARIBAS FORTIS SA/NV, CITIBANK, N.A., LONDON BRANCH, COMMERZBANK AKTIENGESELLSCHAFT, FILIALE LUXEMBURG, DEUTSCHE BANK LUXEMBOURG S.A., HSBC BANK USA, NATIONAL ASSOCIATION, ING BELGIUM SA/NV, INTESA SANPAOLO BANK LUXEMBOURG S.A., AMSTERDAM BRANCH, J.P. MORGAN AG, MIZUHO BANK EUROPE N.V., MORGAN STANLEY SENIOR FUNDING, INC., MUFG BANK, LTD., COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH, SOCIÉTÉ GÉNÉRALE S.A., BRUSSELS BRANCH, STANDARD CHARTERED BANK, SUMITOMO MITSUI BANKING CORPORATION, THE TORONTO-DOMINION BANK, THE BANK OF NEW YORK MELLON, NATIONAL WESTMINSTER BANK PLC, U.S. BANK NATIONAL ASSOCIATION, UNICREDIT S.P.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION** as mandated lead arrangers and bookrunners (the “**Arrangers**”);
- (7) **BNP PARIBAS FORTIS SA/NV** as agent of the other Finance Parties (the “**Agent**”); and
- (8) **BNP PARIBAS FORTIS SA/NV** as issuing bank (the “**Issuing Bank**”).



IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement:

“**2021 Effective Date**” means the date on which the Agent confirms to the Existing Lenders, the New Lenders, the Arrangers, the Issuing Bank and the Company that it has received each of the documents and other evidence listed in Schedule 2 (*Conditions Precedent to the 2021 Effective Date*) in form and substance satisfactory to the Agent (and the Agent shall provide such confirmation promptly upon being so satisfied).

“**Amended Facility Agreement**” means the Original Facility Agreement, as amended and restated by this Agreement.

“**Guarantee Obligations**” means the guarantee and indemnity obligations of a Guarantor contained in the Finance Documents.

“**Original Facility Agreement**” means the USD9,000,000,000 facilities agreement dated 26 February 2010 (as amended on 25 July 2011, as extended on 20 August 2013, amended and restated on 28 August 2015 and amended on 27 October 2015) between, among others, the Company as company, the Company and Anheuser-Busch InBev Worldwide Inc. as original borrowers and original guarantors, Anheuser-Busch Companies, LLC as original guarantor, BNP Paribas Fortis SA/NV (formerly Fortis Bank SA/NV) as Agent and Issuing Bank and the financial institutions listed therein as original lenders.

“**Resigning Lenders**” means each Existing Lender who is not listed as a lender in Part IV of Schedule 1 (*The Parties*).

1.2 **Incorporation of defined terms**

- (a) Unless a contrary indication appears, a term defined in the Original Facility Agreement has the same meaning in this Agreement.
- (b) The principles of construction set out in the Original Facility Agreement shall have effect as if set out in this Agreement.

1.3 **Clauses**

In this Agreement any reference to a “Clause” or a “Schedule” is, unless the context otherwise requires, a reference to a Clause in or a Schedule to this Agreement.

1.4 **Third party rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.



**1.5 Designation**

In accordance with the terms of the Original Facility Agreement, each of the Company and the Agent designates this Agreement as a Finance Document.

**2. REPRESENTATIONS**

Each of the representations and warranties in clause 29 (*Representations*) of the Original Facility Agreement, other than in clause 29.10 (*Financial statements*) of the Original Facility Agreement, are made by each Obligor (by reference to the facts and circumstances then existing) on:

- (a) the date of this Agreement; and
- (b) the 2021 Effective Date,

and references to “this Agreement” or to the “Finance Documents” in those representations and warranties shall be construed as references to or including (as the case may be) this Agreement and to the Original Facility Agreement and on the 2021 Effective Date, to the Amended Facility Agreement.

**3. AMENDMENT AND RESTATEMENT**

With effect from the 2021 Effective Date, the Original Facility Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 3 (*Restated Agreement*).

**4. NEW LENDERS AND COMMITMENT INCREASES**

**4.1 New Lender accession**

- (a) On the 2021 Effective Date:
  - (i) the Total Commitments will be increased to USD10,100,000,000.
  - (ii) the Commitments of each of the Existing Lenders will be increased or decreased (as applicable) to the amount set out in the relevant columns entitled “2021 Effective Date Revolving Facility Commitment”, “2021 Effective Date Dollar Swingline Commitment” and “2021 Effective Date Euro Swingline Commitment” opposite its name in Part IV of Schedule 1 (*The Parties*);
  - (iii) each Resigning Lender shall cease to be a Lender and an Arranger under the Amended Facility Agreement and each of the Obligors and the Resigning Lenders shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled;
  - (iv) each New Lender will become a Lender under the Amended Facility Agreement with Commitments as set out in the relevant columns entitled “2021 Effective Date Revolving Facility Commitment”, “2021 Effective Date Dollar Swingline Commitment” and “2021 Effective Date Euro Swingline Commitment” opposite its name in Part IV of Schedule 1 (*The Parties*);



- (v) each of the Obligors, the Agent, the Arrangers, the Issuing Bank, the Existing Lenders (other than the Resigning Lenders) and the New Lenders shall assume obligations towards one another and/or acquire rights against one another as such parties would have assumed and/or acquired had:
  - (A) the relevant Existing Lenders been Original Lenders with the Commitments set out opposite their name in Part IV of Schedule 1 (*The Parties*); and
  - (B) the New Lenders been Original Lenders with the Commitments set out opposite their name in Part IV of Schedule 1 (*The Parties*).

- (b) As a result of paragraph (a) above, the parties to the Amended Facility Agreement on the 2021 Effective Date will be the Obligors (in their respective capacities), the Agent, the Lenders as set out in Part IV of Schedule 1 (*The Parties*), the Issuing Bank and the Arrangers.

**4.2 Amounts payable on or before the 2021 Effective Date**

Any amounts payable to an Existing Lender by the Obligors pursuant to any Finance Document on or before the 2021 Effective Date (including, without limitation, all interest, fees and commission payable to that Existing Lender on the 2021 Effective Date) in respect of any period ending on or prior to the 2021 Effective Date shall be for the account of that Existing Lender and none of the New Lenders shall have any interest in, or any rights in respect of, any such amount.

**4.3 Limitation of responsibility of Existing Lenders**

- (a) Each New Lender confirms to each Existing Lender and the other Finance Parties that it:
  - (i) has received a copy of the Original Facility Agreement together with such other information as it has required in connection with this transaction;
  - (ii) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and the Amended Facility Agreement and has not relied exclusively on any information provided to it by any Existing Lender in connection with any Finance Document; and
  - (iii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.



- (b) Unless expressly agreed to the contrary, no Existing Lender nor any other Finance Party makes any representation or warranty nor assumes any responsibility to the New Lenders for:
  - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
  - (ii) the financial condition of any Obligor;
  - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
  - (iv) the accuracy of any statements (whether written or oral) made in or in connection with the Finance Documents or any other document,and any representations or warranties implied by law are excluded.
- (c) Nothing in any Finance Document obliges any Existing Lender to support any losses directly or indirectly incurred by a New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

**4.4 Administrative Details**

Each New Lender confirms that it has delivered to the Agent its Facility Office details and address, fax number and attention details for the purposes of clause 40 (*Notices*) of the Amended Facility Agreement.

**4.5 New Lender Tax Status Confirmation**

Each New Lender confirms in the relevant column opposite its name in Part IV of Schedule 1 (*The Parties*) whether it is:

- (a) in respect of a Belgian Obligor:
  - (i) a Belgian Qualifying Lender (other than a Belgian Treaty Lender);
  - (ii) a Belgian Treaty Lender; or
  - (iii) not a Belgian Qualifying Lender,
- (b) in respect of a Luxembourg Obligor:
  - (i) a Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender);
  - (ii) a Luxembourg Treaty Lender; or
  - (iii) not a Luxembourg Qualifying Lender,
- (c) in respect a Borrower tax resident in U.S.:
  - (i) a US Qualifying Lender (other than a US Treaty Lender);



- (ii) a US Treaty Lender; or
- (iii) not a US Qualifying Lender.

**4.6 New Lender Status Confirmations**

- (a) Each New Lender confirms that it is not a Non-Acceptable L/C Lender.
- (b) Each New Lender confirms that it is not incorporated, having its place of effective management, or acting through a Facility Office or office, as the case may be, located in a Non-Cooperative Jurisdiction.

**5. CONTINUITY**

**5.1 Continuing obligations**

The provisions of the Original Facility Agreement and the other Finance Documents shall, save as amended by this Agreement, continue in full force and effect.

**5.2 Confirmation of Guarantee Obligations**

Each Guarantor confirms for the benefit of the Finance Parties its acceptance of the Amended Facility Agreement and that all Guarantee Obligations owed by it under the Original Facility Agreement shall (a) remain in full force and effect following the 2021 Effective Date notwithstanding the amendments referred to in Clause 3 (*Amendment and Restatement*) and (b) extend to any new obligations assumed by any Obligor under the Finance Documents as a result of this Agreement (including, but not limited to, under the Amended Facility Agreement).

**6. FEES, COSTS AND EXPENSES**

**6.1 Amendment fee**

The Company shall within 5 Business Days of the 2021 Effective Date pay to the Agent (for the account of the Lenders under (and as defined in) the Amended Facility Agreement as at the 2021 Effective Date) an amendment fee (the "**Amendment Fee**") in an amount equal to [\*\*\*] per cent. of the amount of the Revolving Facility Commitment of each Lender under the Amended Facility Agreement on the 2021 Effective Date (as set out in Part IV of Schedule 1 (*The Parties*)).

**6.2 Transaction expenses**

The Company shall within ten Business Days of demand pay the Agent the amount of all costs and expenses (including but not limited to legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of this Agreement and any other documents referred to in this Agreement.





7. **CONSENTS AND WAIVER**

The Company, each other Obligor, the Agent, the Issuing Bank and each of the other Finance Parties each consent to the New Lenders becoming Lenders, the new Arrangers becoming Arrangers and the Resigning Lenders ceasing to be Lenders or Arrangers.

8. **MISCELLANEOUS**

8.1 **Incorporation of terms**

The provisions of clause 40 (*Notices*), clause 42 (*Partial invalidity*), clause 43 (*Remedies and waivers*) and clause 49 (*Enforcement*) of the Original Facility Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to “this Agreement” or “the Finance Documents” are references to this Agreement.

8.2 **Counterparts**

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

8.3 **No waiver**

Except to the extent expressly waived in this Agreement, no waiver is given by this Agreement and the Existing Lenders and the New Lenders expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

9. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

*Documentary duty of EUR 0.15 per original paid by bank transfer from Clifford Chance on 29 September 2016. Droit d'écriture de 0,15 euro par original payé par transfert bancaire de Clifford Chance le 29 Septembre 2016. Recht op geschriften van 0,15 euro per origineel betaald per overschrijving door Clifford Chance op 29 September 2016.*



**SCHEDULE 1  
THE PARTIES**

**PART I  
THE BORROWERS**

<b>Name of Borrower</b>	<b>Registration number (or equivalent, if any) and Jurisdiction of Incorporation</b>
The Company	0417.497.106, Belgium
Anheuser-Busch InBev Worldwide Inc.	90-0421412, Delaware, U.S.
Cobrew NV/SA	0428.975.372, Belgium

**PART II  
THE GUARANTORS**

<b>Name of Guarantor</b>	<b>Registration number (or equivalent, if any) and Jurisdiction of Incorporation</b>
The Company	0417.497.106, Belgium
Anheuser-Busch InBev Worldwide Inc.	Tax identification number 90-0421412, Delaware, U.S.
Anheuser-Busch Companies, LLC	Tax identification number 90-0427472, Delaware, U.S.
Anheuser-Busch InBev Finance Inc.	File number 5253080, Delaware, U.S.
Brandbrew S.A.	RCS B75.696, Luxembourg
Brandbev S.à r.l	RCS B80.984, Luxembourg
Cobrew NV/SA	0428.975.372, Belgium



**PART III  
THE EXISTING LENDERS**

**Name of Existing Lender**

- Australia And New Zealand Banking Group Limited
- Banco Santander, S.A.
- Bank of America, N.A.
- Bank of America Europe Designated Activity Company
- Barclays Bank PLC
- BNP Paribas Fortis SA/NV
- Citibank, N.A.
- Commerzbank Aktiengesellschaft, Filiale Luxemburg
- Coöperatieve Rabobank U.A., New York Branch (formerly known as Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch)
- Deutsche Bank Luxembourg S.A.
- HSBC Bank USA, National Association
- ING Belgium SA/NV
- Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch
- JPMorgan Chase Bank, N.A.
- J.P Morgan Securities plc
- Mizuho Bank, Ltd., New York Branch
- Mizuho Bank Nederland N.V.
- Morgan Stanley Bank N.A.
- MUFG Bank, Ltd. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
- Société Générale Succursale en Belgique de la Société Générale France
- Société Générale, London Branch
- Sumitomo Mitsui Banking Corporation
- The Toronto-Dominion Bank



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**Name of Existing Lender**

- The Bank of New York Mellon
- The Royal Bank of Scotland plc
- UniCredit Bank AG
- U.S. Bank National Association
- Wells Fargo Bank, National Association



**PART IV**  
**THE LENDERS**

<u>Name of Lender</u>	<u>2021 Effective Date Revolving Facility Commitment (USD)</u>	<u>2021 Effective Date Dollar Swingline Commitment (USD)</u>	<u>2021 Effective Date Euro Swingline Commitment (EUR)</u>	<u>Tax Status</u>
Australia And New Zealand Banking Group Limited	[***]	[***]	[***]	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Banco Santander, S.A., New York Branch	[***]	[***]	[***]	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Bank of America Europe Designated Activity Company	[***]	[***]	[***]	Belgian Treaty Lender Luxembourg Treaty Lender US Treaty Lender



Bank of America, N.A.	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Barclays Bank PLC	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Treaty Lender
Banco Bilbao Vizcaya Argentaria, S.A. New York Branch	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
BNP Paribas Fortis SA/NV	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)



Citibank, N.A., London Branch	[***]	[***]	[***]	Belgian Qualifying Lender (other than a Belgian Treaty Lender)
				Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender)
				US Qualifying Lender (other than a US Treaty Lender)
Commerzbank Aktiengesellschaft, Filiale Luxemburg	[***]	[***]	[***]	Belgian Qualifying Lender (other than a Belgian Treaty Lender)
				Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender)
				US Qualifying Lender (other than a US Treaty Lender)
Deutsche Bank Luxembourg S.A.	[***]	[***]	[***]	Belgian Qualifying Lender (other than a Belgian Treaty Lender)
				Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender)
				US Qualifying Lender (other than a US Treaty Lender)
HSBC Bank USA, National Association	[***]	[***]	[***]	Belgian Qualifying Lender (other than a Belgian Treaty Lender)
				Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender)
				US Qualifying Lender (other than a US Treaty Lender)





ING Belgium SA/NV	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
J.P. Morgan AG	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Mizuho Bank Europe N.V.	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)



Mizuho Bank, Ltd., New York Branch	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Morgan Stanley Bank N.A.	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
MUFG Bank, Ltd.	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Treaty Lender US Treaty Lender
Coöperatieve Rabobank U.A., New York Branch	***	***	***	Belgian Treaty Lender Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Société Générale S.A., Brussels Branch	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)



Standard Chartered Bank	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
Sumitomo Mitsui Banking Corporation	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
The Toronto-Dominion Bank	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
The Bank of New York Mellon	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)



National Westminster Bank plc	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
U.S. Bank National Association	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)
UniCredit S.p.A.	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) Not a US Qualifying Lender
Wells Fargo Bank, National Association	***	***	***	Belgian Qualifying Lender (other than a Belgian Treaty Lender) Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender) US Qualifying Lender (other than a US Treaty Lender)



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**C L I F F O R D**  
**C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

**SCHEDULE 2**  
**CONDITIONS PRECEDENT TO THE 2021 EFFECTIVE DATE**

**Obligors**

1. A copy of the constitutional documents of each Obligor being, in respect of a Luxembourg Obligor, its up-to-date articles of association and an up-to-date excerpt from the Luxembourg Trade and Companies Register (“RCS”) pertaining to that Luxembourg Obligor.
2. A copy of a resolution of the board of directors or, as applicable, the managers of each Obligor:
  - (a) approving the terms of, and the transactions contemplated by, this Agreement and resolving that it execute this Agreement;
  - (b) authorising a specified person or persons to execute this Agreement on its behalf; and
  - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with this Agreement.
3. A specimen of the signature of each person authorised by the resolution referred to in paragraph 2 above.
4. A certificate of the Company (signed by an authorised signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Obligor to be exceeded.
5. In respect of each Luxembourg Obligor, an up-to-date negative certificate from the RCS stating that no judicial decision has been registered with the RCS by application of article 13, items 2 to 12 and article 14 of the Luxembourg law dated 19 December 2002 relating to the register of commerce and companies as well as the accounting and the annual accounts of companies, as amended (the “RCS Law”), according to which the relevant Luxembourg Obligor would be subject to one of the judicial proceedings referred to in these provisions of the RCS Law including in particular, bankruptcy (*faillite*), controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*), arrangement with creditors (*concordat préventif de la faillite*) and judicial liquidation (*liquidation judiciaire*) proceedings.
6. A certificate of an authorised signatory of each Obligor certifying that each copy document relating to it specified in paragraphs 1 to 5 above is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
7. A copy of a good standing certificate with respect to each U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of each U.S. Obligor’s jurisdiction of incorporation or organisation.



**C L I F F O R D**  
**C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

**Finance Documents**

- 8. This Agreement, duly executed by the parties to it.

**Legal opinions**

- 9. A legal opinion of Allen & Overy LLP, legal advisers to the Agent in England.
- 10. A legal opinion of Allen & Overy S.C.S., legal advisers to the Agent in Luxembourg.
- 11. A legal opinion of Clifford Chance Brussels, legal advisers to the Company and the Belgian Obligors in Belgium.
- 12. A legal opinion of Allen & Overy Brussels, legal advisers to the Agent in Belgium.
- 13. A legal opinion of Sullivan & Cromwell LLP, legal advisers to the Company, Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch Companies, LLC and Anheuser-Busch InBev Finance Inc. under the federal laws of the United States, the General Corporation Law of the State of Delaware and the laws of the State of New York.

**Other documents and evidence**

- 14. A list of Security created by the Group prior to the 2021 Effective Date over its assets which secures Financial Indebtedness.
- 15. A list of Financial Indebtedness incurred by the Group prior to the 2021 Effective Date.
- 16. Evidence of payment of all fees, costs and expenses then due from the Company under the Facility Agreement.
- 17. Evidence satisfactory to the Agent that each Lender has carried out and is satisfied with the results of all “know your customer” or other similar checks required in respect of the Obligors.



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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	VDI-W7-PF3-0610 14.4.13.0	ADG ladsh0ap	18-Mar-2021 09:03 EST	<b>106470 EX4_3 20</b>	4*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		sp166	HTM ESS 0C

Page 1 of 1

**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

**SCHEDULE 3  
RESTATED AGREEMENT**





**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

26 FEBRUARY 2010, AS AMENDED ON 25 JULY 2011, AS EXTENDED ON  
20 AUGUST 2013, AS AMENDED AND RESTATED BY AN AMENDMENT AND  
RESTATEMENT AGREEMENT DATED 28 AUGUST 2015, AS AMENDED BY AN  
AMENDMENT LETTER DATED 27 OCTOBER 2015 AND AMENDED AND  
RESTATED BY AN AMENDMENT AND RESTATEMENT AGREEMENT DATED  
\_\_\_\_\_ 2021

FOR

ANHEUSER-BUSCH INBEV SA/NV

AND

ANHEUSER-BUSCH INBEV WORLDWIDE INC.

ARRANGED BY

THE ARRANGERS

AND

BNP PARIBAS FORTIS SA/NV  
ACTING AS AGENT

AND

BNP PARIBAS FORTIS SA/NV  
AS ISSUING BANK

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US\$10,100,000,000  
REVOLVING CREDIT AND SWINGLINE  
FACILITIES AGREEMENT

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**THIS AGREEMENT** is dated 26 February 2010 (as amended on 25 July 2011, as extended on 20 August 2013, as amended and restated by an amendment and restatement agreement dated 28 August 2015, as amended by an amendment letter dated 27 October 2015 and as amended and restated pursuant to the 2021 Amendment and Restatement Agreement) and made

**BETWEEN:**

- (1) **ANHEUSER-BUSCH INBEV SA/NV**, a *naamloze vennootschap/société anonyme*, with its registered seat at Grand Place 1, 1000 Brussels, registered with the Crossroads Bank of Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0417 497-106 (RPR/RPM Brussels) (the “**Company**”);
- (2) **ANHEUSER-BUSCH INBEV WORLDWIDE INC.**, a company incorporated under the laws of Delaware, having its registered office at 1209 Orange Street, Wilmington, Delaware 19801 with company registration no 90-0421412 (“**ABIWW**”);
- (3) **THE FINANCIAL INSTITUTIONS** listed in Part 4 of Schedule 1 as mandated lead arrangers and bookrunners (the “**Arrangers**”);
- (4) **THE COMPANIES** listed in the signature pages as original guarantors (the “**Original Guarantors**”);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Part 3 of Schedule 1 as lenders (the “**Original Lenders**”);
- (6) **BNP PARIBAS FORTIS SA/NV** as agent of the other Finance Parties (the “**Agent**”); and
- (7) **BNP PARIBAS FORTIS SA/NV** as the issuing bank (the “**Issuing Bank**”).

**IT IS AGREED** as follows:

1. **DEFINITIONS AND INTERPRETATIONS**

1.1 **Definitions**

In this Agreement:

“**ESTR**” means, in relation to any day:

- (a) the applicable Screen Rate for that day; or
- (b) as otherwise determined pursuant to Clause 13.4 (*Unavailability of Screen Rate – Euro Swingline Facility*).

“**ESTR Spread**” means 0.005 per cent.

“**2021 Amendment and Restatement Agreement**” means an amendment and restatement agreement in relation to this Agreement dated \_\_\_\_\_ February 2021 between, among others, the Company, BNP Paribas Fortis SA/NV as agent and the Lenders.



“**2021 Amendment and Restatement Date**” means the “2021 Effective Date” as defined in the 2021 Amendment and Restatement Agreement.

“**ABIFI**” means Anheuser-Busch InBev Finance Inc.

“**Acceleration Event**” means the Agent taking any of the actions set out in paragraphs (a) to (f) of Clause 32.14 (*Acceleration*).

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non-credit enhanced debt obligations of A or higher by S&P or Fitch Ratings Ltd or A2 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 4 (*Form of Accession Letter*).

“**Accounting Principles**” means:

- (a) in the case of the audited consolidated financial statements of the Group, IFRS; or
- (b) in any other case, the generally accepted accounting principles in the jurisdiction of incorporation of the relevant person, consistently applied.

“**Additional Borrower**” means Cobrew NV/SA and any other company which becomes a Borrower in accordance with Clause 34 (*Changes to the Obligors*).

“**Additional Business Day**” means any day specified as such in the applicable Compounded Rate Terms.

“**Additional Guarantor**” means Brandbrew, Cobrew NV/SA, Brandbev and Anheuser-Busch InBev Finance Inc. and any other company which becomes a Guarantor in accordance with Clause 34 (*Changes to the Obligors*).

“**Additional Obligor**” means an Additional Borrower or an Additional Guarantor.

“**Affiliate**” means:

- (a) in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company. Notwithstanding the foregoing, in relation to The Royal Bank of Scotland plc, the term “Affiliate” shall not include the U.K. government or any member or instrumentality thereof, including Her Majesty’s Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the U.K. government or any member or instrumentality thereof (including Her Majesty’s Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.



- (b) Notwithstanding paragraph (a) above, in relation to any member of the NatWest Group, the term “Affiliate” shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty’s Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty’s Treasury and UK Financial Investments Limited) and which are not part of NatWest Group plc and its subsidiaries or subsidiary undertakings. For the purposes of this definition, “**NatWest Group**” means NatWest Group plc and its subsidiaries and subsidiary undertakings.

“**AFM**” means The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

“**Agent’s Spot Rate of Exchange**” means:

- (a) the Agent’s spot rate of exchange; or
- (b) (if the Agent does not have an available spot rate of exchange) any other publicly available spot rate of exchange selected by the Agent (acting reasonably),

for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11.00 a.m. on a particular day.

“**Ambev**” means Ambev S.A. (legal successor of Companhia de Bebidas das Américas), a company incorporated under the laws of the Federative Republic of Brazil with registered address Rua Dr Renato Paes de Barros, 1017, 4º andar, CEP 04530-001 São Paulo, SP, Brazil, listed on the B3 – Brasil, Bolsa, Balcão (São Paulo Stock Exchange) and on the New York Stock Exchange.

“**Amended Termination Date**” means the date falling 60 months after the 2021 Amendment and Restatement Date.

“**Amendment and Restatement Agreement**” means the amendment and restatement agreement dated 28 August 2015 between, among others, the Company and BNP Paribas Fortis SA/NV as agent.

“**Amendment and Restatement Date**” means the “Effective Date” as defined in the Amendment and Restatement Agreement.

“**Anheuser-Busch**” means Anheuser-Busch Companies, LLC, a company incorporated under the law of the State of Delaware, United States with registered address One Busch Place, St. Louis, Missouri 63118 with issuer number 035229.

“**Anheuser-Busch Group**” means Anheuser-Busch and its Subsidiaries from time to time.





“**Annual Report**” means the audited consolidated financial statements of the Group for each of its financial years, which shall set out the performance of the KPIs against the relevant levels for the Baseline Year.

“**Anti-Corruption Law**” means the United Kingdom Bribery Act 2010, the United States Foreign Corrupt Practices Act 1977 or other similar legislation in other jurisdictions which is directly applicable to the relevant member of the Group.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Availability Period**” means the period from (and including) the date of this Agreement to and including the date falling one Month prior to the Final Termination Date.

“**Available Commitment**” means, in relation to a Facility, a Lender’s Commitment under that Facility minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and
- (b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date,

other than, in relation to any proposed Utilisation under the Revolving Facility only, that Lender’s participation in any Revolving Facility Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date.

“**Available Dollar Swingline Commitment**” of a Dollar Swingline Lender means (but without limiting Clause 9.4 (*Relationship with the Revolving Facility*)) that Lender’s Dollar Swingline Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Dollar Swingline Loans; and
- (b) in relation to any proposed Utilisation under the Dollar Swingline Facility, the Base Currency Amount of its participation in any Dollar Swingline Loans that are due to be made under the Dollar Swingline Facility on or before the proposed Utilisation Date.

For the purposes of calculating a Dollar Swingline Lender’s Available Dollar Swingline Commitment in relation to any proposed Utilisation of the Dollar Swingline Facility, that Lender’s participation in any Dollar Swingline Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from a Dollar Swingline Lender’s Dollar Swingline Commitment.

“**Available Dollar Swingline Facility**” means the aggregate for the time being of each Dollar Swingline Lender’s Available Dollar Swingline Commitment.



“**Available Euro Swingline Commitment**” of a Euro Swingline Lender means (but without limiting Clause 12.4 (*Relationship with the Revolving Facility*)) that Lender’s Euro Swingline Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Euro Swingline Loans; and
- (b) in relation to any proposed Utilisation under the Euro Swingline Facility, the Base Currency Amount of its participation in any Euro Swingline Loans that are due to be made under the Euro Swingline Facility on or before the proposed Utilisation Date.

For the purposes of calculating a Euro Swingline Lender’s Available Euro Swingline Commitment in relation to any proposed Utilisation of the Euro Swingline Facility, that Lender’s participation in any Euro Swingline Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from a Euro Swingline Lender’s Euro Swingline Commitment.

“**Available Euro Swingline Facility**” means the aggregate for the time being of each Euro Swingline Lender’s Available Euro Swingline Commitment.

“**Available Facility**” means, in relation to a Facility, the aggregate for the time being of each Lender’s Available Commitment in respect of that Facility.

“**Backstop Rate Switch Date**” means:

- (a) in relation to a Rate Switch Currency for which the Term Reference Rate for Revolving Facility Loans is LIBOR, 30 November 2021; and
- (b) in relation to any other Rate Switch Currency, the date (if any) specified as such in the applicable Compounded Rate Terms,

or such earlier date as the Company may notify the Agent by at least five Business Days’ written notice, **provided that** such earlier date may not be earlier than 1 June 2021.

“**Base Currency**” means US Dollars.

“**Base Currency Amount**” means, in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent’s Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement) and, in the case of a Letter of Credit, as adjusted under Clause 6.8 (*Revaluation of Letters of Credit*) at six-monthly intervals, as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation.

“**Baseline Year**” means the Company’s financial year that ended on 31 December 2020.

“**Belgian Companies and Associations Code**” means the Belgian Company and Associations Code (*Code des sociétés et des associations/Wetboek van vennootschappen en verenigingen*) dated 23 March 2019, as amended from time to time.



“**Belgian Obligor**” means, for the purposes of Clause 23 (*Tax-Gross-up and Indemnities*), an Obligor that is resident in Belgium for Belgian tax purposes or that has a permanent establishment in Belgium to which the advances under the Finance Documents are effectively connected and, for any other purpose in connection with the Finance Documents, an Obligor that has its statutory seat in Belgium.

“**Blocking Regulation**” means the UK Blocking Regulation and/or the EU Blocking Regulation.

“**Block Rounding Period**” has the meaning given to that term in Clause 41.3 (*Day count convention and interest calculation*).

“**Borrower**” means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 34 (*Changes to the Obligors*).

“**Brandbev**” means Brandbev S.à r.l, a private limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg, with its registered office at 15 Breedewues, L-1259 Senningerberg, Luxembourg and registered with the Luxembourg register of commerce and companies under number B 80.984.

“**Brandbrew**” means Brandbrew S.A., a public limited liability company (société anonyme) incorporated under the laws of Luxembourg, with its registered office at 15 Breedewues, L-1259 Senningerberg, Luxembourg and registered with the Luxembourg register of commerce and companies under number B75.696.

“**Break Costs**” means in respect of any Term Rate Loan, the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Term Rate Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Term Rate Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Brussels and New York and:

- (a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency;
- (b) (in relation to any date for payment or purchase of euro) any TARGET Day; and



- (c) (in relation to:
  - (i) any date for payment or purchase of a Compounded Rate Loan;
  - (ii) the determination of the first day or the last day of an Interest Period for a Compounded Rate Loan, or otherwise in relation to the determination of the length of such an Interest Period; or
  - (iii) the Lookback Period for a Compounded Rate Loan),  
an Additional Business Day relating to that Loan or Unpaid Sum.

“**Central Bank Rate**” has the meaning given to that term in the applicable Compounded Rate Terms.

“**Central Bank Rate Adjustment**” has the meaning given to that term in the applicable Compounded Rate Terms.

“**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.

For the purposes of this definition:

- (a) 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
- (b) Stichting InBev means a company incorporated under the laws of The Netherlands under registered number 34144185 with registered address at Hofplein 20, 3032AC, Rotterdam, The Netherlands.

“**Code**” means, at any date, the U.S. Internal Revenue Code of 1986 and the regulations promulgated and the judicial and administrative decisions rendered under it, all as the same may be in effect at such date.

“**Commitment**” means a Revolving Facility Commitment, a Dollar Swingline Commitment or a Euro Swingline Commitment.

“**Compounded Rate Currency**” means any Rate Switch Currency in respect of which the Rate Switch Date has occurred.

“**Compounded Rate Interest Payment**” means the aggregate amount of interest that:

- (a) is, or is scheduled to become, payable under any Finance Document; and
- (b) relates to a Compounded Rate Loan.

“**Compounded Rate Loan**” means any Revolving Facility Loan or, if applicable, Unpaid Sum in a Compounded Rate Currency which relates to the Revolving Facility which is, or becomes, a “Compounded Rate Loan” pursuant to Clause 19A (*Rate Switch*).



“**Compounded Rate Supplement**” means, in relation to any currency, a document which:

- (a) is agreed in writing by the Company and the Agent (acting on the instructions of the Majority Lenders);
- (b) specifies for that currency the relevant terms which are expressed in this Agreement to be determined by reference to Compounded Rate Terms; and
- (c) has been made available to the Company and each Finance Party.

“**Compounded Rate Terms**” means in relation to:

- (a) a currency;
- (b) a Revolving Facility Loan or an Unpaid Sum in that currency;
- (c) an Interest Period for such a Revolving Facility Loan or Unpaid Sum (or other period for the accrual of commission or fees in respect of that currency); or
- (d) any term of this Agreement relating to the determination of a rate of interest in relation to such a Revolving Facility Loan or Unpaid Sum,

the terms set out for that currency in Schedule 13 (*Compounded Rate Terms*) or in any Compounded Rate Supplement.

“**Compounded Reference Rate**” means, in relation to any RFR Banking Day during the Interest Period of a Compounded Rate Loan, the percentage rate per annum which is the aggregate of:

- (a) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and
- (b) the applicable Credit Adjustment Spread.

“**Compounding Methodology Supplement**” means, in relation to the Daily Non-Cumulative Compounded RFR Rate, a document which:

- (a) is agreed in writing by the Company, the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Lenders);
- (b) specifies a calculation methodology for that rate; and
- (c) has been made available to the Company and each Finance Party.



“**Confidential Information**” means all information relating to the Company, any Obligor, the Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
  - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 45 (*Confidential Information*); or
  - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
  - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate or Reference Bank Quotations.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Company and the Agent and in each case capable of being relied upon by the Company.

“**Control**” in relation to any entity means:

- (a) the direct or indirect ownership of more than 50 per cent. of the share capital or similar rights of ownership of the entity; or
- (b) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting; or
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers; or



- (iii) give directions to management with respect to the operating and financial policies of the entity with which the directors or other equivalent officers of the Parent are obliged to comply.

“**Core Business**” means the business of beer brewing and soft drink manufacturing, drink bottling, trading and/or performing services and/or carrying out functions (including, without limitation, research and development, marketing, distribution and retail sales) in connection with the beer brewing and soft drink manufacturing businesses.

“**Credit Adjustment Spread**” means, in respect of any Compounded Rate Loan, any rate which is either:

- (a) specified as such in the applicable Compounded Rate Terms; or
- (b) determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology specified in the applicable Compounded Rate Terms.

“**Credit Rating**” means the corporate long-term credit issue rating of the present and future senior, unsecured and unsubordinated debt obligations of the Company.

“**Credit Rating Period**” means a period commencing on the date of a completion of an acquisition by the Company referred to in Clause 31.6 (*Acquisitions*) or, if earlier, the date of any announcement of such acquisition and ending sixty (60) days after the completion of such acquisition (which period shall be extended following consummation of an acquisition for so long as S&P or Moody’s has publicly announced within the period ending sixty (60) days after such acquisition that it is considering a possible negative change to the Credit Rating, **provided that** such Credit Rating Period shall not extend more than one hundred and twenty (120) days after the public announcement of such consideration.

“**Daily Non-Cumulative Compounded RFR Rate**” means, in relation to any RFR Banking Day during an Interest Period for a Compounded Rate Loan, the percentage rate per annum determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 14 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

“**Daily Rate**” means the rate specified as such in the applicable Compounded Rate Terms.

“**DCB**” means The Dutch Central Bank (*De Nederlandsche Bank N.V.*).

“**Default**” means an Event of Default or any event or circumstance specified in Clause 32 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.





“**Defaulting Lender**” means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders’ participation*) or has failed (or its Affiliate has failed) to provide cash collateral (or has notified the Issuing Bank that it will not provide cash collateral) in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event; andpayment is made within five Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“**Derivative Contract**” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account).

“**DFSA**” means The Dutch Financial Supervision Act (*Wet op het financieel toezicht, “Wft”*) and all rules promulgated thereunder and pursuant thereto as well as communications and published guidelines of the DCB and the AFM.

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,



and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**“Dollar Swingline Commitment”** means:

- (a) in relation to a Dollar Swingline Lender on the 2021 Amendment and Restatement Date, the amount in dollars set opposite its name under the heading “Dollar Swingline Commitment” in Part 3B of Schedule 1 (*The 2021 Amendment and Restatement Date Parties*) and the amount of any other Dollar Swingline Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Dollar Swingline Lender, the amount of any Dollar Swingline Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**“Dollar Swingline Facility”** means the dollar swingline loan facility made available under this Agreement as described in Clause 10 (*Dollar Swingline Loans*).

**“Dollar Swingline Lender”** means:

- (a) a Lender listed in Part 3B of Schedule 1 (*The 2021 Amendment and Restatement Date Parties*) as a dollar swingline lender; or
- (b) any other person which has become, after the 2021 Amendment and Restatement Date, a Party as a “Lender” in respect of a Dollar Swingline Commitment or a participation in a Dollar Swingline Loan in accordance with Clause 2.2 (*Increase*) or Clause 33 (*Changes to the Lenders*)

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

**“Dollar Swingline Loan”** means a loan made or to be made under the Dollar Swingline Facility or the principal amount outstanding for the time being of that loan.

**“Dutch Obligor”** means an Obligor incorporated in the Netherlands.

**“EBIT”** means in respect of the Group on a consolidated basis and in relation to any period, profit from operations as reported for that period, measured by reference to the consolidated financial statements delivered by the Company pursuant to Clause 29.10 (*Financial statements*) in respect of such period or prior to the date on which any such financial statements are delivered to the Agent, the Original Financial Statements of the Company:

- (a) plus (without double counting) dividends or other profit distributions (net of withholding tax) received in cash by any member of the Group during such period from any person in respect of which a member of the Group is a shareholder (or has an ownership interest) but which is not consolidated within the financial statements of the Group;



- (b) minus extraordinary or non-recurring items and/or non-operational income and gains; and
- (c) plus extraordinary or non-recurring items and/or non-operational expenses and losses.

“**EBITDA**” means in respect of the Group on a consolidated basis and in relation to any period, EBIT for that period:

- (a) plus depreciation and impairment of tangible assets;
- (b) plus amortisation and impairment of intangible assets;
- (c) plus impairment of goodwill;
- (d) minus (to the extent otherwise included) any gain over book value arising in favour of a member of the Group on the disposal of any non-financial asset (other than any disposal made in the ordinary course of business) during that period and any gain arising on any revaluation of any non-financial asset during that period; and
- (e) plus (to the extent otherwise deducted) any loss against book value incurred by a member of the Group on the disposal of any non-financial asset (other than any disposal made in the ordinary course of business) during that period and any loss arising on any revaluation of any non-financial asset during that period.

“**Eligible Institution**” means any Lender or other bank, financial institution, trust, fund or other entity selected by the Company, and which, in each case, is not a member of the Group.

“**Employee Plan**” means an employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which a U.S. Obligor or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“**Enhanced €STR**” means, in relation to any day, the percentage rate per annum which is the aggregate of the applicable:

- (a) €STR; and
- (b) the €STR Spread,

and if that rate is less than zero, Enhanced €STR shall be deemed to be zero.

“**Environmental Law**” means any applicable law or regulation which relates to:

- (a) the pollution or protection of the environment;
- (b) harm to or the protection of human health;
- (c) the physical conditions of the workplace; or



(d) any emission or substance capable of causing harm to any living organism or the environment.

“**Environmental Permit**” means any permit, other Authorisation or filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group.

“**ERISA**” means, at any date, the United States Employee Retirement Income Security Act of 1974 and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

“**ERISA Affiliate**” means, in relation to a member of the Group, each person (as defined in Section 3(9) of ERISA) which together with that member of the Group would be deemed to be a “**single employer**” (a) within the meaning of Section 414(b), (c), (m) or (o) of the Code or (b) as a result of that member of the Group being or having been a general partner of such person.

“**ERISA Event**” means:

- (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30 day notice requirement with respect to such event has been waived or (ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days;
- (b) the application for a minimum funding waiver under Section 302 (c) of ERISA with respect to a Plan;
- (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA);
- (d) the cessation of operations at a facility of any Obligor or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA;
- (e) the incurrence by any Obligor or ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal by any Obligor or any ERISA Affiliate from a Multiple Employer Plan;
- (f) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan;
- (g) the failure to make by its due date a required contribution with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan;
- (h) the incurrence or expected incurrence by any Obligor or ERISA Affiliate of any liability under Title IV of ERISA with respect to any Plan or Multiemployer Plan;



- (i) an action, suit, proceeding, hearing, audit or investigation with respect to the administration, operation or the investment of assets of any Plan (other than routine claims for benefits) is pending, expected or threatened;
- (j) the incurrence of an Insufficiency by or with respect to any Plan.

“**EU Blocking Regulation**” means Regulation (EU) No 2271/96 of the European Parliament and of the Council of 22 November 1996 protecting against the effects of the extraterritorial application of legislation adopted by a third country, and actions based on or resulting therefrom.

“**EURIBOR**” means, in relation to any Term Rate Loan in euro:

- (a) the applicable Screen Rate as of the Specified Time for euro and for a period equal in length to the Interest Period of that Term Rate Loan; or
- (b) as otherwise determined pursuant to Clause 21.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, EURIBOR shall be deemed to be zero.

“**euro**” and “**€**” means the single currency of the Participating Member States.

“**Euro Swingline Business Day**” means any day (other than a Saturday or Sunday) on which banks are open for general business in London, Brussels and Luxembourg and which is a TARGET Day.

“**Euro Swingline Commitment**” means:

- (a) in relation to a Euro Swingline Lender on the 2021 Amendment and Restatement Date, the amount in euro set opposite its name under the heading “Euro Swingline Commitment” in Part 3C of Schedule 1 (*The 2021 Amendment and Restatement Date Parties*) and the amount of any other Euro Swingline Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Euro Swingline Lender, the amount of any Euro Swingline Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Euro Swingline Facility**” means the euro swingline loan facility made available under this Agreement as described in Clause 13 (*Euro Swingline Loans*).

“**Euro Swingline Lender**” means:

- (a) a Lender listed in Part 3C of Schedule 1 (*The 2021 Amendment and Restatement Date Parties*) as a euro swingline lender; or
- (b) any other person which has become, after the 2021 Amendment and Restatement Date, a Party as a “Lender” in respect of a Euro Swingline Commitment or a participation in a Euro Swingline Loan in accordance with Clause 2.2 (*Increase*) or Clause 33 (*Changes to the Lenders*),



which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

“**Euro Swingline Loan**” means a loan made or to be made under the Euro Swingline Facility or the principal amount outstanding for the time being of that loan.

“**Event of Default**” means any event or circumstance specified as such in Clause 32 (*Events of Default*).

“**Excluded Subsidiary**” means Ambev and each of its Subsidiaries from time to time **provided that** if Ambev becomes a wholly owned Subsidiary of the Company, it and its Subsidiaries shall cease to be Excluded Subsidiaries.

“**Existing Credit Facilities**” means the US\$45,000,000,000 loan facilities made available to the Company and other members of the Group pursuant to a senior facilities agreement dated 12 July 2008.

“**Expiry Date**” means, for a Letter of Credit, the last day of its Term.

“**Extension Request**” means a notice substantially in the relevant form set out in Schedule 11 (*Form of Extension Request*).

“**Facility**” means the Revolving Facility, the Dollar Swingline Facility or the Euro Swingline Facility.

“**Facility Office**” means in respect of a Lender or the Issuing Bank, the office or offices notified by that Lender or Issuing Bank to the Agent in writing on or before the date it becomes a Lender or Issuing Bank (or, following that date, by not less than five Business Days written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**Fallback Interest Period**” means 5 Business Days.

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.



“**FATCA Application Date**” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“**FATCA Exempt Party**” means a Party that is entitled to receive payments free from any FATCA Deduction.

“**Federal Funds Rate**” means, in relation to any day, the rate per annum equal to:

- (a) the rate on overnight federal funds transactions calculated by the Federal Reserve Bank of New York as the federal funds effective rate as published for that day (or, if that day is not a New York Business Day, for the immediately preceding New York Business Day) by the Federal Reserve Bank of New York; or
- (b) if a rate is not so published for any day which is a New York Business Day, the average of the quotations for that day on overnight federal funds transactions received by the Agent from three depository institutions of recognised standing selected by the Agent,

and if, in either case, that rate is less than zero, the Federal Funds Rate shall be deemed to be zero

“**Fee Letter**” means any letters between the Arrangers and the Company or the Agent and the Company setting out any of the fees referred to in Clause 2.2 (*Increase*) and Clause 22 (*Fees*).

“**Final Termination Date**” means:

- (a)
  - (i) the Amended Termination Date;
  - (ii) if any Lender has agreed to the exercise of an Extension Option exercised before the second anniversary of the 2021 Amendment and Restatement Date, the First Extended Final Termination Date; or
  - (iii) if any Lender has agreed to the exercise of an Extension Option exercised on or after the second anniversary of the 2021 Amendment and Restatement Date, either the First Extended Final Termination Date or the Second Extended Final Termination Date as specified in the relevant Extension Request; and





- (b) where that term is used in respect of a Lender:
  - (i) the Amended Termination Date;
  - (ii) if that Lender has agreed to the exercise of an Extension Option exercised before the second anniversary of the 2021 Amendment and Restatement Date only, the First Extended Final Termination Date;
  - (iii) if that Lender has agreed to both the first and the second exercise of the Extension Option, the Second Extended Final Termination Date; or
  - (iv) if that Lender has agreed only to the second exercise of the Extension Option, either the First Extended Final Termination Date or the Second Extended Final Termination Date as notified by the Lender to the Agent in accordance with paragraph (f) of Clause 5.6 (*Extension Option*).

“**Finance Document**” means this Agreement, any Accession Letter, any Fee Letter, any Resignation Letter, any Utilisation Request, the Amendment and Restatement Agreement, the 2021 Amendment and Restatement Agreement, any Compounded Rate Supplement, any Compounding Methodology Supplement and any other document designated as a Finance Document by the Agent and the Company.

“**Finance Party**” means the Agent, the Arrangers, a Lender or the Issuing Bank.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any amount raised pursuant to any issue of shares which are expressed to be redeemable on or prior to the Final Termination Date;
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to 1 January 2019, have been treated as an operating lease);
- (f) the amount of any liability in respect of any advance or deferred purchase agreement if one of the primary reasons for entering into such agreement is to raise finance;
- (g) receivables sold or discounted (other than on a non-recourse basis);
- (h) any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;



- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of, and accounted for as, a borrowing;
- (j) (without double counting) any counter-indemnity obligation in respect of any guarantee, indemnity, standby or documentary letter of credit or other similar instrument issued by a bank or financial institution (on behalf of any Obligor or Material Subsidiary), in each case for any of the items referred to in paragraphs (a) to (i) above; and
- (k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above,

and not including any Financial Indebtedness owed by one member of the Group to another member of the Group.

“**First Extended Final Termination Date**” has the meaning given to such term in Clause 5.6 (*Extension Option*).

“**Funding Date**” means the date of the first Utilisation under the Facilities (or any of them).

“**Funding Rate**” means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 21.4 (*Cost of funds*) or paragraph (a)(ii) of Clause 13.6 (*Cost of funds – Euro Swingline Facility*).

“**GHG Emissions**” means the total Scope 1 and 2 greenhouse gas emissions (as defined by the Greenhouse Gas Protocol) per hectolitre of production at the Group’s beverage facilities (excluding Vertical Operations) as determined on the basis of the methodology used for the determination of the relevant metric in the Initial Sustainability KPI Report.

“**GHG Emissions Target**” means, in respect of any financial year of the Company commencing with the financial year ending on 31 December 2021, the target GHG Emissions, as set out in the following table:

<u>Financial year</u>	<u>Target (Kg CO<sub>2</sub> e/hl)</u>
Financial year ending on 31 December 2021	6.63
Financial year ending on 31 December 2022	6.53
Financial year ending on 31 December 2023	6.43
Financial year ending on 31 December 2024	6.33
Financial year ending on 31 December 2025	6.24
Financial year ending on 31 December 2026	6.14
Financial year ending on 31 December 2027	6.05



“**Greenhouse Gas Protocol**” means the international Greenhouse Gas Protocol (<http://www.ghgprotocol.org/>) as at the 2021 Amendment and Restatement Date (as applied by the Company in its financial reporting for each financial year in line with industry standards and applicable internal policies).

“**Group**” means the Company and each of its Subsidiaries from time to time.

“**Guarantee Principles**” means the principles set out in Schedule 8 (*Guarantee Principles*).

“**Guarantor**” means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 34 (*Changes to the Obligors*).

“**Historic Screen Rate**” means, in relation to any Term Rate Loan, the most recent applicable Screen Rate for the currency of that Term Rate Loan and for a period equal in length to the Interest Period of that Term Rate Loan and which is as of a day which is no more than 5 Business Days before the Quotation Day.

“**Holding Company**” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Impaired Agent**” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”;
- (c) an Insolvency Event has occurred and is continuing with respect to the Agent;
- (d) the Agent otherwise rescinds or repudiates a Finance Document; or

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

- (A) administrative or technical error; or
- (B) a Disruption Event; and

payment is made within five Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“**Increase Confirmation**” means a confirmation substantially in the form set out in Schedule 10 (*Form of Increase Confirmation*).

“**Increase Lender**” has the meaning given to that term in Clause 2.2 (*Increase*).



“**Initial Sustainability KPI Report**” means the sustainability report contained in the Annual Report in respect of the financial year of the Company ending on 31 December 2020 with a statement of limited assurance in connection with each KPI from the Sustainability Report Assurer.

“**Insolvency Event**” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, all other than by way of an Undisclosed Administration, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, all other than by way of an Undisclosed Administration;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;



- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“**Insufficiency**” means, with respect to any Plan, the amount, determined on a plan termination basis, if any, of its unfunded benefit liabilities, as defined in, and in accordance with actuarial assumptions set forth in, Section 4001(a)(18) of ERISA (excluding any accrued but unpaid contributions).

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, domain names, trade names, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, and any goodwill therein; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group.

“**Interest Period**” means, in relation to a Loan, each period determined in accordance with Clause 20 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 19.9 (*Default interest*).

“**Interpolated Historic Screen Rate**” means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Term Rate Loan; and
- (b) the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Term Rate Loan,

each for the currency of that Loan and each of which is as of a day which is no more than 5 Business Days before the Quotation Day.

“**Interpolated Screen Rate**” means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Term Rate Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Term Rate Loan,

each as of the Specified Time for the currency of that Term Rate Loan.



“**IRS**” means the United States Internal Revenue Service or any successor thereto.

“**Issuing Bank**” means each Lender identified above as an issuing bank and any other Lender which has notified the Agent that it has agreed to the Company’s request to be an Issuing Bank pursuant to the terms of this Agreement (and if more than one Lender has so agreed, such Lenders shall be referred to, whether acting individually or together, as the Issuing Bank) **provided that**, in respect of a Letter of Credit issued or to be issued pursuant to the terms of this Agreement, the Issuing Bank shall be the Issuing Bank which has issued or agreed to issue that Letter of Credit.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Judicial Deposit**” means any cash deposit made in connection with any judicial or administrative proceeding against a member of the Group.

“**KPIs**” means each of:

- (a) Total Water Use (expressed in hl/hl);
- (b) Recycled Content (expressed as a percentage);
- (c) Renewable Electricity (expressed as a percentage); and
- (d) GHG Emissions (expressed in Kg CO2 e/hl).

“**L/C Proportion**” means in relation to a Lender in respect of any Letter of Credit, the proportion (expressed as a percentage) borne by that Lender’s relevant Available Commitment under the Revolving Facility to the Available Facility under the Revolving Facility immediately prior to the issue of that Letter of Credit, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

“**Legal Opinion**” means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or Clause 34 (*Changes to the Obligors*).

“**Legal Reservations**” means:

- (a) the principle that certain remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors and secured creditors;
- (b) the time barring of claims under applicable limitation laws (including the English Limitation Acts), defences of acquiescence, set-off or counterclaim and the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void;
- (c) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;



- (d) the principle that an English court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;
- (e) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (f) any other general principles which are set out as qualifications or reservations (however described) as to matters of law in any Legal Opinion.

“**Lender**” means:

- (a) any Lender listed in Part 3A of Schedule 1 (*The 2021 Amendment and Restatement Date Parties*); and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a “Lender” in accordance with Clause 2.2 (*Increase*) or Clause 33 (*Changes to the Lenders*),

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

“**Letter of Credit**” means:

- (a) a letter of credit, substantially in the form set out in Schedule 7 (*Form of Letter of Credit*) or in any other form requested by the Company and agreed by the Issuing Bank; or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Company on its behalf) and agreed by the Issuing Bank and the Agent.

“**LIBOR**” means, in relation to any Term Rate Loan:

- (a) the applicable Screen Rate as of the Specified Time for the currency of that Loan and for a period equal in length to the Interest Period of that Loan; or,
- (b) as otherwise determined pursuant to Clause 21.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

“**LMA**” means the Loan Market Association.

“**Loan**” means a Revolving Facility Loan, a Dollar Swingline Loan or a Euro Swingline Loan.

“**Lookback Period**” means the number of days specified as such in the applicable Compounded Rate Terms.

“**Luxembourg**” means the Grand Duchy of Luxembourg.

“**Luxembourg Commercial Code**” means the Code de Commerce of Luxembourg.

“**Luxembourg Guarantor**” means a Guarantor incorporated in Luxembourg.





“**Luxembourg Obligor**” means an Obligor incorporated in Luxembourg.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate more than 66<sup>2</sup>/<sub>3</sub> per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66<sup>2</sup>/<sub>3</sub> per cent. of the Total Commitments immediately prior to that reduction).

“**Margin**” means the percentage rate per cent. per annum determined in accordance with Clauses 19.3 (*Margin*) and 19.4 (*Calculation of Margin – Sustainability Discount and Sustainability Premium*).

“**Material Adverse Effect**” means any event or condition that (individually or in aggregate) has a material adverse effect on:

- (a) the ability of the Obligors (taken as a whole) to perform any of their payment obligations under the Finance Documents; or
- (b) the business, assets, financial condition or operations of the Group taken as a whole.

“**Material Subsidiary**” means, at any time, any member of the Group other than Sun-InBev OJSC (company number 1045003951156) which:

- (a) has earnings before interest, tax, depreciation and amortisation calculated on an unconsolidated basis in the same manner as EBITDA representing ten per cent. or more of the consolidated EBITDA of the Group; or
- (b) is the owner of the registered trademark of a brand listed in Schedule 9 (*Material Brands*).

Compliance with the condition set out in paragraph (a) above shall be determined by reference to the latest financial statements of that Subsidiary (audited, if available) and the latest audited consolidated financial statements of the Group.

“**Modelo**” means Cervecería Modelo de México, S. de R.L. de C.V., a company incorporated under the laws of Mexico with registered address Cerrada de Palomas 22, piso 5, colonia Reforma Social, 11650, Ciudad de Mexico, Mexico.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) other than where paragraph (b) below applies:
  - (i) (subject to paragraph (iii) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
  - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and



- (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end; and
- (b) in relation to an Interest Period for any Loan (or any other period for the accrual of commission or fees) in a Compounded Rate Currency for which there are rules specified as “Business Day Conventions” in respect of that currency in the applicable Compounded Rate Terms, those rules shall apply.

The above rules will only apply to the last Month of any period, and Monthly shall be construed accordingly.

“**Moody’s**” means Moody’s Investor Services, Inc., or any successor thereto.

“**Multiemployer Plan**” means a multiemployer plan, as defined in Section (3)(37) of ERISA, subject to Title IV of ERISA, contributed to for any employees of a U.S. Obligor or any ERISA Affiliate.

“**Multiple Employer Plan**” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, subject to Title IV of ERISA, that (a) is maintained for employees of any Obligor or any ERISA Affiliate and at least one person other than the Obligors and the ERISA Affiliates or (b) was so maintained and in respect of which any Obligor or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

“**New York Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in New York.

“**Newco Merger**” means the Belgian law reverse merger of the Company into a company incorporated in Belgium as a *naamloze vennootschap/société anonyme* in connection with the (indirect) acquisition by the Company of SABMiller plc.

“**Non-Acceptable L/C Lender**” means a Lender under the Revolving Facility which:

- (a) has a rating for its long-term unsecured and non credit enhanced debt obligations below A- by S&P or Fitch Ratings Ltd or below A3 by Moody’s or a comparable rating from an internationally recognised credit rating agency (other than (i) a Lender as at the 2021 Amendment and Restatement Date (provided that such Lender’s rating for its long-term unsecured and non credit enhanced debt obligations at the relevant time is not lower than it was at the 2021 Amendment and Restatement Date) or (ii) a Lender which each Issuing Bank has agreed is acceptable to it notwithstanding that fact); or
- (b) is a Defaulting Lender; or
- (c) has failed to make (or has notified the Agent that it will not make) a payment to be made by it under Clause 7.3 (*Indemnities*) or Clause 35.11 (*Lenders’ indemnity to the Agent*) or any other payment to be made by it under the Finance Documents to or for the account of any other Finance Party in its capacity as Lender by the due date for payment unless the failure to pay falls within the description of any of those items set out at (i)-(ii) of the definition of Defaulting Lender.



“**Non-Cooperative Jurisdiction**” means a tax haven country, a low-tax jurisdiction or a non-cooperative jurisdiction within the meaning of article 307, §1/2 of the Belgian Income Tax Code 1992 or any successor provision.

“**Non-Material Obligor**” means an Obligor which is not a Material Subsidiary and is not a Borrower.

“**Non-Obligor**” means a member of the Group which is not an Obligor.

“**Obligor**” means a Borrower or a Guarantor.

“**Obligors’ Agent**” means the Company, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.4 (*Obligors’ Agent*).

“**Optional Currency**” means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

“**Original Borrower**” means the Company and ABIWW.

“**Original Financial Statements**” means the Company’s consolidated audited financial statements for its financial year ended 31 December 2009.

“**Original Obligor**” means an Original Borrower or an Original Guarantor.

“**Other Guaranteed Facilities**” means:

- (a) any debt securities issued by Anheuser-Busch under any of the following indentures:
  - (i) the Indenture, dated 1 August 1995 among Anheuser-Busch (formerly known as Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A., (as successor to Chemical Bank) as trustee;
  - (ii) the Indenture, dated 1 July 2001 among Anheuser-Busch (formerly known as Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Chase Manhattan Bank), as trustee; and
  - (iii) the Indenture, dated 1 October 2007 among Anheuser-Busch (formerly known as Anheuser-Busch Companies, Inc.) and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee;
- (b) any debt securities issued or guaranteed by Brandbrew or Brandbev under the €40,000,000,000 (originally €15,000,000,000) Euro Medium Term Note Programme originally entered into on 16 January 2009;
- (c) any debt securities guaranteed by Brandbrew or Brandbev under the A\$3,000,000,000 Medium Term Note Program issued by Anheuser-Busch InBev Worldwide Inc. originally entered into on 14 November 2016, as the same may be amended from time to time;



- (d) any debt securities guaranteed by Brandbrew or Brandbev under the Indenture dated 12 January 2009, among ABIWW, the Company, the subsidiary guarantors listed therein and the Bank of New York Mellon, New York Branch as trustee;
- (e) any bonds guaranteed by Brandbrew or Brandbev under the Indenture, dated 16 October 2009 among ABIWW, the Company, the subsidiary guarantors named therein and the Bank of New York Mellon Trust Company, N.A., as trustee;
- (f) any debt securities guaranteed by Brandbrew or Brandbev under the U.S. commercial paper programme of short-term notes due up to maximum of 364 days from the date of issue issued by ABIWW pursuant to dealer agreements, an issuing and paying agency agreement, the master note, guarantees and private placement memoranda, each dated on or around 6 June 2011 and, as applicable, amended and restated on or around 20 August 2014 and further amended and restated on or around November 18, 2019;
- (g) any debt securities guaranteed by Brandbev or Brandbrew under the Indenture among ABIFI, the Issuer, Brandbev, Brandbrew, the other subsidiary guarantors listed therein and The Bank of New York Mellon Trust Company, N.A. as trustee entered into on 17 January 2013;
- (h) any debt securities guaranteed by Brandbev or Brandbrew under the Indenture among ABIFI, the Issuer, Brandbev, Brandbrew, the other subsidiary guarantors listed therein and The Bank of New York Mellon Trust Company, N.A. as trustee entered into on 25 January 2016;
- (i) any debt securities guaranteed by Brandbrew or Brandbev under an Indenture, dated 16 December 2016 among ABIWW, the Issuer, the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee;
- (j) any debt securities guaranteed by Brandbev or Brandbrew under the Indenture among ABIFI, the Issuer, Brandbev, Brandbrew, the other subsidiary guarantors listed therein and The Bank of New York Mellon Trust Company, N.A. as trustee entered into on 15 May 2017;
- (k) any bonds guaranteed by Brandbev and Brandbrew under the Indenture, dated 4 April 2018 among ABIWW and The Bank of New York Mellon Trust Company, N.A., as trustee;
- (l) any bonds guaranteed by Brandbev and Brandbrew under the Indenture, dated 13 November 2018 among Anheuser-Busch and ABIWW and The Bank of New York Mellon Trust Company, N.A., as trustee; and
- (m) any refinancing (in whole or part) of any of the above items or this Agreement for the same or a lower amount.



“**Overall Commitment**” of a Lender means:

- (a) its Revolving Facility Commitment; or
- (b) in the case of a Dollar Swingline Lender or a Euro Swingline Lender that does not have a Revolving Facility Commitment, the Revolving Facility Commitment of a Lender that is an Affiliate of that Dollar Swingline Lender or Euro Swingline Lender.

“**Parent Contribution Agreement**” means the parent contribution agreement to be entered into between the Company and ABIWW, in the agreed form or in form and substance equivalent in all material respects to the parent contribution agreement entered into in relation to the Existing Credit Facilities.

“**Participating Member State**” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to this Agreement.

“**PBGC**” means the U.S. Pension Benefit Guaranty Corporation, or any entity succeeding to all or any of its functions under ERISA.

“**Permitted Reorganisation**” has the meaning given to that term in Clause 31.4 (*Merger*).

“**Permitted Security**” means:

- (a) the Security listed in the document referred to in paragraph 14 of Schedule 2 (*Conditions Precedent to the 2021 Effective Date*) to the 2021 Amendment and Restatement Agreement except to the extent the principal amount secured by that Security exceeds the amount stated in that document;
- (b) any Security entered into pursuant to any Finance Document;
- (c) any lien arising by operation of law and in the ordinary course of business;
- (d) any Security over or affecting any asset acquired by a member of the Group after the date of this Agreement if:
  - (i) the Security was not created in contemplation of the acquisition (or proposed acquisition) of that asset by a member of the Group; and
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition (or proposed acquisition) of that asset by a member of the Group;
- (e) any Security over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security is created prior to the date on which that company becomes a member of the Group, if:
  - (i) the Security was not created in contemplation of the acquisition (or proposed acquisition) of that company; and
  - (ii) the principal amount secured has not increased in contemplation of or since the acquisition (or proposed acquisition) of that company;



- (f) any Security created in the ordinary course of business to secure any excise or import taxes or duties owed to any state or state agency or authority (among others and without limitation, a mortgage over any real property required by the relevant state, state agency or authority to secure the type of taxes or duties mentioned above will be considered as within the ordinary course of business);
- (g) any Security arising out of rights of consolidation, combination, netting or set-off over any current and/or deposit accounts with a bank or financial institution, where it is necessary to agree to those rights in connection with the opening or operation of any bank accounts or in connection with a treasury management arrangement operated by a member of the Group, in each case, in the ordinary course of its business or risk management;
- (h) any Security resulting from retention of title or conditional sale arrangements which are contained in the normal terms of supply of a supplier of goods to a member of the Group, where the goods are acquired by such member of the Group in the ordinary course of business and the arrangements do not constitute Financial Indebtedness;
- (i) any Security arising out of rights of netting or set-off arrangements which are contained in the normal terms of supply of a supplier of goods and/or services to a member of the Group, where the goods are acquired or services utilised by such member of the Group in the ordinary course of business and the arrangements do not constitute Financial Indebtedness;
- (j) any Security arising in the ordinary course of business of a member of the Group in relation to that Group member's participation in or trading on or through a clearing system or investment, commodity or stock exchange, where, in each case, the Security arises under the rules or normal procedures or legislation governing the clearing system or exchange and neither with the intention of creating security nor in connection with the borrowing or raising of money;
- (k) any Security created by a member of the Group in favour of an Obligor;
- (l) any Security created pursuant to or in respect of any Judicial Deposit;
- (m) any Security created or outstanding with the prior written consent of the Majority Lenders;
- (n) pledges over and assignments of documents of title, insurance policies and sale contracts in relation to goods or services created or made in the ordinary course of business of a member of the Group to secure the purchase price of such goods or services;
- (o) any Security created by an Excluded Subsidiary; or
- (p) any Security over or affecting any assets of the Group which does not fall within any of paragraphs (a) to (o) above **provided that** the total of (i) the aggregate amount of Financial Indebtedness secured by all Security referred to in this paragraph (p) and (ii) the total amount of Subsidiary Financial Indebtedness (without double counting Subsidiary Financial Indebtedness incurred under sub-paragraph (i) of this paragraph (p)) does not, at any time, exceed US\$6,000,000,000 (or its equivalent in any other currency).



“**Plan**” means a Single Employer Plan or a Multiple Employer Plan.

“**Qualifying Lender**” has the meaning given to that term in Clause 23 (*Tax Gross-up and Indemnities*).

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined:

- (a) (if the currency is sterling) the first day of that period;
- (b) (if the currency is euro) two TARGET Days before the first day of that period; or
- (c) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given by leading banks in the Relevant Market on more than one day, the Quotation Day will be the last of those days).

“**Quoted Tenor**” means, in relation to the Screen Rate for a Term Reference Rate applicable to Revolving Facility Loans in a currency, any period for which that Screen Rate is customarily displayed on the relevant page or screen of an information service.

“**Rate Switch Currency**” means any currency for which there are Compounded Rate Terms.

“**Rate Switch Date**” means:

- (a) in relation to a Rate Switch Currency, the earlier of:
  - (i) the Backstop Rate Switch Date; and
  - (ii) any Rate Switch Trigger Event Date,for that Rate Switch Currency; or
- (b) in relation to a Rate Switch Currency which:
  - (i) becomes a Rate Switch Currency after the 2021 Amendment and Restatement Date; and
  - (ii) for which there is a date specified as the “Rate Switch Date” in the Compounded Rate Terms for that currency, that date.





“Rate Switch Trigger Event” means:

- (a) in relation to any Rate Switch Currency and the Screen Rate for the Term Reference Rate applicable to Revolving Facility Loans in that Rate Switch Currency:
  - (i)
    - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
    - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,  
**provided that**, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
  - (ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate for any Quoted Tenor permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate for that Quoted Tenor;
  - (iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued for any Quoted Tenor; or
  - (iv) the administrator of that Screen Rate or its supervisor publicly announces that that Screen Rate for any Quoted Tenor may no longer be used; and
- (b) in relation to any Rate Switch Currency and the Screen Rate for the LIBOR applicable to Revolving Facility Loans in that Rate Switch Currency, the supervisor of the administrator of that Screen Rate publicly announces or publishes information:
  - (i) stating that that Screen Rate for any Quoted Tenor is no longer, or as of a specified future date will no longer be, representative of the underlying market and the economic reality that it is intended to measure and that such representativeness will not be restored (as determined by such supervisor); and
  - (ii) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication.



“**Rate Switch Trigger Event Date**” means, in relation to a Rate Switch Currency:

- (a) in the case of an occurrence of a Rate Switch Trigger Event for that Rate Switch Currency described in paragraph (a)(i) of the definition of Rate Switch Trigger Event, the date on which the relevant Screen Rate ceases to be published or otherwise becomes unavailable;
- (b) in the case of an occurrence of a Rate Switch Trigger Event for that Rate Switch Currency described in paragraphs (a)(ii), (a)(iii) or (a)(iv) of the definition of Rate Switch Trigger Event, the date on which the relevant Screen Rate for the relevant Quoted Tenor ceases to be published or otherwise becomes unavailable; and
- (c) in the case of an occurrence of a Rate Switch Trigger Event for that Rate Switch Currency described in paragraph (b) of the definition of Rate Switch Trigger Event, the date on which the relevant Screen Rate for the relevant Quoted Tenor ceases to be representative of the underlying market and the economic reality that it is intended to measure (as determined by the supervisor of the administrator of such Screen Rate).

“**Recycled Content**” means the percentage of PET recycled content used in PET primary packaging, as determined on the basis of the methodology used for the determination of the relevant metric in the Initial Sustainability KPI Report.

“**Recycled Content Target**” means, in respect of any financial year of the Company commencing with the financial year ending on 31 December 2021, the Recycled Content target, as set out in the following table:

<u>Financial year</u>	<u>Target (%)</u>
Financial year ending on 31 December 2021	25
Financial year ending on 31 December 2022	28
Financial year ending on 31 December 2023	30
Financial year ending on 31 December 2024	35
Financial year ending on 31 December 2025	40
Financial year ending on 31 December 2026	45
Financial year ending on 31 December 2027	50

“**Reference Bank Quotation**” means any quotation supplied to the Agent by a Reference Bank.

“**Reference Bank Rate**” means:

- (a) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:
  - (i) in relation to LIBOR as either:
    - (A) if:
      - (1) the Reference Bank is a contributor to the applicable Screen Rate; and



- (2) it consists of a single figure,  
the rate (applied to the relevant Reference Bank and the relevant currency and period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator; or
- (B) in any other case, the rate at which the relevant Reference Bank could fund itself in the relevant currency for the relevant period with reference to the unsecured wholesale funding market; or
- (ii) in relation to EURIBOR:
  - (A) (other than where paragraph (B) below applies) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period; or
  - (B) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator; or
- (iii) in relation to €STR, an amount equal to:
  - (A) the rate which represents the relevant Reference Bank's wholesale unsecured overnight borrowing costs for euro denominated amounts for the relevant day;  
*minus*
  - (B) the €STR Spread.

“**Reference Banks**” means such banks as may be appointed by the Agent from time to time in consultation with the Company (provided that such entity has consented to its appointment).

“**Regulations T, U and X**” means, respectively, Regulations T, U and X of the Board of Governors of the Federal Reserve System of the United States (or any successor) as now and from time to time in effect from the date of this Agreement.

“**Related Fund**” in relation to a fund (the first fund), means a fund which is managed or advised by the same investment manager or adviser as the first fund or, if it is managed by a different investment manager or adviser, a fund whose investment manager or adviser is an Affiliate of the investment manager or adviser of the first fund.



“**Relevant Borrower**” means, in relation to a Loan, the Borrower which borrowed such Loan.

“**Relevant Jurisdiction**” means, in relation to an Obligor, its jurisdiction of incorporation.

“**Relevant Market**” means:

- (a) subject to paragraph (b) below:
  - (i) in relation to euro, and subject to paragraph (ii) below, the European interbank market;
  - (ii) in relation to euro and the Euro Swingline Facility, the Euro wholesale market;
  - (iii) in relation to any other currency, the London interbank market; and
- (b) in relation to a Compounded Rate Currency, the market specified as such in the applicable Compounded Rate Terms.

“**Relevant Tenor**” has the meaning given to that term in the applicable Compounded Rate Terms.

“**Renewal Request**” means a written notice delivered to the Agent in accordance with Clause 6.6 (*Renewal of a Letter of Credit*).

“**Renewable Electricity**” means the percentage of global electricity under contract in respect of the Group’s beverage facilities and Vertical Operations which is attained from renewable sources, as determined on the basis of the methodology used for the determination of the relevant metric in the Initial Sustainability KPI Report.

“**Renewable Electricity Target**” means, in respect of any financial year of the Company commencing with the financial year ending on 31 December 2021, the Renewable Electricity target, as set out in the following table:

<u>Financial year</u>	<u>Target (%)</u>
Financial year ending on 31 December 2021	70
Financial year ending on 31 December 2022	73
Financial year ending on 31 December 2023	80
Financial year ending on 31 December 2024	86
Financial year ending on 31 December 2025	90
Financial year ending on 31 December 2026	95
Financial year ending on 31 December 2027	100



“**Repeating Representations**” means each of the representations set out in Clause 29.2 (*Status*) to Clause 29.6 (*Validity and admissibility in evidence*), paragraphs (a) and (b) of Clause 29.8 (*No default*) and Clause 29.11 (*Pari passu ranking*).

“**Resignation Letter**” means a letter substantially in the form set out in Schedule 5 (*Form of Resignation Letter*).

“**Restricted Person**” means any person:

- (a) included on the “consolidated list of financial sanctions targets” maintained by HM Treasury;
- (b) in a country which is subject to United Nations sanctions;
- (c) included on the list of “Specially Designated Nationals and Blocked Persons” maintained by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury, as updated or amended from time to time, or any similar list issued by OFAC;
- (d) whose property has been blocked, or is subject to seizure, forfeiture or confiscation, by any order relating to terrorism or money laundering issued by the President, Attorney General, Secretary of State, Secretary of Defense, Secretary of the Treasury or any other U.S. State or Federal governmental official or entity; or
- (e) included on the “List of Persons and Entities Subject to Financial Sanctions” or any similar list maintained by the European Union.

“**Revolving Facility**” means the revolving credit facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

“**Revolving Facility Commitment**” means:

- (a) in relation to a Lender as at the 2021 Amendment and Restatement Date, the amount in the Base Currency set opposite its name under the heading “Revolving Facility Commitment” in Part 3A of Schedule 1 (*The 2021 Amendment and Restatement Date Parties*) and the amount of any other Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Lender, the amount in the Base Currency of any Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Revolving Facility Loan**” means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan.

“**Revolving Facility Utilisation**” means a Revolving Facility Loan or a Letter of Credit.



“**RFR**” means the rate specified as such in the applicable Compounded Rate Terms.

“**RFR Banking Day**” means any day specified as such in the applicable Compounded Rate Terms.

“**Rollover Loan**” means one or more Revolving Facility Loans:

- (a) made or to be made on the same day that:
  - (i) a maturing Revolving Facility Loan is due to be repaid; or
  - (ii) a demand by the Agent pursuant to a drawing in respect of a Letter of Credit is due to be met;
- (b) the aggregate amount of which is equal to or less than the maturing Revolving Facility Loan or the relevant claim in respect of that Letter of Credit;
- (c) in the same currency as the maturing Revolving Facility Loan (unless it arose as a result of the operation of Clause 14.2 (*Unavailability of a currency*)) or the relevant claim in respect of that Letter of Credit; and
- (d) made or to be made to the same Borrower for the purpose of:
  - (i) refinancing that maturing Revolving Facility Loan; or
  - (ii) satisfying the relevant claim in respect of that Letter of Credit.

“**Sale**” means the sale of all or substantially all of the assets of the Company (whether in a single transaction or a series of related transactions).

“**Sanctioned Country**” means a country or territory that is the subject of comprehensive Sanctions (being, as at the 2021 Amendment and Restatement Date, the Crimea, Cuba, Iran, North Korea, and Syria).

“**Sanctions**” means:

- (a) United Nations sanctions imposed pursuant to any United Nations Security Council Resolution;
- (b) US sanctions administered or enforced by the Office of Foreign Assets Control of the US Department of the Treasury or the US Department of State;
- (c) EU restrictive measures implemented pursuant to any EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU’s Common Foreign and Security Policy; and
- (d) UK sanctions (i) enacted by secondary legislation pursuant to the Sanctions and Anti-Money Laundering Act 2018; and/or (ii) administered or enforced by Her Majesty’s Treasury of the UK.

“**S&P**” means Standard & Poor’s Rating Group, a division of The McGraw-Hill Companies, or any successor thereto.



“Screen Rate” means:

- (a) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);
- (b) in relation to EURIBOR, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); or
- (c) in relation to €STR, the euro short-term rate administered by the European Central Bank (or any other person which takes over the administration of that rate) displayed (before any correction, recalculation or republication by the administrator) on page EURSTR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate),

or, in the case of paragraphs (b) and (c), on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

“Second Extended Final Termination Date” has the meaning given to such term in Clause 5.6 (*Extension Option*).

“Security” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Separate Loan” has the meaning given to that term in Clause 15 (*Repayment*).

“Shareholders’ Approval” means the valid adoption of a resolution by the shareholders’ meeting of the Company validly approving (a) Clause 17 (*Mandatory Prepayment*) and (b) any other provision in this 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 occurrence of a public take-over bid or a Change of Control, in accordance with article 7:151 of the Belgian Companies and Associations Code.

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, subject to Title IV of ERISA, that (a) is maintained or contributed to by any Obligor or any ERISA Affiliate for employees of any Obligor or any ERISA Affiliate and no person other than the Obligors and the ERISA Affiliates or (b) was so maintained or contributed to and in respect of which any Obligor or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.





“**Specified Time**” means a day or time determined in accordance with Schedule 6 (*Timetables*).

“**Subsidiary**” means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting share capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

“**Subsidiary Financial Indebtedness**” means the aggregate Financial Indebtedness of the Group (calculated on a consolidated basis) minus:

- (a) an amount equal to the aggregate principal or capital amount of all existing subsidiary financial indebtedness listed in the document referred to in paragraph 15 of Schedule 2 (*Conditions Precedent to the 2021 Effective Date*) to the 2021 Amendment and Restatement Agreement;
- (b) any Financial Indebtedness of any person who becomes a member of the Group after the date of this Agreement which is incurred under arrangements in existence at the date that person becomes a member of the Group (and not entered into in contemplation of that person becoming (or proposed to be becoming) a member of the Group), but only for a period of one year from the date that person becomes a member of the Group and only to the extent the principal amount of the Financial Indebtedness has not been incurred since the date that person became a member of the Group;
- (c) any Financial Indebtedness of a Non-Obligor where (i) such Non-Obligor has on-lent substantially the entire proceeds of such Financial Indebtedness to one or more Obligor; and (ii) such Non-Obligor holds no material assets other than its claims against such Obligor or Obligor in relation to such loans;
- (d) any Financial Indebtedness of an Obligor; and
- (e) any Financial Indebtedness of Ambev (or any Subsidiary of Ambev) until such time as Ambev becomes a wholly-owned Subsidiary of the Company.

“**Super Majority Lenders**” means a Lender or Lenders whose Commitments aggregate more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments immediately prior to that reduction).

“**Sustainability Compliance Certificate**” means a certificate substantially in the form set out in Schedule 15 (*Form of Sustainability Compliance Certificate*).

“**Sustainability Discount**” means the [\*\*\*]% Sustainability Discount, the [\*\*\*]% Sustainability Discount and the [\*\*\*]% Sustainability Discount, each as defined in paragraphs (i), (ii) and (iii) of Clause 19.4 (*Calculation of Margin – Sustainability Discount and Sustainability Premium*).



“**Sustainability Performance Targets**” means each of the following targets:

- (a) the Total Water Use Target;
- (b) the Recycled Content Target;
- (c) the Renewable Electricity Target; and
- (d) the GHG Emissions Target.

“**Sustainability Premium**” has the meaning given to that term in Clause 19.4 (*Calculation of Margin – Sustainability Discount and Sustainability Premium*) (subject to any amendment in accordance with Clause 19.7 (*Changes to the Greenhouse Gas Protocol*)).

“**Sustainability Report Assurer**” means KPMG Bedrijfsrevisoren CVBA or any other firm appointed by the Company from time to time to provide an independent practitioner’s limited assurance report in respect of the sustainability report section of the Annual Report to the stakeholders of the Company.

“**Syndication Date**” means the day on which the Agent confirms (for and on behalf of the Arrangers) that syndication of the Facilities has been completed.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Term**” means each period determined under this Agreement for which the Issuing Bank is under a liability under a Letter of Credit.

“**Term Rate Loan**” means any Revolving Facility Loan or, if applicable, Unpaid Sum which is not a Compounded Rate Loan.

“**Term Reference Rate**” means:

- (a) in relation to any Revolving Facility Loan in US\$ or Sterling, LIBOR; or
- (b) in relation to any Revolving Facility Loan in euro, EURIBOR.

“**Total Commitments**” means US\$10,100,000,000 at the 2021 Amendment and Restatement Date.

“**Total Dollar Swingline Commitments**” means the aggregate of the Dollar Swingline Commitments, being \$3,000,000,000 at the 2021 Amendment and Restatement Date.

“**Total Euro Swingline Commitments**” means the aggregate of the Euro Swingline Commitments, being €2,000,000,000 at the 2021 Amendment and Restatement Date.



“**Total Revolving Facility Commitments**” means the aggregate of the Revolving Facility Commitments, being US\$10,100,000,000 at the 2021 Amendment and Restatement Date.

“**Total Water Use**” means the number of hectolitres of water used by the Group by hectolitre of production at its beverage facilities (excluding Vertical Operations) as determined on the basis of the methodology used for the determination of the relevant metric in the Initial Sustainability KPI Report.

“**Total Water Use Target**” means, in respect of any financial year of the Company commencing with the financial year ending 31 December 2021, a target of the Total Water Use for any Financial Year, as set out in the following table:

<b>Financial year</b>	<b>Target (hl/hl)</b>
Financial year ending on 31 December 2021	2.65
Financial year ending on 31 December 2022	2.62
Financial year ending on 31 December 2023	2.58
Financial year ending on 31 December 2024	2.55
Financial year ending on 31 December 2025	2.51
Financial year ending on 31 December 2026	2.48
Financial year ending on 31 December 2027	2.45

“**Transfer Certificate**” means a certificate substantially in the form set out in Part 5 of Schedule 3 (*Requests*) or any other form agreed between the Agent and the Company.

“**Transfer Date**” means, in relation to a transfer, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) the date on which the Agent executes the Transfer Certificate.

“**UK Blocking Regulation**” means Regulation (EU) No 2271/96 of the European Parliament and of the Council of 22 November 1996 protecting against the effects of the extraterritorial application of legislation adopted by a third country, and actions based on or resulting therefrom as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

“**Undisclosed Administration**” means an undisclosed administration (*stille curatele*) applicable to a Lender, imposed by the DCB under or based on section 1:76 of the DFSA, as to Lenders which are the subject of home jurisdiction supervision by the DCB under the DFSA and in relation to which the DCB has not publicly disclosed the appointment of a custodian (curator) with regard to the relevant Lender.



“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**US Dollar**”, “**US Dollars**”, “**US\$**”, “**dollar**” and “**\$**” means the lawful currency of the United States of America from time to time.

“**U.S.**” and “**United States**” means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

“**U.S. Borrower**” means a Borrower whose jurisdiction of organisation is a state of the United States of America or the District of Columbia.

“**U.S. Guarantor**” means a Guarantor whose jurisdiction of organisation is a state of the United States of America or the District of Columbia.

“**U.S. Obligor**” means any U.S. Borrower or U.S. Guarantor.

“**U.S. Tax**” means any federal, state, local income, gross receipts, license, premium, windfall profits, customs duties, capital stock, franchise, profits, withholding, social security (or similar), real property, personal property, sales, use, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, imposed by the United States or any political subdivision thereof or taxing authority therein, including any interest, penalty or addition thereto, whether disputed or not.

“**U.S. Tax Obligor**” means:

- (a) a Borrower which is resident for tax purposes in the US; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

“**Utilisation**” means a Loan or a Letter of Credit.

“**Utilisation Date**” means the date on which a Utilisation is made.

“**Utilisation Request**” means a notice substantially in the relevant form set out in Part 1 of Schedule 3 (*Requests*).

“**VAT**” means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) as amended; and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

“**Vertical Operations**” means plants of the Group which do not produce beer, water or soft drinks (including, but not limited to, malting plants and packaging facilities).



“**Withdrawal Liability**” has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

1.2 **Construction**

- (a) Unless a contrary indication appears, a reference in this Agreement to:
- (i) the “**Agent**”, an “**Arranger**”, any “**Finance Party**”, any “**Issuing Bank**”, any “**Lender**”, any “**Obligor**”, any “**Party**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (ii) a document in “**agreed form**” is a document which is in a form agreed in writing by or on behalf of the Company and the Agent;
  - (iii) “**assets**” includes present and future properties, revenues and rights of every description;
  - (iv) a Lender’s “**cost of funds**” in relation to its participation in a Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in that Loan for a period equal in length to the Interest Period of that Loan;
  - (v) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
  - (vi) “**guarantee**” means (other than in Clause 28 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to provide assurance to the beneficiary of such guarantee that another person will or can meet any of its liabilities;
  - (vii) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (viii) a Lender’s “**participation**” in relation to a Letter of Credit, shall be construed as a reference to the relevant amount that is or may become payable by a Lender in relation to that Letter of Credit;
  - (ix) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);



- (x) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (xi) the “**date of this Agreement**” means 26 February 2010;
- (xii) a provision of law is a reference to that provision as amended or re-enacted from time to time; and
- (xiii) a time of day is a reference to London time.
- (b) The determination of the extent to which a rate is “**for a period equal in length**” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Section, Clause and Schedule headings are for ease of reference only.
- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (e) A Borrower providing “**cash cover**” for a Letter of Credit means a Borrower paying an amount in the currency of the Letter of Credit to an interest-bearing account in the name of the Borrower and the following conditions being met:
  - (i) the account is with the Agent (if the cash cover is to be provided for all the Lenders) or with a Lender (if the cash cover is to be provided for that Lender);
  - (ii) subject to paragraph (b) of Clause 7.5 (*Cash cover by Borrower*), until no amount is or may be outstanding under that Letter of Credit, withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Letter of Credit; and
  - (iii) the Borrower has executed a security document over that account, in form and substance satisfactory to the Agent or the Lender with which that account is held, creating a first ranking Security over that account.
- (f) A Default or an Event of Default is “**continuing**” if it has not been remedied or waived in writing.
- (g) A Borrower “**repaying**” or “**prepaying**” a Letter of Credit means:
  - (i) that Borrower providing cash cover for that Letter of Credit;
  - (ii) the maximum amount payable under the Letter of Credit being reduced or cancelled in accordance with its terms; or



(iii) the Issuing Bank being satisfied that it has no further liability under that Letter of Credit,

and the amount by which a Letter of Credit is repaid or prepaid under paragraphs (g)(i) and (g)(ii) above is the amount of the relevant cash cover or reduction.

- (h) An amount “**borrowed**” includes any amount utilised by way of Letter of Credit.
- (i) A Lender “**funding its participation**” in a Utilisation includes a Lender participating in a Letter of Credit.
- (j) An “**outstanding amount**” of a Letter of Credit at any time is the maximum amount that is or may be payable by the Relevant Borrower in respect of that Letter of Credit at that time.
- (k) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:
  - (i) any replacement page of that information service which displays that rate; and
  - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Agent after consultation with the Company.

- (l) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.
- (m) Any Compounded Rate Supplement relating to a currency overrides anything relating to that currency in:
  - (i) Schedule 13 (*Compounded Rate Terms*); or
  - (ii) any earlier Compounded Rate Supplement.
- (n) A Compounding Methodology Supplement relating to the Daily Non- Cumulative Compounded RFR Rate overrides anything relating to that rate in:
  - (i) Schedule 14 (*Daily Non-Cumulative Compounded RFR Rate*); or
  - (ii) any earlier Compounding Methodology Supplement.

### 1.3 Dutch terms

In this Agreement, where it relates to a Dutch entity, a reference to:

- (a) a “**necessary action to authorise**” where applicable, includes without limitation:
  - (i) any action required to comply with the Works Councils Act of the Netherlands (*Wet op de ondernemingsraden*); and





- (ii) obtaining an unconditional positive advice (*advies*) from the competent works council(s);
- (b) “**financial assistance**” means any act contemplated by:
  - (i) (for a *besloten vennootschap met beperkte aansprakelijkheid*) Article 2:207(c) of the Dutch Civil Code; or
  - (ii) (for a *naamloze vennootschap*) Article 2:98(c) of the Dutch Civil Code;
- (c) a “**Security**” includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right *in rem* (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);
- (d)
  - (i) a “**winding-up**”, “**administration**” or “**dissolution**” includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);
  - (ii) a “**moratorium**” includes *surseance van betaling* and “**a moratorium is declared**” or occurs includes *surseance verleend*;
  - (iii) any “**step**” or “**procedure**” taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*);
  - (iv) a “**trustee in bankruptcy**” includes a curator;
  - (v) an “**administrator**” includes a *bewindvoerder*; and
  - (vi) an “**attachment**” includes a *beslag*.

#### 1.4 Luxembourg terms

In this Agreement, where it relates to any Luxembourg Obligor, a reference to:

- (a) “**constitutional documents**” includes its articles of association;
- (b) a “**liquidator**”, “**trustee in bankruptcy**”, “**judicial custodian**”, “**compulsory manager**”, “**receiver**”, “**administrator receiver**”, “**administrator**” or similar officer includes any:
  - (i) *juge-commissaire* and/or insolvency receiver (*curateur*) appointed under the Luxembourg Commercial Code;



- (ii) *liquidateur* appointed under Articles 1100-1 to 1100-15 of the Luxembourg act of 10 August 1915 on commercial companies, as amended;
- (iii) *juge-commissaire* and/or *liquidateur* appointed under Article 1200-1 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended;
- (iv) commissaire appointed under the Grand-Ducal decree of 24 May 1935 on the controlled management regime or under Articles 593 to 614 of the Luxembourg Commercial Code; and
- (v) *juge délégué* appointed under the Luxembourg act of 14 April 1886 on the composition to avoid bankruptcy, as amended;
- (c) a “**winding-up**”, “**administration**” or “**dissolution**” includes, without limitation, bankruptcy (*faillite*), liquidation, composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*) and controlled management (*gestion contrôlée*); and
- (d) a person being “**unable to pay its debts**” includes that person being in a state of cessation of payments (*cessation de paiements*).

### 1.5 Belgian terms

In this Agreement, a reference (in the context of Belgian law or a Belgian Obligor) to:

- (a) a “**liquidator**”, “**trustee in bankruptcy**”, “**receiver**”, “**administrative receiver**”, “**administrator**” (in relation to a bankruptcy) or “**similar officer**” includes any *insolventiefunctionaris/praticien de l’insolvabilité, curator / curateur, vereffenaar / liquidateur, gedelegeerd rechter / juge délégué, gerechtsmandataris / mandataire de justice, voorlopig bewindvoerder / administrateur provisoire, gerechtelijk bewindvoerder/administrateur judiciaire, mandataris ad hoc/mandataire ad hoc and ondernemingsbemiddelaar/médiateur d’entreprise*, as applicable;
- (b) a person being “**unable to pay**” its debts is that person being in a state of cessation of payments (*staking van betaling / cessation de paiements*);
- (c) a “**moratorium**” or “**reorganisation**” includes any *gerechtelijke reorganisatie/réorganisation judiciaire* or *staking van betaling/cessation de paiements*;
- (d) “commences negotiations with any one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to the general readjustment or rescheduling of all or a material part of its indebtedness” includes any negotiations conducted with a view to reaching a settlement agreement (*minnelijk akkoord/accord amiable*) with two or more of its creditors pursuant to Book XX of the Belgian Economic Law Code (*Wetboek Economisch Recht/Code de droit économique*);



- (e) an “**insolvency**” includes any *insolventieprocedure/procedure d’insolvabilité, gerechtelijke reorganisatie / réorganisation judiciaire, faillissement / faillite* and any other concurrence between creditors (*samenloop van schuldeisers / concours des créanciers*);
- (f) a “**composition**”, “**compromise**”, “**assignment**” or “**arrangement**” includes a *minnelijk akkoord met schuldeisers/accord amiable avec des créanciers, collectief akkoord/accord collectif* or *reorganisatie door overdracht onder gerechtelijk gezag/réorganisation par transfert sous autorité de justice*, as applicable;
- (g) “**winding up**”, “**administration**”, “**liquidation**” or “**dissolution**” includes any *vereffening / liquidation, ontbinding / dissolution, faillissement / faillite* and *sluiting van een onderneming / fermeture d’entreprise*;
- (h) an “**expropriation**”, “**attachment**”, “**sequestration**”, “**distress**”, “**execution**” or “**analogous events**” includes any *onteigening/expropriation, uitvoerend beslag / saisie exécutoire, sekwester/séquestre* and *bewarend beslag / saisie conservatoire*;
- (i) a “**Security**” includes any mortgage (*hypothek / hypothèque*), pledge (*pand / gage*), any mandate to grant a mortgage or pledge or any other real security (*mandaat/mandate*) (privilege (*voorrecht / privilège*), reservation of title arrangement (*eigendomsvoorbehoud / réserve de propriété*), any real surety (*zakelijke zekerheid / sûreté réelle*) and any transfer by way of security (*overdracht ten titel van zekerheid / transfert à titre de garantie*);
- (j) an “**amalgamation**”, “**demerger**”, “**merger**”, “**consolidation**” includes an *overdracht van algemeenheid/transfert d’universalité, overdracht van bedrijfstak/transfert de branche d’activité, splitsing/scission* and *fusie/fusion* and an assimilated transaction (*gelijkgestelde verrichting/opération assimilée*) in accordance with the Belgian Companies and Associations Code;
- (k) “**constitutional documents**” means *de oprichtingsakte / acte constitutif, statuten / statuts* and *uittreksel van de Kruispuntbank voor Ondernemingen / Banque Carrefour des Entreprises*; and
- (l) “**guarantee**” means, only for the purpose of the guarantee granted by a Belgian Obligor pursuant to Clause 28 (*Guarantee and Indemnity*), an independent guarantee and not a surety (*borg / cautionnement*).

#### 1.6 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.



2. **THE FACILITIES**

2.1 **The Facilities**

- (a) Subject to the terms of this Agreement, the Lenders make available to the Borrowers, a multicurrency revolving credit facility in an aggregate amount the Base Currency Amount of which is equal to the Total Revolving Facility Commitments.
- (b) Any Borrower will be permitted to borrow (on a several basis) under the Revolving Facility.

2.2 **Increase**

- (a) The Company may by giving prior written notice to the Agent by no later than the date falling five Business Days after the effective date of a cancellation of:
  - (i) the Commitments of a Lender in accordance with:
    - (A) Clause 16.1 (*Illegality*); or
    - (B) paragraph (a) of Clause 16.5 (*Right of replacement or repayment and cancellation in relation to a single Lender or Issuing Bank*); or
  - (ii) the Available Commitments of a Defaulting Lender in accordance with Clause 16.6 (*Right of cancellation in relation to a Defaulting Lender*),

request that the Commitments relating to any Facility be increased (and the Commitments relating to that Facility shall be so increased) in an aggregate amount in the Base Currency (or, in the case of a Euro Swingline Commitment, in euro) of up to the amount of the Available Commitments or Commitments relating to that Facility so cancelled as follows:

- (iii) the increased Commitments will be assumed by one or more Eligible Institutions (each an “**Increase Lender**”) each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender in respect of those Commitments;
- (iv) each of the Obligor and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligor and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;
- (v) each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;



- (vi) the Commitments of the other Lenders shall continue in full force and effect; and
- (vii) any increase in the Commitments relating to a Facility shall take effect on the date specified by the Company in the notice referred to above or any later date on which the Agent executes an otherwise duly completed Increase Confirmation delivered to it by the relevant Increase Lender.
- (b) The Agent shall subject to paragraph (c) below, as soon as reasonably practicable after receipt by it of a duly completed Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Increase Confirmation.
- (c) The Agent shall only be obliged to execute an Increase Confirmation delivered to it by an Increase Lender once:
  - (i) it is satisfied that it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender; and
  - (ii) in the case of an increase in the Total Revolving Facility Commitments, the Issuing Bank has consented to that increase.
- (d) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.
- (e) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a letter between the Company and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph (e).
- (f) Neither the Agent nor any Lender shall have any obligation to find an Increase Lender and in no event shall any Lender whose Commitment is replaced by an Increase Lender be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.



- (g) Clause 33.5 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:
  - (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the “**New Lender**” were references to that “**Increase Lender**”; and
  - (iii) a “**re-transfer**” and “**re-assignment**” were references to respectively a “transfer” and “assignment”.

**2.3 Finance Parties’ rights and obligations**

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party’s participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

**2.4 Obligors’ Agent**

- (a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and



- (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company, and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.
- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. **PURPOSE**

3.1 **Purpose**

The Relevant Borrower shall apply all amounts borrowed by it under the Revolving Facility towards the general corporate and/or working capital purposes of the Group.

3.2 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial conditions precedent**

No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions Precedent*) which must be delivered on or before the first Utilisation Date), in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2 **Further conditions precedent**

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation if, on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan, no Acceleration Event and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation; and
- (b) the Repeating Representations (but excluding, in the case of a Rollover Loan, paragraph (a) of Clause 29.8 (*No default*)) to be made by each Obligor are true in all material respects.





**4.3 Conditions relating to Optional Currencies**

- (a) A currency will constitute an Optional Currency in relation to a Revolving Facility Utilisation if it is euro or:
  - (i) it is readily available in the amount required and freely convertible into the Base Currency in the wholesale market for that currency at the Specified Time or, if later, on the date the Agent receives the relevant Utilisation Request and the Utilisation Date for that Utilisation; and
  - (ii) it has been approved by the Agent (acting on the instructions of all the Lenders under the Revolving Facility) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.
- (b) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company by the Specified Time:
  - (i) whether or not the relevant Lenders have granted their approval; and
  - (ii) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency.

**4.4 Maximum number of Utilisations**

- (a) A Borrower (or the Company) may not deliver a Utilisation Request if as a result of the proposed Utilisation 32 or more Revolving Facility Loans would be outstanding.
- (b) Any Loan made by a single Lender under Clause 14.2 (*Unavailability of a currency*) shall not be taken into account in this Clause 4.4.
- (c) Any Separate Loan shall not be taken into account in this Clause 4.4.

**5. UTILISATION – LOANS**

**5.1 Delivery of a Utilisation Request**

A Borrower (or the Company on its behalf) may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

**5.2 Completion of a Utilisation Request for Loans**

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Borrower and the Facility to be utilised;
  - (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;



- (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
- (iv) the proposed Interest Period complies with Clause 20 (*Interest Periods*).

(b) Only one Utilisation may be requested in any Utilisation Request.

**5.3 Currency and amount**

(a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) The amount of the proposed Utilisation must be:

- (i) if the currency selected is the Base Currency, a minimum of US\$25,000,000 or, if less, the Available Facility; or
- (ii) if the currency selected is euro, a minimum of US\$25,000,000 or, if less, the Available Facility; or
- (iii) if the currency selected is an Optional Currency, other than euro, the minimum amount specified by the Agent pursuant to paragraph (b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

**5.4 Lenders' participation**

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

(c) The Agent shall determine the Base Currency Amount of each Revolving Facility Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

**5.5 Cancellation of Commitment**

Any Commitment which is unutilised on the last day of the Availability Period shall be immediately cancelled.



5.6 **Extension Option**

(a) In this Clause 5.6:

“**Applicable Final Termination Date**” means, in relation to each Lender, the Final Termination Date in effect in respect of such Lender as at the date of an Extension Request;

“**Extended Final Termination Date**” means:

- (i) in respect of an exercise of the Extension Option before the second anniversary of the 2021 Amendment and Restatement Date, the First Extended Final Termination Date; and
- (ii) in respect of an exercise of the Extension Option on or after the second anniversary of the 2021 Amendment and Restatement Date:
  - (A) for any Lender that agreed to extend its Applicable Final Termination Date in accordance with a previous exercise of the Extension Option, the Second Extended Final Termination Date; and
  - (B) (i) to the extent that no previous Extension Option has been exercised by such time, for any Lender or (ii) to the extent that a previous Extension Option has been exercised by such time, for any Lender that did not agree to extend its Applicable Final Termination Date in accordance with that previous exercise of the Extension Option, either the First Extended Final Termination Date or the Second Extended Final Termination Date (as the relevant Lender may in its discretion select in accordance with paragraph (f) below);

“**Extending Lender**” means, in respect of an Extension Request, a Lender which notifies the Agent, within the timeframe set out in paragraph (f) below, that it accepts that Extension Request; and

“**First Extended Final Termination Date**” means the date which is twelve months after the Amended Termination Date.

“**Second Extended Final Termination Date**” means the date which is twenty four months after the Amended Termination Date.

- (b) The Company may request an extension of the Applicable Final Termination Date (an “**Extension Option**”) by submitting an Extension Request to the Agent. Any Extension Request is irrevocable.
- (c) An Extension Request shall not be valid unless:
  - (i) in respect of the first Extension Request delivered, it is delivered to the Agent at any time on or after the first anniversary of the 2021 Amendment and Restatement Date;



- (ii) in respect of the second Extension Request delivered, it is delivered to the Agent at any time on or after the second anniversary of the 2021 Amendment and Restatement Date;
  - (iii) it specifies the date on which the extension of the Applicable Final Termination Date is to take effect, which shall be a date not less than 20 days after the date of the Extension Request (the “**Extension Effective Date**”); and
  - (iv) it does not (and would not) cause paragraph (d) below to be contravened.
- (d) The Extension Option may be exercised no more than twice in total.
- (e) Upon receipt of a valid Extension Request, the Agent shall promptly notify each Lender. Each such Lender shall have the right, in its absolute discretion:
- (i) to accept or decline such Extension Request; and
  - (ii) if such Extension Request is delivered on or after the second anniversary of the 2021 Amendment and Restatement Date and no previous Extension Option has been exercised by such time, or it is the second Extension Request delivered under this Agreement and the relevant Lender did not agree to extend its participation and Commitment in connection with the first such Extension Request, to decide whether to extend its Applicable Final Termination Date to the First Extended Final Termination Date or the Second Extended Final Termination Date in connection with such Extension Request.
- (f) Any such Lender that wishes to accept the Extension Request shall so notify the Agent in writing no later than 10 days prior to the Extension Effective Date specified in that Extension Request, and if applicable in accordance with paragraph (e)(ii) above, shall confirm whether it wishes to extend its participation and Commitment to the First Extended Final Termination Date or the Second Extended Final Termination Date. If there are any Extending Lenders, then on each Extension Effective Date, the Applicable Final Termination Date in respect of the participation and Commitment of each such Extending Lender shall be extended to the Extended Final Termination Date applicable to that Extending Lender.
- (g) The Agent will notify the Company in writing of each Lender’s decision in relation to an Extension Request as soon as practicable after it has been informed.
- (h) Where a Lender that did not agree (or did not respond) to an Extension Request pursuant to paragraph (b) above is not replaced by the Company in accordance with Clause 44.4 (*Replacement of Lender*), the unutilised Commitment of such Lender will be automatically cancelled on the date falling one Month prior to the Final Termination Date applicable to that Lender.



- (i) Any utilised Commitments which become Available Commitments as a result of repayments to that Lender in the Month prior to the Applicable Final Termination Date shall be cancelled on the date of the relevant repayment. The Company shall repay the participation in each Loan of each Lender on the Final Termination Date applicable to that Lender, together with all other amounts due and owing to that Lender under the Finance Documents.

**6. UTILISATION – LETTERS OF CREDIT**

**6.1 The Revolving Facility**

- (a) The Revolving Facility may be utilised by way of Letters of Credit.
- (b) Clause 5 (*Utilisation – Loans*) does not apply to utilisations by way of Letters of Credit.

**6.2 Delivery of a Utilisation Request for Letters of Credit**

A Borrower (or the Company on its behalf) may request a Letter of Credit to be issued by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

**6.3 Completion of a Utilisation Request for Letters of Credit**

Each Utilisation Request for a Letter of Credit is irrevocable (unless otherwise agreed by the Issuing Bank) and will not be regarded as having been duly completed unless:

- (a) it specifies that it is for a Letter of Credit;
- (b) it identifies the Borrower of the Letter of Credit;
- (c) it identifies the Issuing Bank which has agreed to issue the Letter of Credit;
- (d) the proposed Utilisation Date is a Business Day within the Availability Period applicable to the Revolving Facility;
- (e) the currency and amount of the Letter of Credit comply with Clause 6.4 (*Currency and amount*);
- (f) the proposed beneficiary is not a Restricted Person and is not objected to by the Issuing Bank (acting reasonably);
- (g) the form of Letter of Credit is attached;
- (h) the Expiry Date of the Letter of Credit falls on or before the Final Termination Date; and
- (i) the delivery instructions for the Letter of Credit are specified.

**6.4 Currency and amount**

- (a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.



- (b) The amount of the proposed Letter of Credit must be an amount whose Base Currency Amount is not more than the Available Facility and which:
  - (i) if the currency selected is the Base Currency, is a minimum of US\$25,000,000 or, if less, the Available Facility;
  - (ii) if the currency selected is euro, is a minimum of US\$25,000,000 or, if less, the Available Facility; or
  - (iii) if the currency selected is an Optional Currency other than euro, is the minimum amount specified by the Agent pursuant to paragraph (b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility; and
  - (iv) will not result in the Base Currency Amount of all outstanding Letters of Credit exceeding US\$500,000,000 (or its equivalent in any other currency).

**6.5 Issue of Letters of Credit**

- (a) If the conditions set out in this Agreement have been met, the Issuing Bank shall issue the Letter of Credit on the Utilisation Date.
- (b) Subject to Clause 4.1 (*Initial conditions precedent*), the Issuing Bank will only be obliged to comply with paragraph (a) above in relation to a Letter of Credit other than one to which paragraph (c) below applies, if on the date of the Utilisation Request or Renewal Request and on the proposed Utilisation Date:
  - (i) no Default (or, in the case of a Letter of Credit to be renewed in accordance with Clause 6.6 (*Renewal of a Letter of Credit*), no Acceleration Event) is continuing or would result from the proposed Utilisation;
  - (ii) in relation to any Utilisation on the Funding Date, all the representations and warranties in Clause 29 (*Representations*) to be made by each Obligor are true in all material respects; and
  - (iii) in relation to any Utilisations other than on the Funding Date, the Repeating Representations (but excluding, in the case of a Letter of Credit to be renewed in accordance with Clause 6.6 (*Renewal of a Letter of Credit*), paragraph (a) of Clause 29.8 (*No default*)) to be made by each Obligor are true in all material respects.
- (c) The amount of each Lender's participation in each Letter of Credit will be equal to the proportion borne by its Available Commitment to the Available Facility (in each case in relation to the Revolving Facility) immediately prior to the issue of the Letter of Credit.
- (d) The Agent shall determine the Base Currency Amount of each Letter of Credit which is to be issued in an Optional Currency and shall notify the Issuing Bank and each Lender of the details of the requested Letter of Credit and its participation in that Letter of Credit by the Specified Time.



**6.6 Renewal of a Letter of Credit**

- (a) A Borrower (or the Company on its behalf) may request that any Letter of Credit issued on behalf of that Borrower be renewed by delivery to the Agent of a Renewal Request in substantially similar form to a Utilisation Request for a Letter of Credit by the Specified Time.
- (b) The Finance Parties shall treat any Renewal Request in the same way as a Utilisation Request for a Letter of Credit except that the conditions set out in paragraph (g) of Clause 6.3 (*Completion of a Utilisation Request for Letters of Credit*) shall not apply.
- (c) The terms of each renewed Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:
  - (i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal; and
  - (ii) its Term shall start on the date which was the Expiry Date of the Letter of Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.
- (d) If the conditions set out in this Agreement have been met, the Issuing Bank shall amend and re-issue any Letter of Credit pursuant to a Renewal Request.

**6.7 Refusal of a Letter of Credit**

- (a) If, on the proposed Utilisation Date of a Letter of Credit, any of the Lenders under the Revolving Facility is a Non-Acceptable L/C Lender and:
  - (i) that Lender has failed to provide cash collateral to the Issuing Bank in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender*); and
  - (ii) the Issuing Bank has required the relevant Borrower to provide cash cover pursuant to Clause 7.5 (*Cash cover by Borrower*) but the relevant Borrower has failed to provide cash cover to the Issuing Bank in accordance with Clause 7.5 (*Cash cover by Borrower*),

the Issuing Bank may refuse to issue that Letter of Credit.

**6.8 Revaluation of Letters of Credit**

- (a) If any Letters of Credit are denominated in an Optional Currency, the Agent shall at six monthly intervals after the date of the Letter of Credit recalculate the Base Currency Amount of each Letter of Credit by notionally converting into the Base Currency the outstanding amount of that Letter of Credit on the basis of the Agent's Spot Rate of Exchange on the date of calculation.
- (b) The Company shall, if requested by the Agent within five days of any calculation under paragraph (a) above, ensure that within three Business Days sufficient Revolving Facility Utilisations are prepaid to prevent the Base Currency Amount of the Revolving Facility Utilisations exceeding the Total Revolving Facility Commitments following any adjustment to a Base Currency Amount under paragraph (a) above.





**7. LETTERS OF CREDIT**

**7.1 Immediately payable**

Subject to the terms of this Agreement, if a Letter of Credit or any amount outstanding under a Letter of Credit becomes immediately payable under this Agreement, the Borrower that requested the issue of that Letter of Credit shall repay or prepay that amount immediately.

**7.2 Claims under a Letter of Credit**

- (a) Each Borrower irrevocably and unconditionally authorises the Issuing Bank to pay any claim made or purported to be made under a Letter of Credit requested by it (or requested by the Company on its behalf) and which appears on its face to be in order (in this Clause 7, a claim).
- (b) The Relevant Borrower shall within five Business Days of demand pay to the Agent for the Issuing Bank an amount equal to the amount of any claim.
- (c) Each Borrower acknowledges that the Issuing Bank:
  - (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and
  - (ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.
- (d) The obligations of a Borrower under this Clause will not be affected by:
  - (i) the sufficiency, accuracy or genuineness of any claim or any other document; or
  - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

**7.3 Indemnities**

- (a) The Relevant Borrower shall immediately on demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct) in acting as the Issuing Bank under any Letter of Credit requested by (or on behalf of) that Borrower.
- (b) Each Lender shall (according to its L/C Proportion) immediately on demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct) in acting as the Issuing Bank under any Letter of Credit (unless the Issuing Bank has been reimbursed by an Obligor pursuant to a Finance Document).



- (c) If any Lender is not permitted (by its constitutional documents or any applicable law) to comply with paragraph (b) above, then that Lender will not be obliged to comply with paragraph (b) above and shall instead be deemed to have taken, on the date the Letter of Credit is issued (or if later, on the date the Lender's participation in the Letter of Credit is transferred or assigned to the Lender in accordance with the terms of this Agreement), an undivided interest and participation in the Letter of Credit in an amount equal to its L/C Proportion of that Letter of Credit. On receipt of demand from the Agent, that Lender shall pay to the Agent (for the account of the Issuing Bank) an amount equal to its L/C Proportion of the amount demanded.
- (d) The Borrower which requested (or on behalf of which the Company requested) a Letter of Credit shall immediately on demand reimburse any Lender for any payment it makes to the Issuing Bank under this Clause 7.3 in respect of that Letter of Credit.
- (e) The obligations of each Lender under this Clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender in respect of any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.
- (f) The obligations of any Lender or Borrower under this Clause will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause (without limitation and whether or not known to it or any other person) including:
  - (i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Letter of Credit or any other person;
  - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any member of the Group;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Letter of Credit or other person or any non-presentation or non observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
  - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Letter of Credit or any other person;
  - (v) any amendment (however fundamental) or replacement of a Finance Document, any Letter of Credit (**provided that**, in the case of any amendment to a Letter of Credit, the Company has agreed to such amendment) or any other document or security;



- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Letter of Credit or any other document or security; or
- (vii) any insolvency or similar proceedings.

**7.4 Cash collateral by Non-Acceptable L/C Lender**

- (a) If, at any time, a Lender under the Revolving Facility is a Non-Acceptable L/C Lender, the Issuing Bank may, by notice to that Lender, request that Lender to pay and that Lender shall pay (or procure that one of its Affiliates pays), on or prior to the date falling five Business Days after the request by the Issuing Bank, an amount equal to that Lender's L/C Proportion of the outstanding amount of a Letter of Credit and in the currency of that Letter of Credit to an interest-bearing account held in the name of that Lender with the Issuing Bank.
- (b) The Non-Acceptable L/C Lender to whom a request has been made in accordance with paragraph (a) above shall (or, if an Affiliate is making payment in accordance with paragraph (a) above, shall procure that its Affiliate will) enter into a security document or other form of collateral arrangement over the account, in form and substance satisfactory to the Issuing Bank, as collateral for any amounts due and payable under the Finance Documents by that Lender to the Issuing Bank in respect of that Letter of Credit.
- (c) Until no amount is or may be outstanding under that Letter of Credit, withdrawals from the account may only be made to pay to the Issuing Bank amounts due and payable to the Issuing Bank by the Non-Acceptable L/C Lender under the Finance Documents in respect of that Letter of Credit.
- (d) Each Lender under the Revolving Facility shall notify the Agent and the Parent:
  - (i) on the 2021 Amendment and Restatement Date or on any later date on which it becomes such a Lender in accordance with Clause 2.2 (*Increase*) or Clause 33 (*Changes to the Lenders*) whether it is a Non-Acceptable L/C Lender; and
  - (ii) as soon as practicable upon becoming aware of the same, that it has become a Non-Acceptable L/C Lender, and an indication in Schedule 1 (*The 2021 Amendment and Restatement Date Parties*), in a Transfer Certificate or in an Increase Confirmation to that effect will constitute a notice under paragraph (d)(i) above to the Agent and, upon delivery in accordance with Clause 33.7 (*Copy of Transfer Certificate or Increase Confirmation to Company*), to the Company.
- (e) Any notice received by the Agent pursuant to paragraph (d) above shall constitute notice to the Issuing Bank of that Lender's status and the Agent shall, upon receiving each such notice, promptly notify the Issuing Bank of that Lender's status as specified in that notice.



- (f) If a Lender who has (or has procured that an Affiliate has) provided cash collateral in accordance with this Clause 7.4:
  - (i) ceases to be a Non-Acceptable L/C Lender; and
  - (ii) no amount is due and payable by that Lender in respect of a Letter of Credit,

that Lender may, at any time it is not a Non-Acceptable L/C Lender, by notice to the Issuing Bank request that an amount equal to the amount of the cash provided by it (or its Affiliate, as applicable) as collateral in respect of that Letter of Credit (together with any accrued interest) standing to the credit of the relevant account held with the Issuing Bank be returned to it (or its Affiliate, as applicable) and the Issuing Bank shall pay that amount to the Lender (or its Affiliate, as applicable) within five Business Days after the request from the Lender (and shall cooperate with the Lender (and, to the extent applicable, its Affiliate) in order to procure that the relevant security or collateral arrangement is released and discharged).

**7.5 Cash cover by Borrower**

- (a) If a Lender which is a Non-Acceptable L/C Lender fails (or its Affiliate fails) to provide cash collateral (or notifies the Issuing Bank that it will not provide cash collateral) in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender*) and the Issuing Bank notifies the Obligors' Agent (with a copy to the Agent) that it requires the Borrower of the relevant Letter of Credit or proposed Letter of Credit to provide cash cover to an account with the Issuing Bank in an amount equal to that Lender's L/C Proportion of the outstanding amount of that Letter of Credit and in the currency of that Letter of Credit then that Borrower shall do so within five Business Days after the notice is given.
- (b) Notwithstanding paragraph (d) of Clause 1.2 (*Construction*), the Issuing Bank may agree to the withdrawal of amounts up to the level of that cash cover from the account if:
  - (i) it is satisfied that the relevant Lender is no longer a Non-Acceptable L/C Lender; or
  - (ii) the relevant Lender's obligations in respect of the relevant Letter of Credit are transferred to a New Lender in accordance with the terms of this Agreement; or
  - (iii) an Increase Lender has agreed to undertake the obligations in respect of the relevant Lender's L/C Proportion of the Letter of Credit.
- (c) To the extent that a Borrower has complied with its obligations to provide cash cover in accordance with this Clause 7.5, the relevant Lender's L/C Proportion in respect of that Letter of Credit will remain (but that Lender's obligations in relation to that Letter of Credit may be satisfied in accordance with paragraph (e)(ii) of Clause 1.2 (*Construction*)). However, the relevant Borrower's obligation to pay any Letter of Credit fee in relation to the relevant



Letter of Credit to the Agent (for the account of that Lender) in accordance with paragraph (b) of Clause 22.5 (*Fees payable in respect of Letters of Credit*) will be reduced proportionately as from the date on which it complies with that obligation to provide cash cover (and for so long as the relevant amount of cash cover continues to stand as collateral).

- (d) The relevant Issuing Bank shall promptly notify the Agent of the extent to which a Borrower provides cash cover pursuant to this Clause 7.5 and of any change in the amount of cash cover so provided.

**8. DOLLAR SWINGLINE FACILITY**

**8.1 General**

- (a) Clause 4.2 (*Further conditions precedent*) and 4.3 (*Conditions relating to Optional Currencies*);
- (b) Clause 5 (*Utilisation - Loans*);
- (c) Clause 14 (*Optional Currencies*);
- (d) Clause 19 (*Interest*) as it applies to the calculation of interest on a Loan but not default interest on an overdue amount;
- (e) Clause 20 (*Interest Periods*); and
- (f) Clause 21 (*Changes to the Calculation of Interest*),

do not apply to Dollar Swingline Loans.

**8.2 Definitions**

Any references in this Agreement to:

- (a) an “**Interest Period**” includes each period determined under this Agreement by reference to which interest on a Dollar Swingline Loan is calculated; and
- (b) a “**Lender**” includes a Dollar Swingline Lender unless the context otherwise requires.

**8.3 Dollar Swingline Facility**

Subject to the terms of this Agreement, the Dollar Swingline Lenders make available to the Borrowers a dollar swingline loan facility in an aggregate amount equal to the Total Dollar Swingline Commitments.

**8.4 Purpose**

Each Borrower shall apply all amounts borrowed by it under the Dollar Swingline Facility towards refinancing any note or other instrument maturing under a dollar commercial paper programme of a member of the Group. A Dollar Swingline Loan may not be borrowed to refinance (in whole or in part) a maturing Euro Swingline Loan and/or Dollar Swingline Loan.



9. UTILISATION—DOLLAR SWINGLINE LOANS

9.1 Delivery of a Utilisation Request for Dollar Swingline Loans

- (a) A Borrower may utilise the Dollar Swingline Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.
- (b) Each Utilisation Request for a Dollar Swingline Loan must be sent to the Agent to the address in New York notified by the Agent for this purpose, with a copy to its address referred to in Clause 40 (*Notices*).

9.2 Completion of a Utilisation Request for Dollar Swingline Loans

- (a) Each Utilisation Request for a Dollar Swingline Loan is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Borrower;
  - (ii) it specifies that it is for a Dollar Swingline Loan;
  - (iii) the proposed Utilisation Date is a New York Business Day within the Availability Period applicable to the Revolving Facility;
  - (iv) the Dollar Swingline Loan is denominated in dollars;
  - (v) the amount of the proposed Dollar Swingline Loan is an amount whose Base Currency Amount is not more than the Available Dollar Swingline Facility and is a minimum of US\$25,000,000 or, if less, the Available Dollar Swingline Facility; and
  - (vi) the proposed Interest Period:
    - (A) does not overrun the Final Termination Date;
    - (B) is a period of not more than five New York Business Days; and
    - (C) ends on a New York Business Day.
- (b) Only one Dollar Swingline Loan may be requested in each Utilisation Request.

9.3 Dollar Swingline Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Dollar Swingline Lender shall make its participation in each Dollar Swingline Loan available through its Facility Office.



- (b) The Dollar Swingline Lenders will only be obliged to comply with paragraph (a) above if on the date of the Utilisation Request and on the proposed Utilisation Date:
  - (i) no Default is continuing or would result from the proposed Utilisation; and
  - (ii) the Repeating Representations to be made by each Obligor are true in all material respects.
- (c) The amount of each Dollar Swingline Lender's participation in each Dollar Swingline Loan will be equal to the proportion borne by its Available Dollar Swingline Commitment to the Available Dollar Swingline Facility immediately prior to making the Dollar Swingline Loan, adjusted to take account of any limit applying under Clause 9.4 (*Relationship with the Revolving Facility*).
- (d) The Agent shall determine the Base Currency Amount of each Dollar Swingline Loan and notify each Dollar Swingline Lender of the amount of each Dollar Swingline Loan and its participation in that Dollar Swingline Loan in each case by the Specified Time.

**9.4 Relationship with the Revolving Facility**

- (a) This paragraph applies when a Dollar Swingline Loan is outstanding or is to be borrowed.
- (b) The Revolving Facility may be used by way of Dollar Swingline Loans. The Dollar Swingline Facility is not independent of the Revolving Facility.
- (c) Notwithstanding any other term of this Agreement a Lender is only obliged to participate in a Revolving Facility Loan or a Dollar Swingline Loan to the extent that it would not result in the Base Currency Amount of its participation (and that of a Lender which is its Affiliate) in the Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans exceeding its Overall Commitment.
- (d) Where, but for the operation of paragraph (c) above, the Base Currency Amount of a Lender's participation (and that of a Lender which is its Affiliate) in the Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans would have exceeded its Overall Commitment, the excess will be (to the extent possible without causing a similar excess for other Lenders) apportioned among the other Lenders participating in the relevant Loan pro rata according to their relevant Commitments. This calculation will be applied as often as necessary until the Loan is apportioned among the relevant Lenders in a manner consistent with paragraph (c) above.

**9.5 Conditions of Assignment or transfer**

Notwithstanding any other term of this Agreement, each Lender which has (or has an Affiliate which has) a Dollar Swingline Commitment shall ensure that at all times its Overall Commitment is not less than:

- (a) its Dollar Swingline Commitment or,
- (b) if it does not have a Dollar Swingline Commitment, the Dollar Swingline Commitment of a Lender which is its Affiliate.





10. **DOLLAR SWINGLINE LOANS**

10.1 **Repayment of Dollar Swingline Loans**

- (a) Each Borrower that has drawn a Dollar Swingline Loan shall repay that Dollar Swingline Loan on the last day of its Interest Period.
- (b) If a Dollar Swingline Loan is not repaid in full on its due date, the Agent shall (if requested to do so in writing by any affected Dollar Swingline Lender) set a date (the “**Dollar Swingline Loss Sharing Date**”) on which payments shall be made between the Lenders to re-distribute the unpaid amount between them. The Agent shall give at least three Business Days’ notice to each affected Lender of the Dollar Swingline Loss Sharing Date and notify it of the amounts to be paid or received by it.
- (c) On the Dollar Swingline Loss Sharing Date each Lender must pay to the Agent its Dollar Swingline Proportion of the Dollar Swingline Unpaid Amount minus its (or its Affiliate’s) Unpaid Dollar Swingline Participation (if any). If this produces a negative figure for a Lender no amount need be paid by that Lender.

The “**Dollar Swingline Proportion**” of a Lender means the proportion borne by:

- (i) its Revolving Facility Commitment (or, if the Total Revolving Facility Commitments are then zero, its Revolving Facility Commitment immediately prior to their reduction to zero) minus the Base Currency Amount of its participation (or that of a Lender which is its Affiliate) in any outstanding Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans (but ignoring its (or its Affiliate’s) participation in the unpaid Dollar Swingline Loan); to
- (ii) the Total Revolving Facility Commitments (or, if the Total Revolving Facility Commitments are then zero, the Total Revolving Facility Commitments immediately prior to their reduction to zero) minus any outstanding Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans (but ignoring the unpaid Dollar Swingline Loan).

The “**Dollar Swingline Unpaid Amount**” means, in relation to a Dollar Swingline Loan, any principal not repaid and/or any interest accrued but unpaid on that Dollar Swingline Loan calculated from the Utilisation Date to the Dollar Swingline Loss Sharing Date.

The “**Unpaid Dollar Swingline Participation**” of a Lender means that part of the Dollar Swingline Unpaid Amount (if any) owed to that Lender (or its Affiliate) (before any re-distribution under this Clause 10.1 (*Repayment of Dollar Swingline Loans*)).



(d) Out of the funds received by the Agent pursuant to paragraph (c) above the Agent shall pay to each Dollar Swingline Lender an amount equal to the Dollar Swingline Shortfall (if any) of that Dollar Swingline Lender where:

The “**Dollar Swingline Shortfall**” of a Dollar Swingline Lender is an amount equal to its Unpaid Dollar Swingline Participation minus its (or its Affiliate’s) Dollar Swingline Proportion of the Dollar Swingline Unpaid Amount.

(e) If the amount actually received by the Agent from the Lenders is insufficient to pay the full amount of the Dollar Swingline Shortfall of all Dollar Swingline Lenders then the amount actually received will be distributed amongst the Dollar Swingline Lenders pro rata to the Dollar Swingline Shortfall of each Dollar Swingline Lender.

(f)

(i) Upon a payment under this paragraph, the paying Lender will be subrogated to the rights of the Dollar Swingline Lenders which have shared in the payment received.

(ii) If and to the extent the paying Lender is not able to rely on its rights under sub-paragraph (i) above, the relevant Borrower shall be liable to the paying Lender for a debt equal to the amount the paying Lender has paid under this paragraph.

(iii) Any payment under this paragraph does not reduce the obligations in aggregate of any Obligor.

**10.2 Voluntary Prepayment of Dollar Swingline Loans**

(a) The Borrower to which a Dollar Swingline Loan has been made may prepay at any time the whole of that Dollar Swingline Loan.

(b) Unless a contrary indication appears in this Agreement, any part of the Dollar Swingline Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

**10.3 Interest**

(a) The rate of interest on each Dollar Swingline Loan for any day during its Interest Period is the higher of:

(i) the prime commercial lending rate in dollars announced by the Agent at the Specified Time and in force on that day; and

(ii) [\*\*\*] per cent. per annum over the rate per annum determined by the Agent to be the Federal Funds Rate for that day.

(b) The Agent shall promptly notify the Dollar Swingline Lenders and the relevant Borrower of the determination of the rate of interest under paragraph (a) above.



- (c) If any day during an Interest Period is not a New York Business Day, the rate of interest on a Dollar Swingline Loan on that day will be the rate applicable to the immediately preceding New York Business Day.
- (d) Each Borrower shall pay accrued interest on each Dollar Swingline Loan made to it on the last day of its Interest Period.

**10.4 Interest Period**

- (a) Each Dollar Swingline Loan has one Interest Period only.
- (b) The Interest Period for a Dollar Swingline Loan must be selected in the relevant Utilisation Request.

**10.5 Dollar Swingline Agent**

- (a) The Agent may perform its duties in respect of the Dollar Swingline Facility through an Affiliate acting as its agent.
- (b) Notwithstanding any other term of this Agreement and without limiting the liability of any Obligor under the Finance Documents, each Lender shall (in proportion to its share of the Total Revolving Facility Commitments or, if the Total Revolving Facility Commitments are then zero, to its share of the Total Revolving Facility Commitments immediately prior to their reduction to zero) pay to or indemnify the Agent, within three Business Days of demand, for or against any cost, loss or liability incurred by the Agent or its Affiliate (other than by reason of the Agent's or the Affiliate's gross negligence or wilful misconduct) in acting as Agent for the Dollar Swingline Facility under the Finance Documents (unless the Agent or its Affiliate has been reimbursed by an Obligor pursuant to a Finance Document).

**11. EURO SWINGLINE FACILITY**

**11.1 General**

- (a) Clause 4.2 (*Further conditions precedent*) and 4.3 (*Conditions relating to Optional Currencies*);
- (b) Clause 5 (*Utilisation - Loans*);
- (c) Clause 14 (*Optional Currencies*);
- (d) Clause 19 (*Interest*) as it applies to the calculation of interest on a Loan but not default interest on an overdue amount;
- (e) Clause 20 (*Interest Periods*); and
- (f) Clause 21 (*Changes to the Calculation of Interest*),

do not apply to Euro Swingline Loans.



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## 11.2 Definitions

Any references in this Agreement to:

- (a) an “**Interest Period**” includes each period determined under this Agreement by reference to which interest on a Euro Swingline Loan is calculated; and
- (b) a “**Lender**” includes a Euro Swingline Lender unless the context otherwise requires.

## 11.3 Euro Swingline Facility

Subject to the terms of this Agreement, the Euro Swingline Lenders make available to the Borrowers a euro swingline loan facility in an aggregate amount equal to the Total Euro Swingline Commitments.

## 11.4 Purpose

Each Borrower shall apply all amounts borrowed by it under the Euro Swingline Facility towards refinancing any note or other instrument maturing under a euro commercial paper programme of a member of the Group. A Euro Swingline Loan may not be borrowed to refinance (in whole or in part) a maturing Euro Swingline Loan and/or Dollar Swingline Loan.

## 12. UTILISATION—EURO SWINGLINE LOANS

### 12.1 Delivery of a Utilisation Request for Euro Swingline Loans

- (a) A Borrower may utilise the Euro Swingline Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.
- (b) Each Utilisation Request for a Euro Swingline Loan must be sent to the Agent.

### 12.2 Completion of a Utilisation Request for Euro Swingline Loans

- (a) Each Utilisation Request for a Euro Swingline Loan is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Borrower;
  - (ii) it specifies that it is for a Euro Swingline Loan;
  - (iii) the proposed Utilisation Date is a Euro Swingline Business Day within the Availability Period applicable to the Revolving Facility;
  - (iv) the Euro Swingline Loan is denominated in euro;
  - (v) the amount of the proposed Euro Swingline Loan is an amount whose Base Currency Amount is not more than the Available Euro Swingline Facility and is a minimum of €25,000,000 or, if less, the Available Euro Swingline Facility; and



- (vi) the proposed Interest Period:
  - (A) does not overrun the Final Termination Date;
  - (B) is a period of not more than five Business Days; and
  - (C) ends on a Business Day.

- (b) Only one Euro Swingline Loan may be requested in each Utilisation Request.

**12.3 Euro Swingline Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, each Euro Swingline Lender shall make its participation in each Euro Swingline Loan available through its Facility Office.
- (b) The Euro Swingline Lenders will only be obliged to comply with paragraph (a) above if on the date of the Utilisation Request and on the proposed Utilisation Date:
  - (i) no Default is continuing or would result from the proposed Utilisation; and
  - (ii) the Repeating Representations to be made by each Obligor are true in all material respects.
- (c) The amount of each Euro Swingline Lender's participation in each Euro Swingline Loan will be equal to the proportion borne by its Available Euro Swingline Commitment to the Available Euro Swingline Facility immediately prior to making the Euro Swingline Loan, adjusted to take account of any limit applying under Clause 12.4 (*Relationship with the Revolving Facility*).
- (d) The Agent shall determine the Base Currency Amount of each Euro Swingline Loan and notify each Euro Swingline Lender of the amount of each Euro Swingline Loan and its participation in that Euro Swingline Loan in each case by the Specified Time.

**12.4 Relationship with the Revolving Facility**

- (a) This paragraph applies when a Euro Swingline Loan is outstanding or is to be borrowed.
- (b) The Revolving Facility may be used by way of Euro Swingline Loans. The Euro Swingline Facility is not independent of the Revolving Facility.
- (c) Notwithstanding any other term of this Agreement a Lender is only obliged to participate in a Revolving Facility Loan or a Euro Swingline Loan to the extent that it would not result in the Base Currency Amount of its participation (and that of a Lender which is its Affiliate) in the Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans exceeding its Overall Commitment.



- (d) Where, but for the operation of paragraph (c) above, the Base Currency Amount of a Lender's participation (and that of a Lender which is its Affiliate) in the Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans would have exceeded its Overall Commitment, the excess will be (to the extent possible without causing a similar excess for other Lenders) apportioned among the other Lenders participating in the relevant Loan pro rata according to their relevant Commitments. This calculation will be applied as often as necessary until the Loan is apportioned among the relevant Lenders in a manner consistent with paragraph (c) above.

**12.5 Conditions of Assignment or transfer**

Notwithstanding any other term of this Agreement, each Lender which has (or an Affiliate which has) a Euro Swingline Commitment shall ensure that at all times its Overall Commitment is not less than:

- (a) its Euro Swingline Commitment or,
- (b) if it does not have a Euro Swingline Commitment, the Euro Swingline Commitment of a Lender which is its Affiliate.

**13. EURO SWINGLINE LOANS**

**13.1 Repayment of Euro Swingline Loans**

- (a) Each Borrower that has drawn a Euro Swingline Loan shall repay that Euro Swingline Loan on the last day of its Interest Period.
- (b) If a Euro Swingline Loan is not repaid in full on its due date, the Agent shall (if requested to do so in writing by any affected Euro Swingline Lender) set a date (the "**Euro Swingline Loss Sharing Date**") on which payments shall be made between the Lenders to re-distribute the unpaid amount between them. The Agent shall give at least three Business Days' notice to each affected Lender of the Euro Swingline Loss Sharing Date and notify it of the amounts to be paid or received by it.
- (c) On the Euro Swingline Loss Sharing Date each Lender must pay to the Agent its Euro Swingline Proportion of the Euro Swingline Unpaid Amount minus its (or its Affiliate's) Unpaid Euro Swingline Participation (if any). If this produces a negative figure for a Lender no amount need be paid by that Lender.

The "**Euro Swingline Proportion**" of a Lender means the proportion borne by:

- (i) its Revolving Facility Commitment (or, if the Total Revolving Facility Commitments are then zero, its Revolving Facility Commitment immediately prior to their reduction to zero) minus the Base Currency Amount of its participation (or that of a Lender which is its Affiliate) in any outstanding Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans (but ignoring its (or its Affiliate's) participation in the unpaid Euro Swingline Loan): to



- (ii) the Total Revolving Facility Commitments (or, if the Total Revolving Facility Commitments are then zero, the Total Revolving Facility Commitments immediately prior to their reduction to zero) minus any outstanding Revolving Facility Loans, Dollar Swingline Loans and Euro Swingline Loans (but ignoring the unpaid Euro Swingline Loan).

The “**Euro Swingline Unpaid Amount**” means, in relation to a Euro Swingline Loan, any principal not repaid and/or any interest accrued but unpaid on that Euro Swingline Loan calculated from the Utilisation Date to the Euro Swingline Loss Sharing Date.

The “**Unpaid Euro Swingline Participation**” of a Lender means that part of the Euro Swingline Unpaid Amount (if any) owed to that Lender (or its Affiliate) (before any re-distribution under this Clause 13.1 (*Repayment of Euro Swingline Loans*)).

- (d) Out of the funds received by the Agent pursuant to paragraph (c) above the Agent shall pay to each Euro Swingline Lender an amount equal to the Euro Swingline Shortfall (if any) of that Euro Swingline Lender where:

The “**Euro Swingline Shortfall**” of a Euro Swingline Lender is an amount equal to its Unpaid Euro Swingline Participation minus its (or its Affiliate’s) Euro Swingline Proportion of the Euro Swingline Unpaid Amount.

- (e) If the amount actually received by the Agent from the Lenders is insufficient to pay the full amount of the Euro Swingline Shortfall of all Euro Swingline Lenders then the amount actually received will be distributed amongst the Euro Swingline Lenders pro rata to the Euro Swingline Shortfall of each Euro Swingline Lender.
- (f)
  - (i) Upon a payment under this paragraph, the paying Lender will be subrogated to the rights of the Euro Swingline Lenders which have shared in the payment received.
  - (ii) If and to the extent the paying Lender is not able to rely on its rights under sub-paragraph (i) above, the relevant Borrower shall be liable to the paying Lender for a debt equal to the amount the paying Lender has paid under this paragraph.
  - (iii) Any payment under this paragraph does not reduce the obligations in aggregate of any Obligor.

### 13.2 Voluntary Prepayment of Euro Swingline Loans

- (a) The Borrower to which a Euro Swingline Loan has been made may prepay at any time the whole of that Euro Swingline Loan.
- (b) Unless a contrary indication appears in this Agreement, any part of the Euro Swingline Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.



### 13.3 Interest on Euro Swingline Loans

- (a) The rate of interest on each Euro Swingline Loan for any day during its Interest Period is the percentage rate per annum which is the aggregate of:
  - (i) the Margin (as applicable to a Revolving Facility Utilisation); and
  - (ii) Enhanced €STR.
- (b) The Agent shall promptly notify the Euro Swingline Lenders and the relevant Borrower of the determination of the rate of interest under paragraph (a) above.
- (c) The Agent shall promptly notify the relevant Borrower of each Funding Rate relating to a Euro Swingline Loan.
- (d) If any day during an Interest Period is not a Business Day, the rate of interest on a Euro Swingline Loan on that day will be the rate applicable to the immediately preceding Business Day.
- (e) Each Borrower shall pay accrued interest on each Euro Swingline Loan made to it on the day which falls three Euro Swingline Business Days after the last day of its Interest Period.

### 13.4 Unavailability of Screen Rate – Euro Swingline Facility

- (a) If no Screen Rate is available for €STR for any day the applicable €STR for that day shall be the most recent applicable Screen Rate which is as of a day which is no more than one day before that day.
- (b) If paragraph (a) above applies and there is no applicable Screen Rate which is as of a day which is no more than one day before that day the applicable €STR for that day shall be the Reference Bank Rate for that day.
- (c) If paragraph (b) above applies but no Reference Bank Rate is available for that day there shall be no Enhanced €STR for that day and Clause 13.6 (*Cost of funds – Euro Swingline Facility*) shall apply.

### 13.5 Calculation of Reference Bank Rate – Euro Swingline Facility

- (a) Subject to paragraph (b) below, if €STR is to be determined on the basis of a Reference Bank Rate for a day but a Reference Bank does not supply a quotation by 11.30 a.m. (Brussels time) on the Euro Swingline Business Day which immediately follows that day, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about noon on the Euro Swingline Business Day which immediately follows that day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for that day.





**13.6 Cost of funds – Euro Swingline Facility**

- (a) If this Clause 13.6 applies, the rate of interest on the relevant Euro Swingline Loan for the relevant day shall be the percentage rate per annum which is the sum of:
  - (i) the Margin (as applicable to a Revolving Facility Utilisation); and
  - (ii) the weighted average of the rates notified to the Agent by each Euro Swingline Lender as soon as practicable, and in any event before interest is due to be paid in respect of that Euro Swingline Loan, to be that which expresses as a percentage rate per annum the cost to the relevant Euro Swingline Lender of funding its participation in that Euro Swingline Loan for that day from whatever source it may reasonably select.
- (b) If this Clause 13.6 applies but any Euro Swingline Lender does not supply a quotation by the time specified in paragraph (a) above the rate of interest shall be calculated on the basis of the quotations of the remaining Euro Swingline Lenders. For the avoidance of doubt (but without prejudice to the rest of this Clause 13.6), no Lender will be under an obligation to supply a quotation.

**13.7 Interest Period**

- (a) Each Euro Swingline Loan has one Interest Period only.
- (b) The Interest Period for a Euro Swingline Loan must be selected in the relevant Utilisation Request.

**13.8 Euro Swingline Agent**

- (a) The Agent may perform its duties in respect of the Euro Swingline Facility through an Affiliate acting as its agent.
- (b) Notwithstanding any other term of this Agreement and without limiting the liability of any Obligor under the Finance Documents, each Lender shall (in proportion to its share of the Total Revolving Facility Commitments or, if the Total Revolving Facility Commitments are then zero, to its share of the Total Revolving Facility Commitments immediately prior to their reduction to zero) pay to or indemnify the Agent, within three Business Days of demand, for or against any cost, loss or liability incurred by the Agent or its Affiliate (other than by reason of the Agent's or the Affiliate's gross negligence or wilful misconduct) in acting as Agent for the Euro Swingline Facility under the Finance Documents (unless the Agent or its Affiliate has been reimbursed by an Obligor pursuant to a Finance Document).

**13.9 Rights of contribution**

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 13.



14. **OPTIONAL CURRENCIES**

14.1 **Selection of currency**

The Relevant Borrower (or the Company on its behalf) shall select the currency of a Revolving Facility Utilisation in a Utilisation Request.

14.2 **Unavailability of a currency**

If before the Specified Time:

- (a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or
- (b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the Relevant Borrower to that effect by the Specified Time. In this event, any Lender that gives notice pursuant to this Clause 14.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

14.3 **Agent's calculations**

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (*Lenders' participation*).

15. **REPAYMENT**

- (a) Subject to paragraph (c) below, the Relevant Borrower which has drawn a Revolving Facility Loan shall repay that Loan on the last day of its Interest Period.
- (b) Without prejudice to the Relevant Borrower's obligation under paragraph (a) above, if one or more Revolving Facility Loans are to be made available to a Borrower:
  - (i) on the same day that a maturing Revolving Facility Loan is due to be repaid by that Borrower;
  - (ii) in the same currency as the maturing Revolving Facility Loan (unless it arose as a result of the operation of Clause 14.2 (*Unavailability of a currency*)); and
  - (iii) in whole or in part for the purpose of refinancing the maturing Revolving Facility Loan,



the Agent will apply the new Revolving Facility Loans in or towards repayment of the maturing Revolving Facility Loan so that:

- (A) if the amount of the maturing Revolving Facility Loan exceeds the aggregate amount of the new Revolving Facility Loans:
  - (1) the Relevant Borrower will only be required to pay an amount in cash in the relevant currency equal to that excess; and
  - (2) each Lender's participation (if any) in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the maturing Revolving Facility Loan and that Lender will not be required to make its participation in the new Revolving Facility Loans available in cash; and
- (B) if the amount of the maturing Revolving Facility Loan is equal to or less than the aggregate amount of the new Revolving Facility Loans:
  - (1) the Relevant Borrower will not be required to make any payment in cash; and
  - (2) each Lender will be required to make its participation in the new Revolving Facility Loans available in cash only to the extent that its participation (if any) in the new Revolving Facility Loans exceeds that Lender's participation (if any) in the maturing Revolving Facility Loan and the remainder of that Lender's participation in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Facility Loan.
- (c) At any time a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Revolving Facility Loans then outstanding will be automatically extended to the Final Termination Date and will be treated as separate Loans (the "**Separate Loans**"), denominated in the currency in which the relevant participations are outstanding.
- (d) A Borrower to whom a Separate Loan is outstanding may prepay that Loan by giving three Business Days' prior written notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.
- (e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by that Borrower to the Defaulting Lender on the last day of each Interest Period of that Loan.



(f) The terms of this Agreement relating to Revolving Facility Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

**16. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION**

**16.1 Illegality**

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company of such notice, that Lender shall be immediately released from its obligations to participate in any Utilisations; and
- (c) by written notice to the Agent, that Lender may:
  - (i) cancel its Commitment, and such Commitment shall be immediately cancelled upon the Agent notifying the Company of such notice; and/or
  - (ii) require prepayment of its participation in the Utilisations, and  
the Relevant Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

**16.2 Illegality in relation to Issuing Bank**

If it becomes unlawful for an Issuing Bank to issue or leave outstanding any Letter of Credit, then:

- (a) that Issuing Bank shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Issuing Bank shall not be obliged to issue any Letter of Credit; and
- (c) the Company shall procure that the Relevant Borrower shall use all reasonable endeavours to procure the release of each Letter of Credit issued by that Issuing Bank and outstanding at such time.



**16.3 Voluntary cancellation**

- (a) The Relevant Borrower may, if it gives the Agent not less than three Business Days (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of US\$10,000,000) of an Available Facility. Any cancellation under this Clause 16.3 shall reduce the Commitments of the Lenders rateably under that Facility.
- (b) Without prejudice to Clauses 9.5 (*Conditions of Assignment or transfer*) and 12.5 (*Conditions of Assignment or transfer*) but otherwise notwithstanding any other provision of this Agreement, if the Revolving Facility Commitment of a Lender which has (or has an Affiliate which has) a Dollar Swingline Commitment or Euro Swingline Commitment (such Lender, a “**Swingline Lender**”) would otherwise be reduced to an amount which is exceeded by the aggregate of that Swingline Lender’s Dollar Swingline Commitment and Euro Swingline Commitment, there will be an automatic cancellation of that Swingline Lender’s Dollar Swingline Commitment and/or Euro Swingline Commitment to the extent required to reduce that excess to zero. For these purposes (i) the Euro Swingline Commitment of a Swingline Lender shall be notionally converted into the Base Currency on the date of the relevant reduction of Revolving Facility Commitments at the Agent’s Spot Rate of Exchange on that date and (ii) if a reduction of a Swingline Lender’s Dollar Swingline Commitments and Euro Swingline Commitments is required as a result of the operation of this paragraph (b), such reduction shall be applied pro rata to the respective amounts of the Dollar Swingline Commitments and Euro Swingline Commitments of the relevant Swingline Lender (notionally converting into the Base Currency any Euro Swingline Commitments in accordance with sub-paragraph (i) above).

**16.4 Voluntary prepayment of Revolving Facility Utilisations**

- (a) A Borrower to which a Revolving Facility Utilisation has been made may, if it or the Company gives the Agent not less than three Business Days (or such shorter period as the Majority Lenders may agree) prior notice prepay the whole or any part of a Term Rate Loan or a Letter of Credit (but if in part, being an amount that reduces the Base Currency Amount of the Revolving Facility Utilisation by a minimum amount of US\$25,000,000).
- (b) On no more than three occasions (in total in respect of all Borrowers) in each financial year, a Borrower to which a Compounded Rate Loan has been made may, if it or the Company gives the Agent not less than six RFR Banking Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Compounded Rate Loan (but if in part, being an amount that reduces the Base Currency Amount of the Revolving Facility Utilisation by a minimum amount of US\$25,000,000).



**16.5 Right of replacement or repayment and cancellation in relation to a single Lender or Issuing Bank**

- (a) If
  - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 23.2 (*Tax gross-up*);
  - (ii) any Lender or Issuing Bank claims indemnification from the Company or an Obligor under Clause 23.3 (*Tax indemnity*) or Clause 24.1 (*Increased costs*); or
  - (iii) any Lender gives notice to the Agent under Clause 21.3 (*Market disruption*),  
the Relevant Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice:
    - (A) (if such circumstances relate to a Lender) of cancellation of the Commitment(s) of that Lender and of any Affiliate of that Lender which is a Dollar Swingline Lender or a Euro Swingline Lender and its intention to procure the repayment of that Lender's and any such Affiliate's participation in the Utilisations or of its intention to replace that Lender (together with any Affiliate of that Lender) in accordance with Clause 44.4 (*Replacement of Lender*); or
    - (B) (if such circumstances relate to the Issuing Bank) of repayment of any outstanding Letter of Credit issued by it and cancellation of its appointment as an Issuing Bank under this Agreement in relation to any Letters of Credit to be issued in the future.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Available Commitment in relation to the Revolving Facility of that Lender and the Available Euro Swingline Commitment and the Available Dollar Swingline Commitment of any such Affiliate shall be immediately reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Company in that notice), the Relevant Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation and that Lender's corresponding Commitment(s) shall be immediately cancelled in the amount of the participations repaid.

**16.6 Right of cancellation in relation to a Defaulting Lender**

- (a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent notice of cancellation of each Available Commitment of that Lender.



- (b) On receipt of a notice referred to in paragraph (a) above, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

**16.7 Application of prepayments**

Any prepayment of a Loan pursuant to Clause 16.4 (*Voluntary prepayment of Revolving Facility Utilisations*) shall be applied pro rata to each Lender's participation in that Loan.

**17. MANDATORY PREPAYMENT**

Upon:

- (a) the occurrence of a Change of Control; or
- (b) a Sale:
  - (i) the Company shall notify the Agent upon becoming aware of such Change of Control or Sale;
  - (ii) after such notice, a Lender shall not be obliged to fund any Utilisation (other than a Rollover Loan);
  - (iii) any Lender may, by not less than thirty (30) days' written notice to the Agent, cancel its Available Commitment and require repayment of its participation in the Utilisations, together with accrued interest thereon and all other amounts owed to it under the Finance Documents; and
  - (iv) the Company shall procure that the Relevant Borrower repay any Lender which delivers a notice to the Agent pursuant to paragraph (iii) above on the date falling thirty (30) days after receipt by the Agent of such notice,

**provided that** paragraphs (ii), (iii) and (iv) above shall only become effective with respect to a Change of Control, if the Shareholders' Approval has been obtained and an extract of the resolution containing the Shareholders' Approval has been duly filed with the clerk of the relevant enterprise court in accordance with article 7:151 of the Belgian Companies and Associations Code.

**18. RESTRICTIONS**

**18.1 Notices of Cancellation or Prepayment**

Any notice of cancellation or prepayment given by any Party under Clause 16 (*Illegality, Voluntary Prepayment and Cancellation*) shall (subject to the terms thereof) be irrevocable and, unless a contrary indication appears in this Agreement, any such notice shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.



**18.2 Interest and other amounts**

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

**18.3 Reborrowing of Revolving Facility**

Unless a contrary indication appears in this Agreement, any part of the Revolving Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

**18.4 Prepayment in accordance with Agreement**

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

**18.5 No reinstatement of Commitments**

Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

**18.6 Agent's receipt of Notices**

If the Agent receives a notice under Clause 16 (*Illegality, Voluntary Prepayment and Cancellation*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

**19A. RATE SWITCH**

**19A.1 Switch to Compounded Reference Rate**

Subject to Clause 19A.2 (*Delayed switch for existing Term Rate Loans*), on and from the Rate Switch Date for a Rate Switch Currency:

- (a) use of the Compounded Reference Rate will replace the use of the applicable Term Reference Rate for the calculation of interest for Revolving Facility Loans in that Rate Switch Currency; and
- (b) any Revolving Facility Loan or Unpaid Sum in that Rate Switch Currency shall be a "Compounded Rate Loan" and Clause 19.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to each such Revolving Facility Loan or Unpaid Sum.

**19A.2 Delayed switch for existing Term Rate Loans**

If the Rate Switch Date for a Rate Switch Currency falls before the last day of an Interest Period for a Term Rate Loan in that currency:

- (a) that Loan shall continue to be a Term Rate Loan for that Interest Period and Clause 19.1 (*Calculation of interest – Term Rate Loans*) shall continue to apply to that Loan for that Interest Period;





- (b) any provision of this Agreement which is expressed to relate to a Compounded Rate Currency shall not apply in relation to that Loan for that Interest Period; and
- (c) on and from the first day of the next Interest Period (if any) for that Loan:
  - (i) that Loan shall be a “Compounded Rate Loan”; and
  - (ii) Clause 19.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to that Loan.

**19A.3 Notifications by Agent**

- (a) Following the occurrence of a Rate Switch Trigger Event for a Rate Switch Currency, the Agent shall:
  - (i) promptly upon becoming aware of the occurrence of that Rate Switch Trigger Event, notify the Company and the Lenders of that occurrence; and
  - (ii) promptly upon becoming aware of the date of the Rate Switch Trigger Event Date applicable to that Rate Switch Trigger Event, notify the Company and the Lenders of that date.
- (b) The Agent shall, promptly upon becoming aware of the occurrence of the Rate Switch Date for a Rate Switch Currency notify the Company and the Lenders of:
  - (i) that occurrence; and
  - (ii) the Credit Adjustment Spread for each Relevant Tenor and each Rate Switch Currency.

**19. INTEREST**

**19.1 Calculation of interest – Term Rate Loans**

The rate of interest on each Term Rate Loan for an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) Term Reference Rate.

**19.2 Calculation of interest – Compounded Rate Loans**

- (a) The rate of interest on each Compounded Rate Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable:
  - (i) Margin; and
  - (ii) Compounded Reference Rate for that day.



(b) If any day during an Interest Period for a Compounded Rate Loan is not an RFR Banking Day, the rate of interest on that Compounded Rate Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

**19.3 Margin**

- (a) Subject to Clause 19.4 (*Calculation of Margin – Sustainability Discount and Sustainability Premium*) and paragraph (c) of Clause 31.12 (*Shareholders’ Approval – the Company*), the Margin is:
- (i) in relation to any Revolving Facility Utilisation, the rate determined in accordance with the margin grid set out below, as calculated by reference to the Company’s Credit Rating, as assessed by S&P and by Moody’s. Accordingly, the rate applicable as of the 2021 Amendment and Restatement Date, based on the Company’s Credit Rating at such date, is [\*\*\*] per cent. per annum;
  - (ii) in relation to any Unpaid Sum relating or referable to a Facility, the rate per annum specified above; and
  - (iii) in relation to any other Unpaid Sum, the highest rate specified below:

<b>Credit Rating (S&amp;P/Moody’s)</b>	<b>Margin (% p.a.)</b>
Higher than or equal to A+/A1	[***]
A/A2	[***]
A-/A3	[***]
BBB+/Baa1	[***]
BBB/Baa2	[***]
BBB-/Baa3	[***]
Lower than BBB-/Baa3	[***]

and provided that:

- (i) in the event of a split Credit Rating, the average of the two corresponding Margins shall apply; and
- (ii) any change in the Margin for a Revolving Facility Utilisation pursuant to the grid above shall take effect on the first day of the next Interest Period for that Utilisation which starts following the date on which the relevant Credit Rating changed.



19.4 Calculation of Margin – Sustainability Discount and Sustainability Premium

- (a) The Margin shall be determined in accordance with Clause 19.3 (*Margin*) above (the “**Base Margin**”) and shall be subject to variation after the date of delivery of the first Sustainability Compliance Certificate, by reference to the most recently delivered Sustainability Compliance Certificate, as follows:
  - (i) if four of the Sustainability Performance Targets are met, the Base Margin shall be reduced by [\*\*\*] per cent. (“[\*\*\*]% **Sustainability Discount**”);
  - (ii) if three of the Sustainability Performance Targets are met, the Base Margin shall be reduced by [\*\*\*] per cent. (“[\*\*\*]% **Sustainability Discount**”);
  - (iii) if two of the Sustainability Performance Targets are met, the Base Margin shall be reduced by [\*\*\*] per cent. (“[\*\*\*]% **Sustainability Discount**”);
  - (iv) if only one Sustainability Performance Target is met, the Base Margin shall apply and there shall be no Sustainability Discount or Sustainability Premium; and
  - (v) if none of the Sustainability Performance Targets are met, the Base Margin shall be increased by [\*\*\*] per cent. (the “**Sustainability Premium**”).
- (b) In the event the Company breaches its obligation to deliver the Sustainability Compliance Certificate or the Annual Report to the Agent in accordance with Clause 19.6 (*Sustainability Compliance Certificate*), any Sustainability Discount then in force shall cease to apply and the Base Margin shall be increased by the Sustainability Premium, in each case with effect from the later of (a) the date falling 120 days after the end of the relevant financial year and (b) the date on which the Agent notifies the Company of such breach **provided that**:
  - (i) the Sustainability Premium imposed pursuant to this paragraph (b) shall cease to apply from the date on which the Company provides to the Agent (at the expense of the Company) the relevant Sustainability Compliance Certificate in accordance with Clause 19.6 (*Sustainability Compliance Certificate*) confirming compliance with the Sustainability Performance Targets; and
  - (ii) if by reference to such provided documents the Margin is subject to variation in accordance with paragraph (a) above, such variation shall take effect on the date which is five Business Days after receipt by the Agent of the Sustainability Compliance Certificate.



- (c) If the representation set out in Clause 19.5 (*Sustainability representation*) is or proves to have been incorrect or misleading when made (the “**Misrepresentation**”), the Company shall notify the Agent of such Misrepresentation promptly upon becoming aware of its occurrence and provide to the Agent as soon as reasonably practicable a revised Sustainability Compliance Certificate for the same financial year as the initial Sustainability Compliance Certificate and otherwise in accordance with Clause 19.6 (*Sustainability Compliance Certificate*) or any other information reasonably requested by the Agent (such request to contain sufficient detail to be capable of response) in each case (x) correcting any inaccuracies giving rise to the relevant Misrepresentation and (y) confirming whether or not the Sustainability Performance Targets are met **provided that** if by reference to such provided documents or information:
  - (i) a higher Margin should have applied during a certain period, then the Relevant Borrower shall promptly pay to the Agent any amounts necessary to put the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period; or
  - (ii) a lower Margin should have applied during a certain period, then the next payments of interest and/or fees falling due shall be reduced to the extent necessary to put the Relevant Borrower in the position it would have been in had the appropriate rate of the Margin applied during such period.
- (d) Any increase or decrease in the Base Margin in accordance with paragraph (a) above shall take effect on the date which is five Business Days after receipt by the Agent of the Sustainability Compliance Certificate for the relevant financial year pursuant to Clause 19.6 (*Sustainability Compliance Certificate*).
- (e) For the avoidance of doubt, any change to the KPIs and/or Sustainability Performance Targets in accordance with Clause 19.7 (*Changes to the Greenhouse Gas Protocol*) shall not affect the calculation of the Margin for any historic Interest Period and there shall be no requirement for any party to repay or rebate any historic payment of Interest.

**19.5 Sustainability representation**

- (a) Each Obligor represents that any calculations pertaining to the KPIs or the Sustainability Performance Targets in the Annual Report or in any Sustainability Compliance Certificate have been arrived at after careful consideration and have been based on reasonable and appropriate calculation methods and assumptions.
- (b) Any breach of representation or warranty with respect to any Sustainability Compliance Certificate or otherwise under this Agreement in relation to any Sustainability Compliance Certificate, the Annual Report or any other document insofar that it relates to any information, reporting or calculation provided or made in relation to the KPIs or the Sustainability Performance Targets, shall not constitute a Default or an Event of Default, but the Margin shall be subject to adjustment in accordance with the provisions of paragraph (c) of Clause 19.4 (*Calculation of Margin – Sustainability Discount and Sustainability Premium*).



**19.6 Sustainability Compliance Certificate**

- (a) The Company shall supply to the Agent with each Annual Report delivered pursuant to paragraph (a) of Clause 30.1 (*Financial statements*) and commencing with the Annual Report in respect of the financial year of the Company ending 31 December 2021, a Sustainability Compliance Certificate setting out confirmations from the Company as to compliance with the Sustainability Performance Targets as at the date as at which that Annual Report was drawn up.
- (b) Each Annual Report delivered by the Company shall include, or be accompanied by, a limited assurance report from the Sustainability Report Assurer.
- (c) The information set out in any Sustainability Compliance Certificate shall be based on the information set out in the Annual Report for the relevant financial year.
- (d) For the avoidance of doubt, the Company shall not have any obligation to re-calculate any information set out in any historic Sustainability Compliance Certificate in the event of any changes to the sustainability-linked terms of this Agreement in accordance with Clause 19.7 (*Changes to the Greenhouse Gas Protocol*).
- (e) Each Sustainability Compliance Certificate shall be signed by two authorised signatories of the Company.
- (f) No Default or Event of Default shall occur solely by reason of a failure to comply with this Clause 19.6 or by reason of a failure to meet one or more of the Sustainability Performance Targets.

**19.7 Changes to the Greenhouse Gas Protocol**

- (a) If the Company or the Majority Lenders (each acting reasonably) determines that:
  - (i) there have been any substantive changes to the methodology or standards set out in the Greenhouse Gas Protocol or the application of the same by the Company due to internal policies or wider industry standards; or
  - (ii) any change has been made to the Greenhouse Gas Protocol or the application of the same by the Company due to internal policies or wider industry standards that has any substantive effect on:
    - (A) GHG Emissions KPI;
    - (B) the calculation of the GHG Emissions Target in the Company's Annual Report for the Baseline Year; or



(C) the calculation of the GHG Emissions Target by the Company in any financial year after the 2021 Amendment and Restatement Date,

(the “**GHG Protocol Amendments**”), the Parties agree that they shall promptly and in good faith enter into discussions for a period of 90 days in order to agree any changes required to the GHG Emissions KPI and the GHG Emissions Target so that the GHG Emission Target is comparable (including, but not limited to, the calculation and level of such target) to that existing as at the 2021 Amendment and Restatement Date.

- (b) If within the 90 day period referenced in paragraph (a) above, the Company and the Majority Lenders agree changes to the GHG Emissions KPI and/or the GHG Emissions Target, such changes shall be binding on all Parties.
- (c) If by the end of the 90 day period referenced in paragraph (a) above, no agreement has been reached regarding the changes required to the GHG Emissions KPI and the GHG Emissions Target:
  - (i) the GHG Emissions Target shall cease to apply for the purpose of Clause 19.4 (*Calculation of Margin – Sustainability Discount and Sustainability Premium*); and
  - (ii) the Sustainability Premium will be [\*\*\*] per cent.

**19.8 Payment of interest**

The Relevant Borrower shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

**19.9 Default interest**

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is one per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 19.9 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Term Rate Loan and which became due on a day which was not the last day of an Interest Period relating to that Loan:
  - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and



- (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

**19.10 Notifications**

- (a) The Agent shall promptly notify the relevant Lenders and the Relevant Borrower of the determination of a rate of interest relating to a Term Rate Loan.
- (b) The Agent shall promptly upon a Compounded Rate Interest Payment being determinable notify:
  - (i) the Relevant Borrower of that Compounded Rate Interest Payment;
  - (ii) each relevant Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant Compounded Rate Loan; and
  - (iii) the relevant Lenders and the Relevant Borrower of each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment.
- (c) The Agent shall promptly notify the relevant Borrower of each Funding Rate relating to a Loan.
- (d) This Clause 19.10 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

**20. INTEREST PERIODS**

**20.1 Selection of Interest Periods and Terms**

- (a) The Relevant Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (b) Subject to this Clause 20, a Borrower (or the Company) may select an Interest Period of one week, one Month, two, three or six Months or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders).
- (c) An Interest Period for a Loan shall not extend beyond the Final Termination Date.
- (d) A Revolving Facility Loan has one Interest Period only.
- (e) No Interest Period for a Compounded Rate Loan shall be longer than six Months unless the Company and the Agent (acting on the instructions of all of the Lenders) agree otherwise.



**20.2 Non-Business Days**

- (a) Other than where paragraph (b) below applies, if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) If the Loan or Unpaid Sum is a Compounded Rate Loan and there are rules specified as “Business Day Conventions” for the currency of that Loan or Unpaid Sum in the applicable Compounded Rate Terms, those rules shall apply to each Interest Period for that Loan or Unpaid Sum.

**21. CHANGES TO THE CALCULATION OF INTEREST**

**21.1 Unavailability of Screen Rate prior to Rate Switch Date**

- (a) *Interpolated Screen Rate:* If no Screen Rate is available for LIBOR or, if applicable, EURIBOR for the Interest Period of a Term Rate Loan, the applicable LIBOR or EURIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Term Rate Loan.
- (b) *Shortened Interest Period:* If no Screen Rate is available for LIBOR or, if applicable, EURIBOR, for:
  - (i) the currency of a Term Rate Loan; or
  - (ii) the Interest Period of a Term Rate Loan and it is not possible to calculate the Interpolated Screen Rate,the Interest Period of that Term Rate Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable LIBOR or EURIBOR for that shortened Interest Period shall be determined pursuant to the relevant definition.
- (c) *Shortened Interest Period and Historic Screen Rate:* If the Interest Period of a Term Rate Loan is, after giving effect to paragraph (b) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Screen Rate is available for LIBOR or, if applicable EURIBOR, for:
  - (i) the currency of that Term Rate Loan; or
  - (ii) the Interest Period of that Term Rate Loan and it is not possible to calculate the Interpolated Screen Rate,the applicable LIBOR or EURIBOR shall be the Historic Screen Rate for that Term Rate Loan.
- (d) *Shortened Interest Period and Interpolated Historic Screen Rate:* If paragraph (c) above applies but no Historic Screen Rate is available for the Interest Period of the Term Rate Loan, the applicable LIBOR or EURIBOR shall be the Interpolated Historic Screen Rate for a period equal in length to the Interest Period of that Term Rate Loan.





- (e) *Reference Bank Rate*: If paragraph (d) above applies but it is not possible to calculate the Interpolated Historic Screen Rate, the Interest Period of that Term Rate Loan shall, if it has been shortened pursuant to paragraph (b) above, revert to its previous length and the applicable LIBOR or EURIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Term Rate Loan and for a period equal in length to the Interest Period of that Term Rate Loan.
- (f) *Cost of funds*: If paragraph (e) above applies but no Reference Bank Rate is available for the relevant currency or Interest Period there shall be no LIBOR or EURIBOR for that Term Rate Loan and Clause 21.4 (*Cost of funds*) shall apply to that Term Rate Loan for that Interest Period.

**21.2 Calculation of Reference Bank Rate**

- (a) Subject to paragraph (b) below, if LIBOR or EURIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.
- (b) If at or about noon on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

**21.3 Market disruption**

- (a) In the case of a Term Rate Loan, if before close of business in London on the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that its cost of funds relating to its participation in that Term Rate Loan would be in excess of LIBOR or, if applicable, EURIBOR then Clause 21.4 (*Cost of funds*) shall apply to that Term Rate Loan for the relevant Interest Period.

**21.4 Cost of funds**

- (a) If this Clause 21.4 applies to a Term Rate Loan for an Interest Period, Clause 19.1 (*Calculation of interest – Term Rate Loans*) shall not apply to that Term Rate Loan for that Interest Period and, the rate of interest on the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
  - (i) the Margin; and
  - (ii) the weighted average of the rates notified to the Agent by each Lender as soon as practicable and in any event within 3 Business Days of the first day of that Interest Period (or, if earlier, on the date falling ten Business Days before the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Loan.



- (b) If this Clause 21.4 applies and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.
- (d) If this Clause 21.4 applies but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders. For the avoidance of doubt (but without prejudice to the rest of this Clause 21.4), no Lender will be under an obligation to supply a quotation.
- (e) If this Clause 21.4 applies the Agent shall, as soon as is practicable, notify the Company.

**21.5 Break Costs**

- (a) The Relevant Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Term Rate Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Term Rate Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

**22. FEES**

**22.1 Commitment fee**

The Company or ABIWW shall pay to the Agent (for the account of each Lender) a fee in the Base Currency in respect of each Lender's Available Commitment under the Revolving Facility from (and excluding) the 2021 Amendment and Restatement Date until the end of the relevant Availability Period, computed at the rate of [\*\*\*] per cent. of the applicable Margin from time to time on the Revolving Facility, payable quarterly in arrear during the relevant Availability Period, on the last day of the relevant Availability Period and on the cancelled amount of the Revolving Facility at the time a full cancellation is effective.

**22.2 Utilisation fee**

- (a) In respect of each day for which, at any time, the amount of outstanding Revolving Facility Utilisations is equal to or less than 33 1/3 per cent. of the Total Revolving Facility Commitments, the Borrower shall pay to the Agent for the account of each Lender a utilisation fee on such Lender's portion of the Revolving Facility Utilisations calculated at the rate of [\*\*\*] per cent. per annum and payable in arrear on the last day of each Interest Period under the Revolving Facility;



- (b) In respect of each day for which, at any time, the amount of outstanding Revolving Facility Utilisations exceeds  $33\frac{1}{3}$  per cent. of and is equal to or less than  $66\frac{2}{3}$  per cent. of the Total Revolving Facility Commitments, the Borrower shall pay to the Agent for the account of each Lender a utilisation fee on such Lender's portion of the Revolving Facility Utilisations calculated at the rate of [\*\*\*] per cent. per annum and payable in arrear on the last day of each Interest Period under the Revolving Facility; and
- (c) In respect of each day for which, at any time, the amount of outstanding Revolving Facility Utilisations exceeds  $66\frac{2}{3}$  per cent. of the Total Revolving Facility Commitments, the Borrower shall pay to the Agent for the account of each Lender an additional utilisation fee on such Lender's portion of the Revolving Facility Utilisations calculated at the rate of [\*\*\*] per cent. per annum and payable in arrear on the last day of each Interest Period under the Revolving Facility.

**22.3 Arrangement fee**

The Company or ABIWW shall pay to the Arrangers an arrangement fee in the amount and at the times agreed in a Fee Letter.

**22.4 Agency fee**

The Company or ABIWW shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

**22.5 Fees payable in respect of Letters of Credit**

- (a) The Company or the Relevant Borrower shall pay to the Agent (for the account of each Lender with a L/C Proportion in the relevant Letter of Credit) a Letter of Credit fee in the Base Currency (computed at the rate equal to the Margin applicable to a Revolving Facility Loan) on the outstanding amount of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Expiry Date. This fee shall be distributed according to each Lender's L/C Proportion of that Letter of Credit.
- (b) Each Relevant Borrower shall pay to the Issuing Bank a fronting fee at the rate of [\*\*\*]% per annum on the outstanding amount which is counter-indemnified by the other Lenders of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Expiry Date.
- (c) The accrued fronting fee and Letter of Credit fee on a Letter of Credit shall be payable on the last day of each successive period of three Months (or such shorter period as shall end on the Expiry Date for that Letter of Credit) starting on the date of issue of that Letter of Credit. The accrued fronting fee and Letter of Credit fee is also payable on the cancelled amount of any Lender's Revolving Facility Commitment at the time the cancellation is effective if that Commitment is cancelled in full and the Letter of Credit is prepaid or repaid in full.



23. TAX GROSS-UP AND INDEMNITIES

23.1 Definitions

(a) In this Agreement:

“**Belgian Qualifying Lender**” means a Lender which is beneficially entitled to receive any interest payment made in respect of a Loan by a Belgian Obligor without a Tax Deduction due to being:

- (i) a company resident in Belgium for tax purposes or acting through a Facility Office established in Belgium to which the relevant Loan under a Finance Document is effectively connected
- (ii) a credit institution within the meaning of article 105, 1°, a) of the Royal Decree implementing the Belgian Income Tax Code, which is a company resident for tax purposes in Belgium or which is acting through a Facility Office established in Belgium;
- (iii) a credit institution within the meaning of article 107, §2, 5, a), second dash of the Royal Decree implementing the Belgian Income Tax Code which is acting through its head office and which is resident for tax purposes in a member state of the European Economic Area or in a country with which Belgium has entered into a double taxation agreement that is in force (irrespective of whether such agreement provides an exemption from tax imposed by Belgium);
- (iv) a credit institution within the meaning of article 107, §2, 5, a), second dash of the Royal Decree implementing the Belgian Income Tax Code, that is acting through a Facility Office which is located in a member state of the European Economic Area or in a country with which Belgium has entered into a double taxation agreement that is in force (irrespective of whether or not the double taxation agreement makes provision for exemption from tax imposed by Belgium); or
- (v) a Belgian Treaty Lender.

“**Belgian Treaty Lender**” means a Treaty Lender in respect of Belgium.

“**Luxembourg Qualifying Lender**” means a Lender which is beneficially entitled to interest payable by a Luxembourg Obligor to that Lender in respect of an advance under a Finance Document and satisfies all the conditions imposed by Luxembourg law in order for a payment of interest not to be subject to (or, as the case may be, to be exempt from) any Tax Deduction imposed by Luxembourg.

“**Luxembourg Treaty Lender**” means a Treaty Lender in respect of Luxembourg.



“**Protected Party**” means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Qualifying Lender**” means a Lender beneficially entitled to interest payable to that Lender in respect of a Loan made under the Finance Documents and which is:

- (i) in respect of a Luxembourg Obligor, a Luxembourg Qualifying Lender;
- (ii) in respect of a Belgian Obligor, a Belgian Qualifying Lender;
- (iii) in respect of a Borrower tax resident in U.S., a US Qualifying Lender; or
- (iv) a Treaty Lender.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of, any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under Clause 23.2 (*Tax gross-up*) or a payment under Clause 23.3 (*Tax indemnity*).

“**Treaty Lender**” means in respect of a jurisdiction, a Lender entitled under the provisions of a double taxation treaty to receive payments of interest from an Obligor that is tax resident in such jurisdiction or that has a permanent establishment in such jurisdiction to which the advances under the Finance Documents are effectively connected without a Tax Deduction (subject to the completion of any necessary procedural formalities).

“**US Qualifying Lender**” means a Lender which is:

- (i) a “United States person” within the meaning of Section 7701(a)(30) of the Code, provided such Lender timely has delivered to the Agent for transmission to the Obligor making such payment two original copies of IRS Form W-9 (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying its status as a “United States person”; or
- (ii) a US Treaty Lender with respect to the United States of America, provided such Lender timely has delivered to the Agent for transmission to the Obligor making such payment two original copies of IRS Form W-8BEN (or any successor form) or IRS Form W-8BEN-E (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying its entitlement to receive such payments without any such deduction or withholding under the applicable double taxation treaty; or



- (iii) entitled to receive payments under the Finance Documents without deduction or withholding of any United States federal income Taxes either as a result of such payments being effectively connected with the conduct by such Lender of a trade or business within the United States or under the portfolio interest exemption, provided such Lender timely has delivered to the Agent for transmission to the Obligor making such payment two original copies of either (A) IRS Form W-8ECI (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying that the payments made pursuant to the Finance Documents are effectively connected with the conduct by that Lender of a trade or business within the United States or (B) IRS Form W-8BEN (or any successor form) or IRS Form W-8BEN-E (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) claiming exemption from withholding in respect of payments made pursuant to the Finance Documents under the portfolio interest exemption and a statement certifying that such Lender is not a person described in Section 871(h)(3)(B) or Section 881(c)(3) of the Code or (C) such other applicable form prescribed by the IRS certifying as to such Lender’s entitlement to exemption from United States withholding tax with respect to all payments to be made to such Lender under the Finance Documents.

For purposes of paragraphs (i), (ii) and (iii) above, in the case of a Lender that is not treated as the beneficial owner of the payment (or a portion thereof) under Chapter 3 and related provisions (including Sections 871, 881, 3406, 6041, 6045 and 6049) of the Code, the term “**Lender**” shall mean the person who is so treated as the beneficial owner of the payment (or portion thereof).

“**US Treaty Lender**” means a Treaty Lender in respect of the United States.

- (b) Unless a contrary indication appears, in this Clause 23 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

**23.2 Tax gross-up**

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender or Issuing Bank shall notify the Agent on becoming so aware in respect of a payment payable to that Lender or Issuing Bank. If the Agent receives such notification from a Lender or Issuing Bank it shall notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor or the Agent, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.



- (d) A Borrower is not required to make an increased payment to a Lender under paragraph (c) above for a Tax Deduction in respect of tax imposed by Belgium, Luxembourg or the United States from a payment of interest on a Loan, if on the date on which the payment falls due:
  - (i) the payment could have been made to the relevant Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority; or
  - (ii) the relevant Lender is a Qualifying Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) below.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g) A Qualifying Lender and each Obligor which makes a payment to which that Qualifying Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation or to be allowed under the applicable law to make that payment without a Tax Deduction to make that payment without a Tax Deduction.

**23.3 Tax indemnity**

- (a) The Company or ABIWW shall (within ten Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or the transactions occurring under such Finance Document.
- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or



(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 23.2 (*Tax gross-up*);

(B) would have been compensated for by an increased payment under Clause 23.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 23.2 (*Tax gross-up*) applied; or

(C) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 23.3, notify the Agent.

#### 23.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

#### 23.5 Lender Status Confirmation

(a) Each person that is a Lender on the 2021 Amendment and Restatement Date confirms (for the benefit of the Agent and without liability to any Obligor) that, on the 2021 Amendment and Restatement Date, its status is as set out next to its name in Part IV (*The New Lenders*) of Schedule 1 (*The Parties*) of the 2021 Amendment and Restatement Agreement.

(b) Each Lender which becomes a Party to this Agreement after the 2021 Amendment and Restatement Date shall indicate (for the benefit of the Agent and without liability to any Obligor), in the documentation which it executes on becoming a Party as a Lender which of the following categories it falls into:





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- (i) in respect of a Belgian Obligor:
  - (A) a Belgian Qualifying Lender (other than a Belgian Treaty Lender);
  - (B) a Belgian Treaty Lender; or
  - (C) not a Belgian Qualifying Lender,
- (ii) in respect of a Luxembourg Obligor:
  - (A) a Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender);
  - (B) a Luxembourg Treaty Lender; or
  - (C) not a Luxembourg Qualifying Lender,
- (iii) in respect a Borrower tax resident in U.S.:
  - (A) a US Qualifying Lender (other than a US Treaty Lender);
  - (B) a US Treaty Lender; or
  - (C) not a US Qualifying Lender.
- (c) If such a Lender fails to indicate its status in accordance with paragraph (b) of this Clause 23.5, then that Lender shall be treated for the purposes of this Agreement as if it is not a Qualifying Lender in respect of each Obligor until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Company and the relevant Obligor). For the avoidance of doubt, the documentation which a Lender executes on becoming a Party to this Agreement shall not be invalidated by any failure of a Lender to comply with this Clause 23.5.
- (d) Each Lender which indicates its status in accordance with paragraph (a) or (b) above shall notify the relevant Obligor and the Agent in writing if it ceases to be a Qualifying Lender promptly after becoming aware of such a change.
- (e) As at the 2021 Amendment and Restatement Date, each person that is a Lender on the 2021 Amendment and Restatement Date represents that it is not incorporated, having its place of effective management, or acting through a Facility Office or office, as the case may be, located in a Non-Cooperative Jurisdiction.
- (f) Each Lender which becomes a Party to the Agreement after the 2021 Amendment and Restatement Date shall indicate, in the documentation which it executes on becoming a Party as a Lender whether it is incorporated, having its place of effective management, or acting through a Facility Office or office, as the case may be, located in a Non-Cooperative Jurisdiction.



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- (g) Each Lender (including, for the avoidance of doubt any New Lender) under a Facility made available to a Belgian Obligor shall notify the Belgian Obligor:
  - (i) if the state or territory in which it is incorporated, resident or established or where its Facility Office is established becomes a Non-Cooperative Jurisdiction; and
  - (ii) if the bank account(s) to which payments to which that Lender is entitled has (have) or will be made, are:
    - (A) managed or held by a person or persons incorporated, resident or established in a Non-Cooperative Jurisdiction or by the permanent establishment of a non-resident of Belgium situated in a Non-Cooperative Jurisdiction;
    - (B) managed by, or opened with:
      - (1) a financial institution incorporated, resident or established in a Non-Cooperative jurisdiction; or
      - (2) a branch or office of a financial institution situated in a Non-Cooperative Jurisdiction;

in each case at such time or during such period or, as the case may be, in connection with such payments, as indicated by the Belgian Obligor in a request to make such notification. The Lender shall make such notification within 15 Business Days of demand of the Obligor.
- (h) Upon request, each Lender (including, for the avoidance of doubt any New Lender) shall provide information reasonably requested by a Belgian Obligor demonstrating that it cannot be considered as an artificial construction within the meaning of article 198, §1, 10° of the Belgian Income Tax Code 1992 if:
  - (i) the state or territory in which it is or becomes incorporated, resident or established or here its Facility Office is or becomes established is a Non-Cooperative Jurisdiction; and
  - (ii) the bank account(s) to which payments to which that Lender is entitled has (have) or will be made, are:
    - (A) managed or held by a person or persons incorporated, resident or established in a Non-Cooperative Jurisdiction or by the permanent establishment of a non-resident of Belgium situated in a Non-Cooperative Jurisdiction;
    - (B) managed by, or opened with:
      - (1) a financial institution incorporated, resident or established in a Non-Cooperative jurisdiction;
      - (2) a branch or office of a financial institution situated in a Non-Cooperative Jurisdiction;



- (i) The Lender shall provide such information within 15 Business Days following the receipt of a demand of the Obligor (which demand shall refer to this clause 23.5). Such demand can be made by the Belgian Obligor prior to each date on which an interest is payable under a Finance Document.

**23.6 Stamp taxes**

The Company or ABIWW shall pay and, within ten Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration, excise and other similar Taxes payable in respect of any Finance Document except for any such Tax payable in connection with the entry into a Transfer Certificate and, with respect to Luxembourg registration duties (*droits d'enregistrement*), any Luxembourg tax payable due to a registration of a Finance Document when such registration is not required to maintain or preserve the rights of any Finance Party.

**23.7 Value added tax**

- (a) All amounts set out, or expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to paragraph (c) below, if VAT is chargeable on any supply made by any Finance Party to any Party under a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party), or where applicable, directly account for such VAT at the appropriate rate under the reverse charge procedure provided for by articles 44 and 196 of the European Directive 2006/112/EC (replacing European Directive 77/388/EC) and any relevant tax provisions of the jurisdiction in which such Party receives such supply (in which case no amount equal to the amount of VAT will be due to the Finance Party).
- (b) If VAT is chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration):
  - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party shall also pay (as the case may be) to the Recipient or to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Relevant Party an amount equal to any credit or repayment from the relevant tax authority which it reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.



- (c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that neither it nor any other member of any group of which is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.
- (d) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

**23.8 FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party; and
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
  - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or



- (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is a U.S. Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:
  - (i) where the Original Borrower is a U.S. Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;
  - (ii) where a Borrower is a U.S. Tax Obligor on a date on which any other Lender becomes a Party as a Lender, that date;
  - (iii) the date a new U.S. Tax Obligor accedes as a Borrower; or
  - (iv) where a Borrower is not a U.S. Tax Obligor, the date of a request from the Agent, supply to the Agent:
    - (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
    - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the relevant Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Borrower.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraph (e), (f) or (g) above.



**23.9 FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

**24. INCREASED COSTS**

**24.1 Increased costs**

- (a) Subject to Clause 24.3 (*Exceptions*) the Company or ABIWW shall, within ten Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement;
  - (ii) compliance with any law or regulation made after the date of this Agreement; or
  - (iii) the implementation or application of, or compliance with, Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.
- (b) In this Agreement:
  - (i) **“Increased Costs”** means:
    - (A) a reduction in the rate of return from a Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
    - (B) an additional or increased cost; or
    - (C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document or Letter of Credit.



- (ii) **“Basel III”** means:
  - (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
  - (B) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
  - (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.
- (iii) **“CRD IV”** means EU CRD IV and UK CRD IV:
- (iv) **“EU CRD IV”** means:
  - (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
  - (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.
- (v) **“UK CRD IV”** means:
  - (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **“Withdrawal Act”**);
  - (B) the law of the United Kingdom or any part of it, which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures; and



- (C) direct EU legislation (as defined in the Withdrawal Act), which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act.

**24.2 Increased cost claims**

- (a) A Finance Party intending to make a claim pursuant to Clause 24.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

**24.3 Exceptions**

- (a) Clause 24.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
  - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
  - (ii) attributable to a FATCA Deduction required to be made by a Party;
  - (iii) compensated for by Clause 23.3 (*Tax indemnity*) (or would have been compensated for under Clause 23.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 23.3 (*Tax indemnity*) applied);
  - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
  - (v) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (b) Neither the Company nor ABIWW shall be required to make any payment for any Increased Costs unless:
  - (i) the claim is made within 90 days of the relevant Increased Cost being incurred;





- (ii) the Finance Party notifies the Company promptly upon becoming aware that it has incurred the relevant Increased Cost;
- (iii) the Finance Party confirms to the Company that its claim relates only to Increased Costs where it was not possible to calculate such costs at the 2021 Amendment and Restatement Date; and
- (iv) the Finance Party certifies that, where relevant documentation allows, it is generally claiming equivalent costs from all, or substantially all, similar borrowers of similar creditworthiness.

(c) In this Clause 24.3 reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 23.1 (*Definitions*).

25. **OTHER INDEMNITIES**

25.1 **Currency indemnity**

(a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (i) making or filing a claim or proof against that Obligor; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within ten Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

25.2 **Other indemnities**

The Company or ABIWW shall (or shall procure that an Obligor will), within ten Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 37 (*Sharing among the Finance Parties*);



- (c) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);
- (d) issuing or making arrangements to issue a Letter of Credit requested by the Company or a Borrower in a Utilisation Request but not issued by reason of the operation of any one or more of the provisions of this Agreement; or
- (e) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

**25.3 Indemnity to the Agent**

The Company or ABIWW shall within ten Business Days of demand indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) entering into or performing any foreign exchange contract for the purposes of paragraph (b) of Clause 38.10 (*Change of currency*); or
- (c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

**26. MITIGATION BY THE LENDERS**

**26.1 Mitigation**

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 16.1 (*Illegality*) (or, in respect of the Issuing Bank, Clause 16.2 (*Illegality in relation to Issuing Bank*)), Clause 23 (*Tax Gross-up and Indemnities*) or Clause 24 (*Increased Costs*) or any amount becoming payable under a Finance Document by an Obligor established in Belgium not being tax deductible from that Belgian Obligor's taxable income in Belgium as a result of that amount being payable to a Finance Party incorporated, resident, established or acting through a Facility Office or office in a Non-Cooperative Jurisdiction including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

**26.2 Limitation of liability**

- (a) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 26.1 (*Mitigation*).



(b) A Finance Party is not obliged to take any steps under Clause 26.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

**27. COSTS AND EXPENSES**

**27.1 Transaction expenses**

The Company or ABIWW shall within ten Business Days of demand pay the Agent, the Arrangers and the Issuing Bank the amount of all costs and expenses (including legal fees subject to any agreement on legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

**27.2 Amendment costs**

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 38.10 (*Change of currency*), the Company shall, within ten Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

**27.3 Enforcement and preservation costs**

The Company or ABIWW shall, within ten Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of or the preservation of any rights under any Finance Document.

**28. GUARANTEE AND INDEMNITY**

**28.1 Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.



**28.2 Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

**28.3 Reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

**28.4 Waiver of defences**

The obligations of each Guarantor under this Clause 28 will not be affected by an act, omission, matter or thing which, but for this Clause 28, would reduce, release or prejudice any of its obligations under this Clause 28 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.



**28.5 Guarantor Intent**

Without prejudice to the generality of Clause 28.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

**28.6 Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 28. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

**28.7 Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 28.

**28.8 Deferral of Guarantors' rights**

Without prejudice to the obligations of the Company under the Parent Contribution Agreement, until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents (other than pursuant to the Parent Contribution Agreement):

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or



- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights (other than pursuant to the Parent Contribution Agreement) it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 38 (*Payment Mechanics*) of this Agreement.

**28.9 Release of Guarantors' right of contribution**

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

**28.10 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

**28.11 Guarantee limitations**

- (a) Notwithstanding any other provisions of this Agreement, the maximum aggregate liability of Brandbrew and Brandbev respectively pursuant to this Clause 28 and as a guarantor under the Other Guaranteed Facilities shall not exceed an amount equal to the aggregate of (without double counting):
  - (i) the aggregate amount of all moneys received by Brandbrew and Brandbev respectively and their respective Subsidiaries as a borrower or issuer under this Agreement and the Other Guaranteed Facilities;
  - (ii) the aggregate amount of all outstanding intercompany loans made to Brandbrew and Brandbev respectively and their respective Subsidiaries by other members of the Group which have been directly or indirectly funded using the proceeds of borrowings under this Agreement or the Other Guaranteed Facilities; and



- (iii) an amount equal to 100% of the greater of:
  - (A) the sum of Brandbrew and Brandbev's respective own capital (*capitaux propres*) as referred to in article 34 of the Luxembourg law dated 19 December 2002 on the trade and companies register and the accounting and annual accounts of undertakings, as amended (the "**Luxembourg Law of 2002**") and as implemented by the Grand-Ducal regulation dated 18 December 2015 setting out the form and the content of the presentation of the balance sheet and profit and loss account (the "**Luxembourg Regulation of 2015**" as reflected in the most recent annual accounts approved by the competent organ of Brandbrew and Brandbev respectively (as audited by its *réviseur d'entreprises* (external auditor), if required by law), increased by the amount of any Intra-Group Liabilities; and
  - (B) the sum of Brandbrew and Brandbev's respective own capital (*capitaux propres*) (as referred to in article 34 of the Luxembourg Law of 2002) as implemented by the Luxembourg Regulation of 2015) as reflected in its filed annual accounts available as at the 2021 Amendment and Restatement Date increased by the amount of any Intra-Group Liabilities.
- (b) For the purpose of the above limitation, "**Intra-Group Liabilities**" shall mean any amounts owed by the relevant Luxembourg Guarantor to any other member of the Group and that have not been financed (directly or indirectly) by a borrowing or proceeds under the Finance Documents or the Other Guaranteed Facilities.
- (c) For the avoidance of doubt, the limitation referred to in paragraph (a) above shall not apply to the guarantee by Brandbrew or Brandbev of any obligations owed by their respective Subsidiaries under the Finance Document or under any Other Guaranteed Facilities.
- (d) In addition to the limitation referred to in paragraph (a) above, the obligations and liabilities of Brandbrew and Brandbev under this Agreement or under any Other Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as contained in articles 430-19 or 1500-7, as applicable of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended.
- (e) Each of Brandbrew and Brandbev hereby expressly accepts and confirms, for the purposes of article 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Agreement, the guarantee given under this Agreement shall be preserved for the benefit of any new Lender and Brandbrew and Brandbev hereby accept and confirm the aforementioned.



- (f) Notwithstanding any term or provision of this Clause 28 or any other term in this Agreement or any Finance Document, each Finance Party agrees that each U.S. Guarantor's liability under this Clause 28, without the requirement of amendment or any other formality, be limited to a maximum aggregate amount equal to the largest amount that would not render its liability hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Bankruptcy Code or any applicable provision of comparable state law.

**28.12 Additional Guarantor limitations**

The obligations of any Additional Guarantor under this Clause 28 are subject to any limitations set out in the Accession Letter pursuant to which that Additional Guarantor becomes a party to this Agreement.

**29. REPRESENTATIONS**

**29.1 General**

Save for the representations and warranties in Clauses 29.16 (*Sanctions*) and 29.17 (*Anti-corruption*), which are made only by the Company on the 2021 Amendment and Restatement Date, each Obligor makes the representations and warranties set out in this Clause 29 to each Finance Party on the date of this Agreement, save for the representation given in Clause 29.10 (*Financial statements*) with respect to the Original Financial Statements which shall be made on the date they are delivered.

**29.2 Status**

- (a) It is a corporation, partnership (whether or not having separate legal personality) or other corporate body duly incorporated or organised and validly existing under the law of its jurisdiction of incorporation or organisation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted in all material respects.

**29.3 Binding obligations**

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document, to which it is a party are legal, valid, binding and enforceable obligations.

**29.4 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) the constitutional documents of any Obligor or Material Subsidiary; or





- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or its Subsidiaries' assets to an extent which would reasonably be expected to have a Material Adverse Effect.

**29.5 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

**29.6 Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

**29.7 Governing law and enforcement**

- (a) Subject to the Legal Reservations, the choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation or organisation.
- (b) Subject to the Legal Reservations, any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation or organisation.

**29.8 No default**

- (a) Save as otherwise notified to the Agent, no Default is continuing.
- (b) Save as otherwise notified to the Agent, no Default would reasonably be expected to result from the making of any Utilisation.
- (c) No other event or circumstance is outstanding which constitutes a default under (i) any other agreement or instrument which is binding on it or any of its Subsidiaries or (ii) to which its (or any of its Subsidiaries') assets are subject which, in either case, would reasonably be expected to have a Material Adverse Effect.

**29.9 No misleading information**

- (a) Any written factual information (which for this purpose excludes any projections or forward looking statements) regarding the Company or its Subsidiaries (as at the date of this Agreement) provided to the Arrangers by or on behalf of the Company or any other member of the Group in connection with the Facilities (the "**Information**") is true and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated and when taken as a whole.



- (b) Nothing has occurred or been omitted and no information has been given or withheld that results in the Information, taken as a whole, being untrue or misleading in any material respect.
- (c) Any projections contained in the Information have been prepared in good faith on the basis of recent historical information and on the basis of assumptions believed by the preparer to be reasonable as at the time such assumptions were made, it being understood that projections are as to future events and are not to be viewed as facts.

**29.10 Financial statements**

- (a) The Company's Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied.
- (b) The Company's Original Financial Statements fairly present its consolidated financial condition and its results of operations during the relevant financial year.

**29.11 Pari passu ranking**

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally in any relevant jurisdiction.

**29.12 No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which would reasonably be expected to have a Material Adverse Effect, have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

**29.13 ERISA and Multiemployer Plans**

- (a) With respect to any Plan, no ERISA Event has occurred or, subject to the passage of time, is reasonably expected to occur that has resulted in or would reasonably be expected to have a Material Adverse Effect.
- (b) To the best of the knowledge and belief of the relevant Obligor, (i) Schedule B (*Actuarial Information*) to the most recent annual report (Form 5500 Series) filed with the IRS by any Obligor or ERISA Affiliate with respect to any Plan and furnished to the Agent is not incomplete or inaccurate in any respects which would reasonably be expected to have a Material Adverse Effect and does not unfairly present the funding status of such Plan to the extent which would reasonably be expected to have a Material Adverse Effect, and (ii) since the date of such Schedule B, there has been no change in such funding status which would reasonably be expected to have a Material Adverse Effect.



- (c) Neither any U.S. Obligor nor any ERISA Affiliate has incurred or, so far as the relevant Obligor is aware, is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan which has or would reasonably be expected to have a Material Adverse Effect.
- (d) Neither any Obligor nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganisation or has been terminated, within the meaning of Title IV of ERISA, and, so far as the relevant Obligor is aware, no such Multiemployer Plan is reasonably expected to be in reorganisation or to be terminated, within the meaning of Title IV of ERISA, in each case and to the extent that such reorganisation or termination would reasonably be expected to have a Material Adverse Effect.
- (e) The Obligor and their ERISA Affiliates are in compliance in all respects with the presently applicable provisions of ERISA and the Code with respect to each Plan and Multiemployer Plan, except for failures to so comply which would not reasonably be expected to have a Material Adverse Effect. No condition exists or event or transaction has occurred with respect to any Plan or Multiemployer Plan which would reasonably be expected to result in the incurrence by any Obligor or any ERISA Affiliate of any liability, fine or penalty which would reasonably be expected to have a Material Adverse Effect.
- (f) No assets of an Obligor constitute the assets of any Plan within the meaning of the U.S. Department of Labor Regulation § 2510.3-101 to an extent which would reasonably be expected to have a Material Adverse Effect.

**29.14 Investment Companies**

Neither the Company nor any Borrower is registered, or is required to be registered, as an “investment company” under the U.S. Investment Company Act of 1940, as amended.

**29.15 Federal Regulations**

The use of the proceeds of each Utilisation in accordance with the terms of this Agreement does not violate Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System of the United States.

**29.16 Sanctions**

- (a) Subject to paragraph (b) below:
  - (i) neither it nor any Obligor is (i) currently a designated target of any Sanctions or (ii) organised or resident in a Sanctioned Country;
  - (ii) in relation to a Sanctioned Country in which it (or an Obligor) is operating or conducting any business, it (or the relevant Obligor) is conducting such business in compliance with the Sanctions applicable to that Sanctioned Country in all material respects; and



- (iii) it has instituted and maintains policies and procedures designed to promote compliance by the Group with Sanctions applicable to the Group and the Group's business.
- (b) The representation in paragraph (a) above shall:
  - (i) be given by and apply to each Obligor for the benefit of (x) Sumitomo Mitsui Banking Corporation's New York Branch ("SMBC NY"), and (y) each other Finance Party only to the extent that, in the case of (y), giving, complying with or receiving the benefit of (as applicable) such representation does not result in any violation of the Blocking Regulation or any similar anti-boycott statute; and
  - (ii) except with respect to SMBC NY, apply for the benefit of a Finance Party (other than a Finance Party that notifies the Agent (such party being a "**Restricted Finance Party**") in writing that it is a Restricted Finance Party for the purposes of this Clause 29.16 in which case it shall only apply for the benefit of such Restricted Finance Party to the extent that such representation would not result in any violation of or conflict with Section 7 Foreign Trade And Payments Rules (AWV) (*Außenwirtschaftsverordnung*) (in connection with Section 4 paragraph 1 a no. 3 German Foreign Trade and Payments Act (AWG) (*Außenwirtschaftsgesetz*) or a similar anti-boycott statute)). In connection with any waiver, determination or direction relating to any part of this Clause 29.16 of which a Restricted Finance Party does not have the benefit, the commitments of that Restricted Finance Party (to the extent that it is a Lender) will be excluded for the purpose of determining whether the consent of the Majority Lenders has been obtained or whether the determination or direction by the Majority Lenders has been made.

**29.17 Anti-corruption**

It is the policy of the Company to conduct its business in compliance with all applicable anti-money laundering and Anti-Corruption Laws in all material respects and it has instituted and maintains policies and procedures designed to promote and achieve compliance with such laws across the Group.

**29.18 Times when representations made**

- (a) All the representations and warranties in this Clause 29 are made by each Original Obligor on the date of this Agreement save for the representation given in Clause 29.10 (*Financial statements*) with respect to the Original Financial Statements which shall be made on the date they are delivered.
- (b) The representations and warranties in Clauses 29.16 (*Sanctions*) and 29.17 (*Anti-corruption*) are made by the Company only and only on the 2021 Amendment and Restatement Date.



- (c) The Repeating Representations are deemed to be made by each Obligor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.
- (d) The Repeating Representations are deemed to be made by each Additional Obligor on the day on which it becomes (or it is proposed that it becomes) an Additional Obligor.
- (e) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

**30. INFORMATION UNDERTAKINGS**

The undertakings in this Clause 30 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

**30.1 Financial statements**

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years, its audited consolidated financial statements for that financial year;
- (b) if requested by the Agent on behalf of a Finance Party in respect of a financial year of each Obligor, as soon as the same become available, but in any event not later than 270 days after the end of that financial year, the audited annual financial statements of that Obligor, provided it prepares audited annual financial statements; and
- (c) as soon as the same become available, but in any event not later than 30 September in each financial year, its unaudited consolidated financial statements for the six Month period ending 30 June in that financial year.

**30.2 Requirements as to financial statements**

- (a) Each set of financial statements delivered by the Company pursuant to Clause 30.1 (*Financial statements*) shall be certified by a director or the chief financial officer or two authorised signatories of the relevant company as fairly presenting its financial condition as at the date as at which those financial statements were drawn up (unless, in the case of financial statements delivered by the Company pursuant to paragraph (b) of Clause 30.1 (*Financial statements*), expressly disclosed to the Agent in writing to the contrary).
- (b) The Company shall procure that each set of financial statements delivered pursuant to paragraphs (a) and (c) of Clause 30.1 (*Financial statements*) is prepared using the Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Company unless, in relation to any set of financial



statements, it notifies the Agent that there has been a change in the Accounting Principles, the accounting practices or reference periods and its auditors deliver to the Agent a description of any change necessary for those financial statements to reflect the Accounting Principles, accounting practices and reference periods upon which the Company's Original Financial Statements were prepared. Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

**30.3 Information: miscellaneous**

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by the Company to its shareholders generally (or any class of them generally) or its creditors generally at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;
- (c) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request subject to any limits arising from confidentiality obligations owed by the Company or its Subsidiaries and excluding competition filings;
- (d) with each set of audited consolidated financial statements of the Company, an updated list of Material Subsidiaries; and
- (e) promptly and in any event within ten Business Days of any such downgrade, details of any downgrade to the Credit Rating of the Company as assessed by S&P or Moody's.

**30.4 Notification of default**

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a reasonable request by the Agent, the Company shall supply to the Agent a certificate signed by an authorised signatory of the Company on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

**30.5 Direct electronic delivery by Company**

The Company may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender in accordance with Clause 40.6 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.



30.6 “Know your customer” checks

- (a) If:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
  - (ii) any change in the status of an Obligor after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Company shall, by not less than ten Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 34 (*Changes to the Obligors*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any



Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “**know your customer**” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

**31. GENERAL UNDERTAKINGS**

The undertakings in this Clause 31 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force. Any undertaking to procure compliance by another member of the Group shall, in relation to Modelo (to the extent it is a Subsidiary of the Company), be limited to an obligation to exercise such voting rights as an Obligor may have with a view to ensure compliance.

**31.1 Authorisations**

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) (at the prior written request of the Agent) supply certified copies to the Agent of, any Authorisation required under any law or regulation of its jurisdiction of incorporation to:
  - (i) enable it to perform its obligations under the Finance Documents; and
  - (ii) ensure the legality, validity, enforceability or admissibility in evidence its jurisdiction of incorporation of any Finance Document.

**31.2 Compliance with laws**

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would reasonably be expected to have a Material Adverse Effect.

**31.3 Environmental compliance**

Each Obligor will (and will ensure that each of its Subsidiaries will):

- (a) comply with all Environmental Laws; and
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits, in each case where failure to do so would have a Material Adverse Effect.





**31.4 Merger**

No Obligor shall enter into any amalgamation, demerger or merger other than:

- (a) any amalgamation, demerger or merger on a solvent basis **provided that**:
  - (i) if the amalgamation, demerger or merger involves one Obligor, that Obligor will be the surviving entity of that amalgamation, demerger or merger; and
  - (ii) if the amalgamation, demerger or merger involves more than one Obligor:
    - (A) the surviving entity of that amalgamation, demerger or merger will assume the obligations of the non-surviving Obligor under the Finance Documents; and
    - (B) if the amalgamation, demerger or merger involves one or more Borrowers, either a Borrower will be the surviving entity or the relevant surviving entity must be incorporated in the same jurisdiction as an existing Borrower and must assume the obligations of the non-surviving Borrower under the Finance Documents; or
- (b) any other amalgamation, demerger or merger to which the Majority Lenders have given their consent, (each, a “**Permitted Reorganisation**”).

**31.5 Change of business**

The Company shall procure that neither Company nor the Group taken as a whole carries on any business which results in any material change to the nature of the core business of the Group from the Core Business.

**31.6 Acquisitions**

No Obligor shall (and the Company shall ensure that no other member of the Group will) acquire a company or any shares or securities or a business or undertaking from an entity that is not a member of the Group (or, in each case, any interest in any of them), which results in the Credit Rating of the Company being downgraded during the relevant Credit Rating Period applicable to such acquisition or incorporation to a rating of BB+ or lower by S&P or Ba1 or lower by Moody’s.

**31.7 Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except those creditors whose claims are mandatorily preferred by law applying to companies generally.



**31.8 Negative pledge**

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets which secures Financial Indebtedness.
- (b) No Obligor shall (and the Company shall ensure that no other member of the Group will):
  - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
  - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect,  
in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to Permitted Security.

**31.9 Subsidiary Financial Indebtedness**

Each Obligor shall procure that Subsidiary Financial Indebtedness, when aggregated with the aggregate amount secured by the Security referred to in paragraph (p) of the definition of Permitted Security (other than such Security securing Subsidiary Financial Indebtedness) shall at no time exceed US\$6,000,000,000 (or its equivalent in any other currency).

**31.10 Intellectual Property**

Each Obligor shall (and the Company shall procure that each member of the Group will):

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant member of the Group;
- (b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;



- (d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Group to use such property; and
- (e) not discontinue the use of the Intellectual Property,

where failure to do so, in the case of paragraphs (a), (b) and (c) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, would reasonably be expected to have a Material Adverse Effect.

**31.11 Credit Rating**

- (a) Subject to paragraph (b) below, the Company will ensure that it maintains a Credit Rating with S&P and Moody's.
- (b) If S&P or Moody's ceases to carry on business as a rating agency or to supply a Credit Rating with respect to the Company, within 30 days after the date on which that event occurs, the Company shall appoint any other rating agency of international standing which is prepared to issue a Credit Rating with respect to the Company and which is acceptable to the Majority Lenders (acting reasonably) to issue a Credit Rating with respect to the Company. If any other rating agency is appointed under this paragraph (b), the Parties agree to amend this Agreement to make appropriate amendments to the definition of "**Margin**".

**31.12 Shareholders' Approval – the Company**

- (a) The Company shall use its reasonable endeavours to procure that a Shareholders' Approval is obtained within one month of the annual meeting of the Shareholders of the Company in respect of the financial year ended 31 December 2020 (the "**Shareholders' Approval Time Period**").
- (b) If a Shareholders' Approval is obtained the Company shall provide to the Agent a copy of the relevant resolutions of the shareholders of the Company together with evidence that an extract of the resolutions has been filed with the clerk of the relevant enterprise court in accordance with article 7:151 of the Belgian Companies and Associations Code.
- (c) If a Shareholders' Approval is not obtained pursuant to paragraph (a) above by the last day of the Shareholders' Approval Time Period, the Margin shall be increased by [\*\*\*] per cent. per annum, and there shall be a corresponding increase in each rate of Margin in the table of Margin rates set out in paragraph (a) of Clause 19.3 (*Margin*). Any change in the Margin for a Utilisation pursuant to this paragraph (c) shall take effect five Business Days after the final day of the Shareholders' Approval Time Period.
- (d) If a Shareholders' Approval is obtained subsequent to the Shareholders' Approval Time Period, the Margin increase described in paragraph (c) above shall cease to apply from the first day of the next Interest Period for that Utilisation which starts following receipt of the Shareholders' Approval.



31.13 **Sanctions**

- (a) No Obligor shall to its knowledge use the proceeds of any Utilisation or lend, contribute, or otherwise make available such proceeds to fund any activities or business of any person who is, at the time of such funding, a designated target of Sanctions or in a Sanctioned Country (other than, in relation to a Sanctioned Country, in respect of business operated or conducted in compliance with Sanctions applicable to that Sanctioned Country in all material respects), to the extent such action would reasonably be expected to result in any Finance Party becoming in breach of its legal obligations in respect of any Sanctions.
- (b) The Parties acknowledge that moneys are fungible and therefore agree that the co-mingling of the proceeds of a Loan with general funds within the Group will not of itself constitute a breach of this Clause 31.13. A statement in a Utilisation Request as to the intended use of proceeds of the relevant Utilisation is conclusive in the absence of manifest error.
- (c) The Company shall maintain policies and procedures designed to promote and achieve compliance with Sanctions applicable to the Group and the Group's business.
- (d) The undertaking in paragraphs (a) and (c) above shall:
  - (i) be given by and apply to each Obligor for the benefit of (x) Sumitomo Mitsui Banking Corporation's New York Branch ("SMBC NY"), and (y) each other Finance Party only to the extent that, in the case of (y), giving, complying with or receiving the benefit of (as applicable) such undertaking does not result in any violation of the Blocking Regulation or any similar anti-boycott statute; and
  - (ii) except with respect to SMBC NY, apply for the benefit of a Finance Party (other than a Finance Party that notifies the Agent (such party being a "Restricted Finance Party") in writing that it is a Restricted Finance Party for the purposes of this Clause 31.13 in which case it shall only apply for the benefit of such Restricted Finance Party to the extent that such undertaking would not result in any violation of or conflict with Section 7 Foreign Trade And Payments Rules (AWV) (*Außenwirtschaftsverordnung*) (in connection with Section 4 paragraph 1 a no. 3 German Foreign Trade and Payments Act (AWG) (*Außenwirtschaftsgesetz*) or a similar anti-boycott statute)). In connection with any waiver, determination or direction relating to any part of this Clause 31.13 of which a Restricted Finance Party does not have the benefit, the Commitments of that Restricted Finance Party (to the extent that it is a Lender) will be excluded for the purpose of determining whether the consent of the Majority Lenders has been obtained or whether the determination or direction by the Majority Lenders has been made.



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**31.14 Anti-corruption**

- (a) No Obligor shall (and the Company shall procure that no member of the Group will) knowingly use the proceeds of any Loan for any purpose which would breach applicable anti-money laundering or Anti-Corruption Laws in any material respect.
- (b) The Company shall maintain policies and procedures designed to promote and achieve compliance by the Group with applicable anti-money laundering and Anti-Corruption Laws.

**32. EVENTS OF DEFAULT**

Each of the events or circumstances set out in this Clause 32 is an Event of Default (save for Clause 32.14 (*Acceleration*)).

**32.1 Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and
- (b) payment is made within five Business Days of its due date.

**32.2 Other obligations**

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 32.1 (*Non-payment*) or paragraph (b) below).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within:
  - (i) (in relation to Clause 30 (*Information undertakings*) and Clause 31 (*General Undertakings*)) 15 Business Days; or
  - (ii) (in relation to any of the other obligations expressed to be assumed by it in any of the Finance Documents (other than referred to in Clauses 32.1 (*Non-payment*))) 30 Business Days,
 of the Agent giving notice to the Company or relevant Obligor or the Company or an Obligor becoming (or should have become when exercising normal diligence) aware of the failure to comply.

**32.3 Misrepresentation**

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the Agent giving notice to the Company or relevant Obligor or the Company or an Obligor becoming (or should have become when exercising normal diligence) aware of the failure to comply.

**32.4 Cross default**

- (a) Any Financial Indebtedness or any indebtedness under a Derivative Contract of any member of the Group is not paid when due or within any originally applicable grace period.
- (b) Any Financial Indebtedness or any indebtedness under a Derivative Contract of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described).
- (c) No Event of Default will occur under this Clause 32.4 (*Cross default*) if:
  - (i) the aggregate amount of Financial Indebtedness, of any indebtedness (marked to market) under a Derivative Contract and of any commitment for Financial Indebtedness falling within paragraphs (a) and (b) above is less than €100,000,000 (or its equivalent in any other currency or currencies);
  - (ii) in the case of paragraph (a) above, the question as to whether the relevant amount is due is being contested in good faith by the relevant member of the Group; or
  - (iii) in the case of paragraph (b) above, the relevant member of the Group and the Company (A) keep the Agent promptly informed of any communication made or received by the relevant member of the Group or the Company in relation thereto and deliver to the Agent without delay a copy of any such communication, and (B) have confirmed to the Agent and the Agent is satisfied that the relevant creditor(s) has (have) taken no action whatsoever with a view to declaring or considering whether to declare the relevant Financial Indebtedness due and payable (including, but without limitation, holding or calling meetings in relation thereto).
- (d) In respect of any member of the Group acquired by the Company after the date of this Agreement, no Event of Default will occur under this Clause 32.4 in relation to that member of the Group for a period of 45 days after the date of that acquisition.



**32.5 Insolvency**

Any Obligor or any other Material Subsidiary is unable to pay its debts as they fall due, suspends making payments on all or substantially all of its debts by reason of actual or anticipated financial difficulties or commences negotiations with any one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to the general readjustment or rescheduling of all or a material part of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors.

**32.6 Insolvency proceedings**

- (a) Subject to paragraph (b) below, any Obligor or any other Material Subsidiary takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, dissolution, administration, bankruptcy, moratorium or re-organisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a liquidator, curator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets unless any such action, proceeding, procedure or step brought by a third party is stayed or discharged within 20 Business Days.
- (b) This Clause 32.6 shall not apply to:
  - (i) any step or procedure that is taken as part of, or in relation to, a Permitted Reorganisation;
  - (ii) the solvent liquidation of any dormant company or the solvent liquidation of any other Material Subsidiary which is not an Obligor; or
  - (iii) any corporate action, steps or legal proceedings taken or started in order to implement the Newco Merger.

**32.7 Creditors' process**

Any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets (other than a Judicial Deposit) of any Obligor or any other Material Subsidiary or any event occurs which under the laws of any jurisdiction has a similar or analogous effect **provided that** where such execution, distress or taking of possession relates to any property, undertaking or assets, it shall not be an Event of Default under this Clause 32.7 if the relevant execution, distress or taking of possession (other than a Dutch or Belgian executory attachment (*executorial beslag*)) is released or discharged within ten Business Days or the value of such property, undertaking or assets (when aggregated with the value of any other such property, undertaking or assets of the Group which are then subject to any such execution, distress or taking of possession) does not exceed €100,000,000 or the equivalent thereof in other currencies.



**32.8 Analogous Event**

Any event occurs which under the laws of any jurisdiction has a similar or analogous effect to any of those events mentioned in Clause 32.5 (*Insolvency*), Clause 32.6 (*Insolvency proceedings*) or Clause 32.7 (*Creditors' process*).

**32.9 Unlawfulness and invalidity**

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.

**32.10 Ownership of the Obligors**

Any Obligor (other than the Company) ceases to be a Subsidiary of the Company other than pursuant to a resignation of a Guarantor in accordance with Clause 34.5 (*Resignation of a Guarantor*).

**32.11 Repudiation and rescission of agreements**

An Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

**32.12 Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Finance Documents or the transactions contemplated in the Finance Documents or against any member of the Group or its assets which would reasonably be expected to have a Material Adverse Effect.

**32.13 ERISA**

- (a) Any ERISA Event shall have occurred with respect to a Plan and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Obligors and the ERISA Affiliates related to such ERISA Event) is an amount that has or would reasonably be expected to have a Material Adverse Effect.
- (b) Any Obligor or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Obligors and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), has or would reasonably be expected to have a Material Adverse Effect or requires payments in an amount that has or would reasonably be expected to have a Material Adverse Effect.





- (c) Any Obligor or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganisation or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganisation or termination the aggregate annual contributions of the Obligors and the ERISA Affiliates to all Multiemployer Plans that are then in reorganisation or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganisation or termination occurs by an amount that has or would reasonably be expected to have a Material Adverse Effect.

**32.14 Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

- (a) cancel the Available Commitments in relation to the Revolving Facility and the Available Dollar Swingline Commitment of each Lender and of each Affiliate of any Lender which is a Dollar Swingline Lender and the Available Euro Swingline Commitment of each Lender and of each Affiliate of any Lender which is a Euro Swingline Lender whereupon each such Available Commitment in relation to the Revolving Facility, Available Dollar Swingline Commitment and Available Euro Swingline Commitment shall immediately be cancelled and each Facility shall immediately cease to be available for further utilisation;
- (b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) declare that cash cover in respect of each Letter of Credit is immediately due and payable at which time it shall become immediately due and payable;
- (e) declare that cash cover in respect of each Letter of Credit is payable on demand at which time it shall immediately become due and payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (f) following the taking of any action referred to in paragraphs (a) or (b) above, by notice to any Dutch Obligor, require that Dutch Obligor to give a guarantee or Security in favour of the Finance Parties and/or the Agent and that Dutch Obligor must comply with that request.

If an Event of Default under Clause 32.5 (*Insolvency*) or Clause 32.6 (*Insolvency proceedings*) shall occur in respect of any Obligor incorporated in the United States, then without notice to such Obligor or any other act by the Agent or any other person, the Loans to such Obligor, interest thereon and all other amounts owed by such Obligor under the Finance Documents shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived.



**32.15 Non-Material Obligors**

Notwithstanding anything to the contrary in any of the Finance Documents, if any event or circumstance occurs in relation to any Non-Material Obligor or any Finance Documents executed by a Non-Material Obligor which would in respect of any provision which by its terms refers to an Obligor (in its capacity as Obligor) (a) be a breach of contract or misrepresentation, (b) be a Default or (c) entitle the Lenders to terminate or reduce the Commitments or require prepayment of all or part of the Loans (each a “**Relevant Event**”), no Relevant Event shall be deemed to have occurred or be continuing as a result of the occurrence of such event or circumstance solely in relation to a Non-Material Obligor unless:

- (a) one or more such events or circumstances has occurred and is continuing which affects one or more Non-Material Obligors which, if they were a single entity on the last day of the most recent financial year of the Company in respect of which financial statements are available, would have constituted a Material Subsidiary; or
- (b) such event or circumstance would reasonably be expected to have a Material Adverse Effect.

**32.16 Anti-corruption**

Notwithstanding anything to the contrary in the Finance Documents, if:

- (a) any event or circumstance occurs which might otherwise give rise to a breach of contract or misrepresentation under Clause 29.17 (*Anti-corruption*) or Clause 31.14 (*Anti-corruption*) by reason of any failure by the Company or any member of the Group to comply with any anti-money laundering or Anti-Corruption Law; and
- (b) the relevant failure to comply with anti-money laundering or Anti-Corruption Laws is disputed in good faith by the Company or the relevant member of the Group,

the relevant event or circumstance, potential breach of contract or potential misrepresentation or potential failure to comply with any anti-money laundering or Anti-Corruption Law shall not constitute a misrepresentation or breach of obligation or Default or Event of Default under any Finance Document save to the extent the Company or the relevant member of the Group have been found to have been in breach of the relevant anti-money laundering or Anti-Corruption Law in a non-appealable decision from a court of competent jurisdiction in relation to such anti-money laundering or Anti-Corruption Law.

**33. CHANGES TO THE LENDERS**

**33.1 Assignments and transfers by the Lenders**

Subject to this Clause 33, a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or



(b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "New Lender").

**33.2 Conditions of assignment or transfer**

(a) The consent of:

(i) the Issuing Bank; and

(ii) the Company (such consent not to be unreasonably withheld and deemed to be given five Business Days after the Company receives notice of request for such consent by an Existing Lender unless expressly refused within that period),

is required for any assignment or transfer by an Existing Lender of its rights and/or obligations under the Revolving Facility, unless (in the case of any consent which would otherwise be required to be obtained from the Company) the assignment or transfer is:

(A) to another Lender or an Affiliate of a Lender;

(B) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender; or

(C) made at a time when an Event of Default is continuing.

(b) Any partial assignment or transfer must be in an amount of at least US\$10,000,000 or, if less, the whole of the Existing Lender's participation or Commitment.

(c) Notwithstanding the above and unless an Event of Default is continuing, any assignment, transfer, sub-participation or subcontracting by a Lender to a New Lender of any of its rights and obligations to a Belgian Obligor requires the prior written consent of the Company if:

(i) the state or territory in which that New Lender is incorporated, resident or established or where its Facility Office is established is a Non-Cooperative Jurisdiction; or

(ii) if the bank account(s) to which payments will be made to which that New Lender will be entitled, are or will be:

(A) managed or held by a person or persons incorporated, resident or established in a Non-Cooperative Jurisdiction or by the permanent establishment of a non-resident of Belgium situated in a Non-Cooperative Jurisdiction, or

(B) managed, or opened with:

(1) a financial institution incorporated, resident or established in a Non-cooperative Jurisdiction, or

(2) a branch or office of a financial institution situated in a Non-Cooperative Jurisdiction.



- (d) If the Company receives a written request for its consent under paragraph (c) above (which shall refer to paragraph (c) above), it must within five Business Days either grant its written consent, or request additional information reasonably demonstrating that the New Lender does not qualify as an artificial construction within the meaning of article 198, §1, 10° of the Belgian Income Tax Code. The Company is deemed to have granted its consent if it has not notified its refusal or has not requested any additional information within five Business Days. If the Company requests and receives additional information that is reasonably satisfactory to it, it must grant its written consent. The Company is deemed to have granted its consent five Business Days after receipt of the additional information requested by it, unless it has notified its refusal within that time period.

**33.3 Other conditions of assignment or transfer**

- (a) An assignment will only be effective on:
  - (i) receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the Obligor as it would have been under if it had been an Original Lender;
  - (ii) the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and
  - (iii) to the extent that the consent of the Company is required pursuant to Clause (a) above, receipt by the Agent of written confirmation from the Company that it consents to such assignment (such confirmation not to be unreasonably withheld or delayed) (unless the Company has failed to respond to a written request from the Agent for its consent within 5 Business Days of the date on which that written request was made).
- (b) A transfer will only be effective if the procedure set out in Clause 33.5 (*Procedure for transfer*) is complied with.
- (c) If:
  - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
  - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 23 (*Tax Gross-up and Indemnities*) or Clause 24 (*Increased Costs*),



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then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

**33.4 Assignment or transfer fee**

Unless the Agent otherwise agrees and excluding an assignment or transfer (a) to an Affiliate of a Lender, (b) to a Related Fund or (c) made in connection with primary syndication of the Facilities, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US\$2,500.

**33.5 Limitation of responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
  - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
  - (ii) the financial condition of any Obligor;
  - (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other documents; or
  - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,
 and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
  - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
  - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.



- (c) Nothing in any Finance Document obliges an Existing Lender to:
  - (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 33; or
  - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

**33.6 Procedure for transfer**

- (a) Subject to the conditions set out in Clause 33.2 (*Conditions of assignment or transfer*) and Clause 33.3 (*Other conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender upon its completion of all “know your customer” or other checks relating to any person that it is required to carry out in relation to the transfer to such New Lender. To the extent that the consent of the Company to the relevant transfer is required pursuant to Clause 33.2 (*Conditions of assignment or transfer*), the Agent shall only execute the relevant Transfer Certificate to the extent that either (i) the Company has confirmed in writing that it consents to such transfer (such confirmation not to be unreasonably withheld or delayed) or (ii) the Company has failed to respond to a written request from the Agent for its consent within 5 Business Days of the date on which that written request was made.
- (c) On the Transfer Date:
  - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “**Discharged Rights and Obligations**”);
  - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;



- (iii) the Agent, the Arrangers, the New Lender, the other Lenders and the Issuing Bank shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers and the Issuing Bank and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a “Lender”.

**33.7 Copy of Transfer Certificate or Increase Confirmation to Company**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Increase Confirmation, send to the Company a copy of that Transfer Certificate or Increase Confirmation for, but not limited thereto, the purpose of notifying the transfer to the Company.

**33.8 Security over Lenders’ rights**

In addition to the other rights provided to Lenders under this Clause 33, each Lender may without consulting with or obtaining consent from any other Party, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender to a federal reserve, central or supranational bank, except that no such charge, assignment or other Security shall:

- (a) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (b) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents,

and **provided further that** under no circumstance shall such central or supranational bank be considered a Lender hereunder or be entitled to require the assigning or pledging Lender to take, or refrain from, action hereunder.

**33.9 Lender Affiliates and Facility Office**

- (a) In respect of a Loan or Loans to a particular Borrower (“**Designated Loans**”) a Lender (a “**Designating Lender**”) may subject to the conditions and limitations in this Clause 33.8 at any time and from time to time designate (by written notice to the Agent and the Company):
  - (i) a substitute Facility Office from which it will make Designated Loans (a “**Substitute Facility Office**”); or
  - (ii) one of its Affiliates to act as the Lender in respect of the Designated Loans (a “**Substitute Affiliate Lender**”).



- (b) Subject to paragraph (c) below, no Lender or Substitute Affiliate Lender shall be entitled to request or exercise any right to any payment, indemnification or other compensation or alternative pricing or cancellation or termination under any of Clauses 16.1 (*Illegality*), 21 (*Changes to the Calculation of Interest*), 23 (*Tax Gross-up and Indemnities*), 24 (*Increased Costs*), 25 (*Other Indemnities*), 27 (*Costs and Expenses*) or any other provision under this Agreement to the extent the relevant Tax, costs or expense or event or circumstance giving rise to any right to cancellation or termination or compensation directly or indirectly relates to or results from the designation or maintaining of any designation of the Substitute Facility Office or the Substitute Affiliate Lender.
- (c) Notwithstanding paragraph (b) above, a Substitute Affiliate Lender shall be deemed to be a Lender for the purposes of Clause 16.1 (*Illegality*) and shall be entitled to rely on such Clause in respect of itself and its own obligations as a Lender hereunder.
- (d) A notice to nominate a Substitute Facility Office or Substitute Affiliate Lender must be in the form set out in Schedule 12 (*Form of Substitute Facility Office or Substitute Affiliate Lender Designation Notice*) and be countersigned (in the case of a Substitute Affiliate Lender Designation Notice) by the relevant Substitute Affiliate Lender confirming it will be bound as a Lender under this Agreement in respect of the Designated Loans in respect of which it acts as Lender.
- (e) The Designating Lender will act as the representative of any Substitute Affiliate Lender that it nominates for all administrative purposes under this Agreement and will remain fully liable for the performance of the Substitute Affiliate Lender's obligations hereunder (including, but not limited to, in circumstances in which it becomes unlawful in any applicable jurisdiction for a Substitute Affiliate Lender to perform any of its obligations as a Lender or to fund or maintain its participation in any Designated Loan). The Obligors, the Agent and the other Finance Parties will be entitled to deal only with the Designating Lender, except that payments will be made in respect of Designated Loans to the Facility Office of the Substitute Affiliate Lender. In particular the Commitments of the Designating Lender will not be treated as reduced by the introduction of the Substitute Affiliate Lender for voting purposes under this Agreement or the other Finance Documents. Nothing in this paragraph (e) shall apply to the extent that: (i) the Designating Lender would be in breach of law or regulation applicable to it if it were to participate in the relevant Utilisation; and (ii) the Designating Lender would also be in breach of law or regulation applicable to it if it were to remain liable and responsible for the performance of the applicable obligations assumed by the relevant branch or Affiliate on its behalf.
- (f) Save as mentioned in paragraph (e) above, a Substitute Affiliate Lender will be treated as a Lender for all purposes under the Finance Documents and having a Commitment equal to the principal amount of all Designated Loans in which it is participating if and for so long as it continues to be a Substitute Affiliate Lender under this Agreement.





- (g) A Designating Lender may revoke its designation of an Affiliate as a Substitute Affiliate Lender by notice in writing to the Agent and the Company provided that such notice may only take effect when there are no Designated Loans outstanding to the Substitute Affiliate Lender. Upon such Substitute Affiliate Lender ceasing to be a Substitute Affiliate Lender the Designating Lender will automatically assume (and be deemed to assume without further action by any Party) all rights and obligations previously vested in the Substitute Affiliate Lender.

**33.10 Maintenance of Register**

The Agent, acting solely for this purpose as agent for the Borrowers, shall maintain at one of its offices a register for the recordation of the names and addresses of the Lenders, and the principal and interest amount owing to each Lender, pursuant to the terms hereof from time to time (the “**Register**”). Any transfer or assignment pursuant to this Clause 33 shall be effective only upon recordation of such transfer in the Register, and the Borrowers may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The right to the principal of, and interest on, the loan facility may be transferred or assigned only if such transfer or assignment is recorded in the Register. The Register shall be available for inspection by the Company and any Lender, at any reasonable time upon reasonable prior notice.

**34. CHANGES TO THE OBLIGORS**

**34.1 Assignment and transfers by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

**34.2 Additional Borrowers**

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 30.6 (“*Know your customer*” checks), the Company may request that any of its wholly-owned Subsidiaries becomes a Borrower. That Subsidiary shall become a Borrower if:
  - (i) if all the Lenders under the relevant Facility under which that Subsidiary will become a Borrower approve the addition of that Subsidiary;
  - (ii) subject to the Guarantee Principles, that Subsidiary also becomes a Guarantor;
  - (iii) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Letter;
  - (iv) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
  - (v) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.



- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).
- (c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

**34.3 Resignation of a Borrower**

- (a) The Company may request that a Borrower ceases to be a Borrower by delivering to the Agent a Resignation Letter.
- (b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
  - (i) no Default is continuing or would result from the acceptance of the Resignation Letter; and
  - (ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents.
- (c) Upon notification by the Agent to the Company of its acceptance of the resignation of a Borrower, that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower.

**34.4 Additional Guarantors**

- (a) Subject to compliance with the provisions of paragraphs (b)) and (c) of Clause 30.6 (*"Know your customer" checks*), the Company may request that any of its wholly-owned Subsidiaries become a Guarantor.
- (b) A member of the Group shall become an Additional Guarantor if:
  - (i) the Company and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Letter; and
  - (ii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.
- (c) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).



- (d) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (c) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
- (e) Any limitations on the scope of the Additional Guarantor's obligations agreed with the Agent and set out in an Accession Letter shall take effect in accordance with these terms.

**34.5 Resignation of a Guarantor**

- (a) In this Clause 34.5, "**Third Party Disposal**" means the disposal of an Obligor to a person which is not a member of the Group.
- (b) The Company may request that a Guarantor (other than the Company or Anheuser-Busch) ceases to be a Guarantor by delivering to the Agent a Resignation Letter.
- (c) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
  - (i) the Guarantor is an Original Guarantor and the Super Majority Lenders have consented to the resignation of that Guarantor; or
  - (ii) that Guarantor is not an Original Guarantor and the Majority Lenders have consented to the resignation of that Guarantor; or
  - (iii) that Guarantor is being disposed of by way of a Third Party Disposal or is the subject of a Permitted Reorganisation; and
    - (A) no Default is continuing or would result from the acceptance of the Resignation Letter or, in the case of a disposal of a Guarantor, no Default exists on the date on which the obligation to dispose of such Guarantor is entered into; and
    - (B) no payment is due from the Guarantor under Clause 28.1 (*Guarantee and indemnity*).
- (d) The Guarantor shall cease to be a Guarantor upon notification by the Agent to the Company of its acceptance of the resignation of a Guarantor or, where such resignation is made in connection with a Third Party Disposal and **provided that** the conditions in (A) to (B) above are satisfied, on the date on which the relevant Third Party Disposal is consummated.



**34.6 Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

**35. ROLE OF THE AGENT, THE ARRANGERS, THE ISSUING BANK AND OTHERS**

**35.1 Appointment of the Agent**

- (a) Each of the Arrangers, the Lenders and the Issuing Bank appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arrangers, the Lenders and the Issuing Bank authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

**35.2 Duties of the Agent**

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 33.7 (*Copy of Transfer Certificate or Increase Confirmation to Company*), paragraph (a) above shall not apply to any Transfer Certificate or any Increase Confirmation.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arrangers) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (g) The Agent shall, if so requested by the Company from time to time, provide to the Company a list (which may be in electronic form) setting out the names of the Lenders, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.



**35.3 Role of the Arrangers**

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

**35.4 No fiduciary duties**

- (a) Nothing in this Agreement constitutes the Agent, the Arrangers and/or the Issuing Bank as a trustee or fiduciary of any other person.
- (b) None of the Agent, the Arrangers or the Issuing Bank shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

**35.5 Business with the Group**

The Agent, the Arrangers and the Issuing Bank may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

**35.6 Rights and discretions**

- (a) The Agent and the Issuing Bank may:
  - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
  - (ii) assume that:
    - (A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
    - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
  - (iii) rely on a certificate from any person:
    - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
    - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,



as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
  - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 32.1 (*Non-payment*));
  - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
  - (iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent and the Issuing Bank may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent and the Issuing Bank may act in relation to the Finance Documents through its officers, employees and agents.
- (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (d) above, the Agent may disclose the identity of a Defaulting Lender to the other Lenders and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.
- (g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Arrangers or the Issuing Bank is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (h) Notwithstanding any provision of any Finance Document to the contrary, none of the Agent or the Issuing Bank is obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

**35.7 Majority Lenders' instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.



- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

**35.8 Responsibility for documentation**

None of the Agent, the Arrangers or the Issuing Bank is responsible or liable for:

- (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arrangers, the Issuing Bank, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

**35.9 No duty to monitor**

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.



**35.10 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 38.11 (*Disruption to Payment Systems etc.*)), neither the Agent nor the Issuing Bank will be liable for:
- (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
  - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or
  - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (but not including any claim based on the fraud of the Agent) arising as a result of:
    - (A) any act, event or circumstance not reasonably within its control; or
    - (B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party (other than the Agent or the Issuing Bank) may take any proceedings against any officer, employee or agent of the Agent or the Issuing Bank (as applicable), in respect of any claim it might have against the Agent or the Issuing Bank (as applicable) or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent or the Issuing Bank (as applicable) may rely on this Clause subject to Clause [1.6 \(Third party rights\)](#) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or the Arrangers to carry out:
- (i) any “**know your customer**” or other checks in relation to any person; or





- (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender, on behalf of any Lender and each Lender confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

**35.11 Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 38.11 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

**35.12 Resignation of the Agent**

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.
- (b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within thirty days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom, Luxembourg or Belgium).
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.



- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 35 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
  - (i) the Agent fails to respond to a request under Clause 23.7 (*FATCA Information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
  - (ii) the information supplied by the Agent pursuant to Clause 23.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
  - (iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

**35.13 Replacement of the Agent**

- (a) After consultation with the Company, the Majority Lenders may, by giving 30 days' written notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom, Luxembourg or Belgium).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders), make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.



- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 35 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

**35.14 Resignation of the Issuing Bank**

- (a) The Issuing Bank may resign and appoint a successor Issuing Bank with the prior consent of the Agent and the beneficiary of each Letter of Credit issued by the retiring Issuing Bank by giving notice to the Company and the Agent.
- (b) The resignation of the Issuing Bank and the appointment of any successor Issuing Bank will both become effective only when the successor Issuing Bank notifies all the Parties and the beneficiary of each Letter of Credit issued by the retiring Issuing Bank that it accepts its appointment. Upon giving the notification the successor Issuing Bank will succeed to the position of the Issuing Bank and the term "**Issuing Bank**" will mean the successor Issuing Bank.
- (c) The retiring Issuing Bank must, at its own cost:
  - (i) make available to the successor Issuing Bank those documents and records and provide any assistance as the successor Issuing Bank may reasonably request for the purposes of performing its functions as the Issuing Bank under the Finance Documents; and
  - (ii) enter into and deliver to the successor Issuing Bank those documents and effect any registrations as may be required for the transfer or assignment of all of its rights and benefits under the Finance Documents to the successor Issuing Bank.
- (d) Upon its resignation becoming effective, this Clause will continue to benefit the retiring Issuing Bank in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Issuing Bank, and, subject to paragraph (c) above, it will have no further obligations under any Finance Document.

**35.15 Confidentiality**

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.



- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arrangers are obliged to disclose to any other person any information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or a breach of a fiduciary duty or duty of confidentiality.

**35.16 Relationship with the Lenders**

The Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

**35.17 Credit appraisal by the Lenders and Issuing Bank**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent, the Arrangers and the Issuing Bank that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

**35.18 Role of Reference Banks**

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.



- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless caused by its fraud, gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 35.17 subject to Clause 1.6 (*Third party rights*) and the provisions of the Third Parties Act.

**35.19 Third party Reference Banks**

A Reference Bank which is not a Party may rely on Clause 35.17 (*Role of Reference Banks*), Clause 44.2 (*Exceptions*) and Clause 45 (*Confidentiality of Funding Rates and Reference Bank Quotations*), subject to Clause 1.6 (*Third party rights*) and the provisions of the Third Parties Act.

**35.20 Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

**36. CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

**37. SHARING AMONG THE FINANCE PARTIES**

**37.1 Payments to Finance Parties**

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 38 (*Payment Mechanics*) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;



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- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 38 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 38.6 (*Partial payments*).

**37.2 Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 38.6 (*Partial payments*).

**37.3 Recovering Finance Party’s rights**

- (a) On a distribution by the Agent under Clause 37.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

**37.4 Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 37.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party’s rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

**37.5 Exceptions**

- (a) This Clause 37 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.



- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
  - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
  - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

**38. PAYMENT MECHANICS**

**38.1 Payments to the Agent**

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

**38.2 Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 38.3 (*Distributions to an Obligor*) and Clause 38.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

**38.3 Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 39 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

**38.4 Clawback**

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.



- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

**38.5 Impaired Agent**

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 38.1 (*Payments to the Agent*) may instead either pay that amount direct to the required participant or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) If, at any time, the Agent becomes an Impaired Agent, the Company will following a request by any Lender provide to such Lender as soon as reasonably practicable the then most recent list of Lenders received from the Agent pursuant to paragraph (f) of Clause 35.2 (*Duties of the Agent*).
- (c) All interest accrued on the amount standing to the credit of the account shall be for the benefit of the beneficiaries of the trust account pro rata to their respective entitlements.
- (d) A Party which has made a payment in accordance with this Clause 38.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (e) Promptly upon the appointment of a successor Agent in accordance with Clause 35.13 (*Replacement of the Agent*), each Party which has made a payment in accordance with this Clause 38.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 38.2 (*Distributions by the Agent*).





**38.6 Partial payments**

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
  - (i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent and the Issuing Bank under the Finance Documents;
  - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement and any amount due but unpaid under Clause 7.1 (*Immediately payable*) and Clause 7.3 (*Indemnities*); and
  - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

**38.7 Set-off by Obligors**

- (a) All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off (including, for purposes of Luxembourg law, legal set-off) or counterclaim.
- (b) Notwithstanding paragraph (a) above, each Obligor may set off any amount due and payable by it to a Defaulting Lender against any amount due and payable by the Defaulting Lender to that Obligor, in each case under the Finance Documents.
- (c) The Obligor will notify the Agent and the Defaulting Lender as soon as practicable and in no event later than the date falling one Business Day prior to the due date for payment of the relevant amount by that Obligor that it intends to exercise a right of set off in accordance with paragraph (b) above and shall provide to the Agent and the Defaulting Lender reasonable computations in relation thereto.

**38.8 Business Days**

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.



**38.9 Currency of account**

- (a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

**38.10 Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

**38.11 Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;



- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 44 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 38.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

**39. SET-OFF**

If an Event of Default has occurred and is continuing, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**40. NOTICES**

**40.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

**40.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company:

Address: Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium  
 Fax number: +32 (0)1 650 66 70  
 E-mail: [Alexandre.Bueno@ab-inbev.com](mailto:Alexandre.Bueno@ab-inbev.com) and [Daniel.Strothe@ab-inbev.com](mailto:Daniel.Strothe@ab-inbev.com)  
 Attention: Alexandre Bueno and Daniel Strothe



- (b) in the case of each Lender, the Issuing Bank or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent:

Address: BNP Paribas Fortis SA/NV  
Warandeborg 3 (1KA1D)  
1000 Brussels

Fax number: +32 2 565 26 94

E-mail: [benjamin.nihon@bnpparibasfortis.com](mailto:benjamin.nihon@bnpparibasfortis.com)  
[diego.zeijlstra@bnpparibasfortis.com](mailto:diego.zeijlstra@bnpparibasfortis.com)

Attention: Benjamin Nihon, Head of Agency Brussels  
Diego Zeijlstra, Agency Relationship Manager

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days notice.

**40.3 Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
  - (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,and, if a particular department or officer is specified as part of its address details provided under Clause 40.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.



- (d) Any communication or document made or delivered to the Company in accordance with this Clause 40.3 will be deemed to have been made or delivered to each of the Obligor.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

**40.4 Notification of address and fax number**

Promptly upon receipt of notification of an address, and fax number or change of address or fax number pursuant to Clause 40.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

**40.5 Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

**40.6 Electronic communication**

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by either encrypted or unencrypted electronic mail or other electronic means, if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purposes of this Agreement shall be deemed only to become effective on the following day.



- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 40.6.

**40.7 English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

**41. CALCULATIONS AND CERTIFICATES**

**41.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

**41.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

**41.3 Day count convention and interest calculation**

- (a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice).
- (b) Subject to paragraph (c) below, the amount of interest, commission or fee which accrues in respect of any day during an Interest Period for a Compounded Rate Loan (or of any amount equal to that interest, commission or fee) shall be rounded to 2 decimal places.



- (c) To the extent that an Interest Period for a Compounded Rate Loan contains any Block Rounding Period:
  - (i) the aggregate amount of any accrued interest, commission or fee which accrues in respect of each Block Rounding Period (or of any amount equal to that interest, commission or fee) shall be rounded to 2 decimal places; and
  - (ii) the amount of interest, commission or fee which accrues in respect of each day in a Block Rounding Period (or of any amount equal to that interest, commission or fee) shall (to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose), be calculated without rounding.
- (d) To the extent that an RFR Banking Day “**bd**” during an Interest Period for a Compounded Rate Loan is followed by a day during that Interest Period which is not an RFR Banking Day, the period from, and including, that RFR Banking Day “**bd**” up to, but excluding, the following RFR Banking Day shall be a “**Block Rounding Period**” for the purposes of this Agreement.

42. **PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

43. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

44. **AMENDMENTS AND WAIVERS**

44.1 **Required consents**

- (a) Subject to Clause 44.2 (*Exceptions*) and Clause 44.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 44.
- (c) Each Obligor agrees to any such amendment or waiver permitted by this Clause 44 which is agreed to by the Company. This includes any amendment or waiver which would, but for this paragraph (c), require the consent of all of the Guarantors.



**44.2 Exceptions**

- (a) Subject to Clause 44.5 (*Changes to reference rates*), an amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:
  - (i) the definitions of “Majority Lenders”, “Super Majority Lenders” or “Margin” in Clause 1.1 (*Definitions*);
  - (ii) an extension to the date of payment of any amount under the Finance Documents;
  - (iii) a reduction in the Margin or the amount of any payment of principal, interest, fees or commission payable;
  - (iv) an increase in or an extension of any Commitment or the Total Commitments;
  - (v) a change to the Borrowers or Guarantors other than in accordance with Clause 34 (*Changes to the Obligors*);
  - (vi) any provision which expressly requires the consent of all the Lenders;
  - (vii) Clause 2.3 (*Finance Parties’ rights and obligations*), Clause 33 (*Changes to the Lenders*), Clause 37 (*Sharing among the Finance Parties*) or this Clause 44,shall not be made without the prior consent of all the Lenders.

**44.3 Other exceptions**

An amendment or waiver which relates to the rights or obligations of the Agent, the Arrangers, the Issuing Bank or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Agent, the Arrangers, the Issuing Bank or that Reference Bank, as the case may be.

**44.4 Replacement of Lender**

- (a) If at any time:
  - (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below);
  - (ii) any Lender declines an Extension Request pursuant to Clause 5.6 (*Extension Option*);
  - (iii) an Obligor becomes obliged to repay any amount in accordance with Clause 16.1 (*Illegality*) or Clause 16.2 (*Illegality in relation to Issuing Bank*) or to pay additional amounts pursuant to Clause 21.3 (*Market disruption*), Clause 24 (*Increased Costs*), Clause 23.2 (*Tax gross-up*) or Clause 23.3 (*Tax indemnity*) to any Lender; or





(iv) any Lender becomes insolvent and its assets become subject to a receiver, liquidator, trustee, custodian or other person having similar powers or any winding-up, dissolution or administration;

then the Company may, on five Business Days' prior written notice to the Agent and that Lender, replace that Lender (together with any Affiliate of that Lender) by requiring that Lender and that Affiliate to (and that Lender and that Affiliate shall) transfer pursuant to Clause 33 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this agreement to an Eligible Institution (a "**Replacement Lender**") selected by the Company, and which is acceptable to the Agent (acting reasonably) and (in the case of any transfer of a Revolving Facility Commitment), the Issuing Bank, which confirms its willingness to assume and does assume all the obligations of the transferring Lender and transferring Affiliate (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) in accordance with Clause 33 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's and such Affiliate's participation in the outstanding Utilisations and all accrued interest and/or Letter of Credit fees, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 44.3 shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;

(ii) neither the Agent nor any Lender shall have any obligation to the Company to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 Business Days after the date the Non-Consenting Lender notifies the Company and the Agent of its failure or refusal to agree to any consent, waiver or amendment to the Finance Documents requested by the Company;

(iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and

(v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

(c) The Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.



- (d) In the event that:
- (i) the Company or the Agent (at the request of the Company) has requested the Lenders to consent to a waiver or amendment of any provisions of the Finance Documents;
  - (ii) the waiver or amendment in question requires the consent of all the Lenders; and
  - (iii) the Super Majority Lenders have given their consent,
- then any Lender who does not and continues not to agree to such waiver or amendment shall be deemed a “**Non-Consenting Lender**”.

**44.5 Changes to reference rates**

- (a) Subject to Clause 44.3 (*Other exceptions*), if a Published Rate Replacement Event has occurred in relation to any Published Rate for a currency which can be selected for a Loan, any amendment or waiver which relates to:
- (i) providing for the use of a Replacement Reference Rate in relation to that currency in place of that Published Rate; and
  - (ii)
    - (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
    - (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
    - (C) implementing market conventions applicable to that Replacement Reference Rate;
    - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
    - (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Company.



- (b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Compounded Rate Loan in any currency under this Agreement to any recommendation of a Relevant Nominating Body which:
  - (i) relates to the use of an RFR for that currency on a compounded basis in the international or any relevant domestic syndicated loan markets; and
  - (ii) is issued on or after the 2021 Amendment and Restatement Date,  
may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Company.
- (c) In this Clause 44.5:
  - “**Published Rate**” means €STR, the Federal Funds Rate, an RFR or the Screen Rate for any Quoted Tenor.
  - “**Published Rate Replacement Event**” means, in relation to a Published Rate:
    - (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders and the Company, materially changed;
    - (b)
      - (i)
        - (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent;  
or
        - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,  
**provided that**, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;
      - (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
      - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued;



- (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (v) in the case of the Screen Rate for any Quoted Tenor for LIBOR, the supervisor of the administrator of that Screen Rate makes a public announcement or publishes information:
  - (A) stating that that Screen Rate for that Quoted Tenor is no longer, or as of a specified future date will no longer be, representative of the underlying market and the economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor); and
  - (B) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication;
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
  - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Company) temporary; or
  - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than ten Business Days; or
- (d) in the opinion of the Majority Lenders and the Company, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“**Relevant Nominating Body**” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“**Replacement Reference Rate**” means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:
  - (i) the administrator of that Published Rate (**provided that** the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or
  - (ii) any Relevant Nominating Body,



and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Reference Rate” will be the replacement under paragraph (ii) above;

- (b) in the opinion of the Majority Lenders and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or
- (c) in the opinion of the Majority Lenders and the Company, an appropriate successor to a Published Rate.

**44.6 Amendments to sustainability provisions**

Any amendment or waiver which relates to the definition of “Sustainability Performance Targets” or any of the definitions or targets used therein (or the method of calculation of any of the KPIs) shall be subject to the consent of the Majority Lenders (including, for the avoidance of doubt, any amendment or waiver relating to any GHG Protocol Amendments), save to the extent such amendment or waiver amends the quantum of the Sustainability Discounts or the Sustainability Premium, in which case the written consent of all Lenders shall be required with respect to such change only.

**44.7 Disenfranchisement of Defaulting Lenders**

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:
  - (i) the Majority Lenders; or
  - (ii) whether any given percentage (including for the avoidance of doubt unanimity) of the Total Commitments or Total Revolving Facility Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents,

that Defaulting Lender’s Commitments will be reduced by the amount of its Available Commitments.

- (b) For the purposes of this Clause 44.5, the Agent may assume that the following Lenders are Defaulting Lenders:
  - (i) any Lender which has notified the Agent that it has become a Defaulting Lender; or
  - (ii) any Lender in relation to which it is aware that any of the events of circumstances referred to in paragraphs (a), (b) or (c) of the definition of “Defaulting Lender” has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.



**44.8 Excluded Commitments**

If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days (unless the Company and the Agent agree to a longer time period in relation to any request) of that request being made:

- (a) its Commitment shall not be included for the purpose of calculating the Total Commitments under the Facilities when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

**44.9 Replacement of a Defaulting Lender**

- (a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 5 Business Days' prior written notice to the Agent and such Lender:
  - (i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 33 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement; or
  - (ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 33 (*Changes to the Lenders*) all its rights and obligations under this Agreement with respect to all its unfunded participations in any Letters of Credit outstanding to the extent that those participations are not due and payable by it under this Agreement,to an Eligible Institution (a "**Replacement Lender**") selected by the Company, and which is acceptable to the Agent (acting reasonably) and (in the case of any transfer of a Revolving Facility Commitment) to the Issuing Bank, which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender).
- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:
  - (i) the Company shall have no right to replace the Agent;
  - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;
  - (iii) the transfer must take place no later than 30 days after the notice referred to in paragraph (a) above; and



- (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

45. **QFC STAY RULES**

45.1 **Acknowledgement regarding any Supported QFCs**

- (a) To the extent that the Finance Documents provide support, through a guarantee or otherwise, for any agreement or instrument that is a QFC (such support “**QFC Credit Support**” and each such QFC, a “**Supported QFC**”) the Parties acknowledge and agree as follows with respect to the resolution power of the US Federal Deposit Insurance Corporation under the US Federal Deposit Insurance Act and Title II of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**US Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support.
- (b) In the event a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a US Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the US Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States of America or a state of the United States of America. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a US Special Resolution Regime, Default Rights under the Finance Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the US Special Resolution Regime if the Supported QFC and the Finance Documents were governed by the laws of the United States of America or a state of the United States of America. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the Parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.
- (c) As used in this Clause 45, the following terms have the following meanings:
  - (i) “**BHC Act Affiliate**” of a Party means an “affiliate” (as such term is defined under, and interpreted in accordance with, section 2(k) of the US Bank Holding Company Act of 1956 (12 U.S.C. 1841(k))) of such Party.



- (ii) **“Covered Entity”** means any of the following:
  - (A) a “covered entity” as that term is defined in, and interpreted in accordance with, section 252.82(b) of Title 12 of the US Code of Federal Regulations (12 C.F.R. § 252.82(b));
  - (B) a “covered bank” as that term is defined in, and interpreted in accordance with section 47.3(b) of Title 12 of the US Code of Federal Regulations (12 C.F.R. § 47.3(b)); or
  - (C) a “covered FSI” as that term is defined in, and interpreted in accordance with, section 382.2(b) of Title 12 of the US Code of Federal Regulations (12 C.F.R. § 382.2(b)).
- (iii) **“Default Right”** has the meaning assigned to that term in, and shall be interpreted in accordance with, sections 252.81, 47.2 or 382.1 (as applicable) of Title 12 of the US Code of Federal Regulations (12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable).
- (iv) **“QFC”** has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, section 210 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5390(c)(8)(D)).

46. **CONFIDENTIAL INFORMATION**

46.1 **Confidentiality**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 46.2 (*Disclosure of Confidential Information*) and Clause (d) (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

46.2 **Disclosure of Confidential Information**

Any Finance Party may disclose:

- (a) to any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
  - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person’s Affiliates, Representatives and professional advisers;





- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Representatives and professional advisers;
- (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 33.8 (*Security over Lenders' rights*);
- (viii) for the purpose of obtaining credit risk insurance with respect to any Obligor, the Group or the Finance Documents,
- (ix) who is a Party; or
- (x) with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; and



- (C) in relation to paragraphs (b)(v), (b)(vi), (b)(vii) and (b)(viii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party; and
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

**46.3 Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:
  - (i) names of Obligors;
  - (ii) country of domicile of Obligors;
  - (iii) place of incorporation of Obligors;
  - (iv) date of this Agreement;
  - (v) Clause 51 (*Governing Law*);
  - (vi) the names of the Agent and the Arrangers;
  - (vii) date of each amendment and restatement of this Agreement;



- (viii) amounts of, and names of, the Facilities (and any tranches);
- (ix) amount of Total Revolving Facility Commitments;
- (x) currencies of the Facilities;
- (xi) type of Facilities;
- (xii) ranking of Facilities;
- (xiii) Final Termination Date for the Facilities;
- (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
- (xv) such other information agreed between such Finance Party and the Company, to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Company represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

**46.4 Entire agreement**

This Clause 45 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

**46.5 Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.



**46.6 Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 46.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 45.

**46.7 Continuing obligations**

The obligations in this Clause 45 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

**47. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS**

**47.1 Confidentiality and disclosure**

- (a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.
- (b) The Agent may disclose:
  - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the relevant Borrower pursuant to Clause 19.10 (*Notification*) or Clause 13.3 (*Interest on Euro Swingline Loans*); and
  - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.



- (c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:
  - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
  - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
  - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
  - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Agent's obligations in this Clause 45 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 19.10 (*Notification*) or Clause 13.3 (*Interest on Euro Swingline Loans*) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

**47.2 Related obligations**

- (a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.



- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
  - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 47.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
  - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 45.

**47.3 No Event of Default**

No Event of Default will occur under Clause 32.2 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 45.

**48. COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

**49. USA PATRIOT ACT**

Each Lender hereby notifies each Obligor that such Lender, pursuant to the USA Patriot Act, will obtain, verify and record information specified under the USA Patriot Act that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act.

**50. CONTRACTUAL RECOGNITION OF BAIL-IN**

- (a) Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:
  - (i) any Bail-In Action in relation to any such liability, including (without limitation):
    - (A) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;



- (B) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (C) a cancellation of any such liability; and
  - (ii) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.
- (b) In this Agreement:
- “**Article 55 BRRD**” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.
- “**Bail-In Action**” means the exercise of any Write-down and Conversion Powers.
- “**Bail-In Legislation**” means:
- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
  - (b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
  - (c) in relation to the United Kingdom, the UK Bail-In Legislation.
- “**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.
- “**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.
- “**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.
- “**UK Bail-In Legislation**” means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).
- “**Write-down and Conversion Powers**” means:
- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;



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- (b) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:
  - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to any UK Bail-In Legislation:
  - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (ii) any similar or analogous powers under that UK Bail-In Legislation.

**51. GOVERNING LAW**

This Agreement and all non-contractual obligations arising from or in connection with it are governed by English law.

**52. ENFORCEMENT**

**52.1 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to non contractual obligations arising from or in connection with this Agreement or a dispute regarding the existence, validity or termination of this Agreement) (a “Dispute”).





- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

**52.2 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):
  - (i) irrevocably appoints TMF Corporate Services Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
  - (ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.
- (c) Each Obligor expressly agrees and consents to the provisions of this Clause 52 and Clause 51 (*Governing Law*).

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement.



**SCHEDULE 1**  
**THE 2021 AMENDMENT AND RESTATEMENT DATE PARTIES**

**PART 1**  
**THE BORROWERS**

<u>Name of Borrower</u>	<u>Jurisdiction of Incorporation</u>	<u>Registration No. or equivalent</u>
The Company	Belgium	0417.497.106
Anheuser-Busch InBev Worldwide Inc.	Delaware, U.S.	Tax identification number 90-0421412
Cobrew NV/SA	Belgium	0428.975.372

**PART 2**  
**THE GUARANTORS**

<u>Name of Guarantor</u>	<u>Jurisdiction of Incorporation</u>	<u>Registration No. or equivalent</u>
The Company	Belgium	0417.497.106
Anheuser-Busch InBev Worldwide Inc.	Delaware, U.S.	Tax identification number 90-0421412
Anheuser-Busch Companies, LLC	Delaware, U.S.	Tax identification number 90-0427472
Anheuser-Busch InBev Finance Inc.	Delaware, U.S.	File number 5253080
Brandbrew S.A.	Luxembourg	B75.696
Brandbev S.à r.l	Luxembourg	B80.984
Cobrew NV/SA	Belgium	0428.975.372



**PART 3A**  
**THE 2021 AMENDMENT AND RESTATEMENT DATE LENDERS**

<u>Name of 2021 Amendment and Restatement Date Lenders</u>	<u>Revolving Facility Commitment (USD)</u>
Australia And New Zealand Banking Group Limited	[***]
Banco Santander, S.A., New York Branch	[***]
Bank of America Europe Designated Activity Company	[***]
Barclays Bank PLC	[***]
Banco Bilbao Vizcaya Argentaria, S.A. New York Branch	[***]
BNP Paribas Fortis SA/NV	[***]
Citibank, N.A., London Branch	[***]
Commerzbank Aktiengesellschaft, Filiale Luxemburg	[***]
Deutsche Bank Luxembourg S.A.	[***]
HSBC Bank USA, National Association	[***]
ING Belgium SA/NV	[***]
Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch	[***]
J.P. Morgan AG	[***]
Mizuho Bank Europe N.V.	[***]
Morgan Stanley Bank N.A.	[***]
MUFG Bank, Ltd.	[***]
Coöperatieve Rabobank U.A., New York Branch	[***]
Société Générale S.A., Brussels Branch	[***]
Standard Chartered Bank	[***]



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Name of 2021 Amendment and Restatement Date Lenders

Revolving Facility Commitment (USD)

Sumitomo Mitsui Banking Corporation	[**]
The Toronto-Dominion Bank	[**]
The Bank of New York Mellon	[**]
National Westminster Bank plc	[**]
U.S. Bank National Association	[**]
UniCredit S.p.A.	[**]
Wells Fargo Bank, National Association	[**]
Total:	10,100,000,000



**PART 3B**  
**THE DOLLAR SWINGLINE LENDERS**

<u>Name of Original Dollar Swingline Lender</u>	<u>Dollar Swingline Commitment (USD)</u>
Australia And New Zealand Banking Group Limited	[***]
Banco Santander, S.A., New York Branch	[***]
Bank of America, N.A	[***]
Barclays Bank PLC	[***]
Banco Bilbao Vizcaya Argentaria, S.A. New York Branch	[***]
BNP Paribas Fortis SA/NV	[***]
Citibank, N.A., London Branch	[***]
Commerzbank Aktiengesellschaft, Filiale Luxemburg	[***]
Deutsche Bank Luxembourg S.A.	[***]
HSBC Bank USA, National Association	[***]
ING Belgium SA/NV	[***]
Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch	[***]
J.P. Morgan AG	[***]
Mizuho Bank, Ltd., New York Branch	[***]
Morgan Stanley Bank N.A.	[***]
MUFG Bank, Ltd.	[***]
Coöperatieve Rabobank U.A., New York Branch	[***]
Société Générale S.A., Brussels Branch	[***]
Standard Chartered Bank	[***]
Sumitomo Mitsui Banking Corporation	[***]



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None

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Name of Original Dollar Swingline Lender

Dollar Swingline Commitment (USD)

The Toronto-Dominion Bank	[***]
The Bank of New York Mellon	[***]
National Westminster Bank plc	[***]
U.S. Bank National Association	[***]
UniCredit S.p.A.	[***]
Wells Fargo Bank, National Association	[***]
Total:	3,000,000,000



**PART 3C  
THE EURO SWINGLINE LENDERS**

<u>Name of Original Euro Swingline Lender</u>	<u>Euro Swingline Commitment (EUR)</u>
Australia And New Zealand Banking Group Limited	[***]
Banco Santander, S.A., New York Branch	[***]
Bank of America Europe Designated Activity Company	[***]
Barclays Bank PLC	[***]
Banco Bilbao Vizcaya Argentaria, S.A. New York Branch	[***]
BNP Paribas Fortis SA/NV	[***]
Citibank, N.A., London Branch	[***]
Commerzbank Aktiengesellschaft, Filiale Luxemburg	[***]
Deutsche Bank Luxembourg S.A.	[***]
HSBC Bank USA, National Association	[***]
ING Belgium SA/NV	[***]
Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch	[***]
J.P. Morgan AG	[***]
Mizuho Bank Europe N.V.	[***]
Morgan Stanley Bank N.A.	[***]
MUFG Bank, Ltd.	[***]
Coöperatieve Rabobank U.A., New York Branch	[***]
Société Générale S.A., Brussels Branch	[***]
Standard Chartered Bank	[***]
Sumitomo Mitsui Banking Corporation	[***]



Name of Original Euro Swingline Lender

Euro Swingline Commitment (EUR)

The Toronto-Dominion Bank	[***]
The Bank of New York Mellon	[***]
National Westminster Bank plc	[***]
U.S. Bank National Association	[***]
UniCredit S.p.A.	[***]
Wells Fargo Bank, National Association	[***]
Total:	2,000,000,000





**PART 4  
THE ARRANGERS**

<u>Name of Arranger</u>	<u>Role</u>
Australia And New Zealand Banking Group Limited	Arranger
Banco Santander, S.A., New York Branch	Mandated lead arranger and bookrunner
Bank of America Europe Designated Activity Company	Mandated lead arranger and bookrunner
Barclays Bank PLC	Mandated lead arranger and bookrunner
Banco Bilbao Vizcaya Argentaria, S.A. New York Branch	Lead arranger
BNP Paribas Fortis SA/NV	Mandated lead arranger and bookrunner
Citibank, N.A., London Branch	Mandated lead arranger and bookrunner
Commerzbank Aktiengesellschaft, Filiale Luxemburg	Lead arranger
Deutsche Bank Luxembourg S.A.	Mandated lead arranger and bookrunner
HSBC Bank USA, National Association	Lead arranger
ING Belgium SA/NV	Mandated lead arranger and bookrunner
Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch	Mandated lead arranger
J.P. Morgan AG	Mandated lead arranger and bookrunner
Mizuho Bank Europe N.V.	Mandated lead arranger and bookrunner
Morgan Stanley Senior Funding, Inc.	Arranger
MUFG Bank, Ltd.	Mandated lead arranger and bookrunner
Coöperatieve Rabobank U.A., New York Branch	Mandated lead arranger
Société Générale S.A., Brussels Branch	Mandated lead arranger and bookrunner
Standard Chartered Bank	Arranger
Sumitomo Mitsui Banking Corporation	Mandated lead arranger and bookrunner



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Name of Arranger

The Toronto-Dominion Bank  
The Bank of New York Mellon  
National Westminster Bank plc  
U.S. Bank National Association  
UniCredit S.p.A.  
Wells Fargo Bank, National Association

Role

Mandated lead arranger  
Arranger  
Mandated lead arranger  
Arranger  
Lead arranger  
Mandated lead arranger



**SCHEDULE 2**  
**CONDITIONS PRECEDENT**

**PART 1**  
**CONDITIONS PRECEDENT TO INITIAL UTILISATION<sup>1</sup>**

**Original Obligors**

1. A copy of the constitutional documents of each Original Obligor.
2. A copy of a resolution of the board of directors of each Original Obligor:
  - (a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
  - (b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
  - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
3. A specimen of the signature of each person authorised by the resolution referred to in paragraph 2 above.
4. A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.
5. A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

**Guarantors**

6. Notwithstanding the principles set out in Schedule 8 (*Guarantee Principles*), a duly completed and executed Accession Letter from each company listed as a Guarantor in Part 1 of Schedule 1 (*Pre-Funding Date Parties*) which is not already a party to this Agreement (each such Accession Letter to incorporate any required limitation or similar language envisaged by Clause 28.11(*Guarantee limitations*)).
7. All documents and other evidence listed in Part 2 of this Schedule in relation to each company referred to in paragraph 6 above.

<sup>1</sup> Note: Conditions Precedent were satisfied in full in 2010.



**Finance Documents**

- 8. This Agreement, duly executed by the parties to it.
- 9. Each Fee Letter, duly executed by the parties to it.

**Legal opinions**

- 10. A legal opinion of Allen & Overy LLP, legal advisers to the Arrangers and the Agent in England.
- 11. A legal opinion of Allen & Overy S.C.S, legal advisers to the Arrangers and the Agent in Luxembourg.
- 12. A legal opinion of Clifford Chance Brussels, legal advisers to the Company and the Belgian Obligors in Belgium.
- 13. A legal opinion of Allen & Overy Brussels, legal advisers to the Arrangers and the Agent in Belgium.
- 14. A legal opinion of Sullivan & Cromwell LLP, legal advisers to the Company and the Obligors in the United States of America.

**Financial condition**

- 15. The Original Financial Statements.

**Other documents and evidence**

- 16. Evidence satisfactory to the Agent that each Lender has carried out and is satisfied with the results of all “**know your customer**” or other similar checks required in respect of the Original Obligors.
- 17. A detailed list of Security created by a member of the Group over its assets on or after 31 December 2009.
- 18. A detailed list of Financial Indebtedness incurred by a member of the Group (including the Anheuser-Busch Group) prior to the Signing Date.
- 19. Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 22 (*Fees*) and Clause 27 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.
- 20. Written instructions from the Relevant Borrower of each Loan to be made on the Funding Date (which instructions may be included in the relevant Utilisation Request) to the Agent requesting the Agent to credit the proceeds of such Loans to an account of the agent under the Existing Credit Facilities for application in or towards repayment of amounts outstanding under the Existing Credit Facilities.
- 21. If the aggregate amount of Loans requested on the Funding Date are less than the amounts outstanding under the Existing Credit Facilities, evidence that all excess amounts outstanding under the Existing Credit Facilities will be repaid on the Funding Date.



- 22. Draft forms of such notices or other documents as may be required to be submitted or executed to effect a release of the Existing Notes/Bonds Guarantors from their obligations as guarantors under the Existing Notes/Bonds in accordance with the terms of the Existing Notes/Bonds in the agreed form.
- 23. Evidence of the Company's Credit Ratings.



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**PART 2**  
**CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR**

1. An Accession Letter, duly executed by the Additional Obligor and the Company.
2. A copy of the constitutional documents of the Additional Obligor.
3. A copy of a resolution of the board of directors or managers (or equivalent management body) of the Additional Obligor:
  - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
  - (b) to the extent relevant, determining, and motivating the reasons of that determination, that it, as Obligor, has a corporate benefit justifying the assumption of any obligations it has pursuant to Clause 28 (*Guarantee and Indemnity*);
  - (c) authorising a specified person or persons to execute the Accession Letter on its behalf; and
  - (d) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents.
4. Where appropriate, an up to date extract from the relevant trade and companies register for the Additional Obligor.
5. A copy of a resolution of the general meeting of shareholders of each Dutch Additional Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is (or will become) a party.
6. To the extent applicable or required pursuant to its constitutional documents, a copy of a resolution of the supervisory directors of each Dutch Additional Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is (or will become) a party.
7. An unconditional positive works council advice (advies) of any competent works council in respect of the transactions contemplated by the Finance Documents to which a Dutch Additional Obligor is (or will become) a party.
8. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
9. A copy of a resolution signed by all the holders of the issued shares in each Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party (where required under applicable law).



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10. A copy of a good standing certificate (including verification of tax status) with respect to each U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of each U.S. Obligor's jurisdiction of incorporation or organisation.
11. To the extent applicable, a copy of the resolution of the managing body of the shareholders of each Luxembourg Additional Obligor approving the resolutions taken as a shareholder of that Additional Obligor.
12. A copy of a negative certificate (*certificat de non-inscription d'une décision judiciaire*) and a copy of an excerpt (*extrait*) issued by the Luxembourg Trade and Companies Register in respect of each Luxembourg Additional Obligor dated, in each case, no more than one day prior to the date of the relevant Accession Letter.
13. A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments by the Additional Obligor would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
14. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part 2 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
15. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
16. If available, the latest audited financial statements of the Additional Obligor.
17. A legal opinion of Allen & Overy LLP, legal advisers to the Arrangers and the Agent in England.
18. If the Additional Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Arrangers and the Agent (or, if it is market practice in the relevant jurisdiction, legal advisers to the Additional Obligor) in the jurisdiction in which the Additional Obligor is incorporated.
19. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 52.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor



**SCHEDULE 3  
REQUESTS  
PART 1  
UTILISATION REQUEST—LOANS**

From: [Borrower]  
To: [Agent]

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:
  - (a) Borrower: [•]
  - (b) Proposed Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)
  - (c) Facility to be utilised: Revolving Facility
  - (d) Currency of Loan: [•]
  - (e) Amount: [•] or, if less, the Available Facility
  - (f) Interest Period [•]
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) of the Facilities Agreement is satisfied on the date of this Utilisation Request.
4. [The proceeds of this Loan should be credited to [account]].
5. This Utilisation Request is irrevocable.

Yours faithfully

---

authorised signatory for  
[insert name of Borrower]





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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	ADGP64RS01 14.4.10.0	ADG pf_rend	18-Mar-2021 10:29 EST	<b>106470 EX4 3 219</b>	3*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	OC

NOTES:

\* Select the Facility to be utilised and delete references to the other Facilities.



**PART 2  
UTILISATION REQUEST—LETTERS OF CREDIT**

From: [Borrower]  
To: [Agent]

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to arrange for a Letter of Credit to be issued by the Issuing Bank specified below (which has agreed to do so) on the following terms:
  - (a) Borrower: [•]
  - (b) Issuing Bank: [•]
  - (c) Proposed Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)
  - (d) Facility to be utilised: Revolving Facility
  - (e) Currency of Letter of Credit: [•]
  - (f) Amount: [•] or, if less, the Available Facility in relation to the Revolving Facility
  - (g) Term: [•]
3. We confirm that each condition specified in paragraph (c) of Clause 6.5 (*Issue of Letters of Credit*) of the Facilities Agreement is satisfied on the date of this Utilisation Request.
4. We attach a copy of the proposed Letter of Credit.
5. This Utilisation Request is irrevocable (unless the Issuing Bank otherwise agrees).

Yours faithfully,

\_\_\_\_\_  
authorised signatory for  
[insert name of Relevant Borrower]



**PART 3**  
**UTILISATION REQUEST—DOLLAR SWINGLINE LOANS**

From: [Borrower]

To: [Agent]

Dated

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Dollar Swingline Loan on the following terms:
  - (a) Proposed Utilisation Date: [•] (or, if that is not a New York Business Day, the next New York Business Day)
  - (b) Facility to be utilised: Dollar Swingline Facility
  - (c) Amount: US\$[•] or, if less, the Available Dollar Swingline Facility
  - (d) Interest Period: [•]
3. We confirm that each condition specified in paragraph (b) of Clause 9.3 (*Dollar Swingline Lenders’ participation*) of the Facilities Agreement is satisfied on the date of this Utilisation Request.
4. The proceeds of this Dollar Swingline Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully,

\_\_\_\_\_  
authorised signatory for  
[insert name of relevant Borrower]



**PART 4**  
**UTILISATION REQUEST—EURO SWINGLINE LOANS**

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Euro Swingline Loan on the following terms:
  - (a) Proposed Utilisation Date: [•] (or, if that is not a [Euro Swingline Business Day], the next [Euro Swingline Business Day])
  - (b) Facility to be utilised: Euro Swingline Facility
  - (c) Amount: Euro [•] or, if less, the Available Euro Swingline Facility
  - (d) Interest Period: [•]
3. We confirm that each condition specified in paragraph (b) of Clause 12.3 (*Euro Swingline Lenders’ participation*) of the Facilities Agreement is satisfied on the date of this Utilisation Request.
4. The proceeds of this Euro Swingline Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully,

\_\_\_\_\_  
authorised signatory for  
[insert name of relevant Borrower]



**PART 5  
FORM OF TRANSFER CERTIFICATE**

To: [Agent]

From: [The Existing Lender] (the “Existing Lender”) and [The New Lender] (the “New Lender”)

Dated:

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Transfer Certificate. Terms defined in the Facilities Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to Clause 33.5 (*Procedure for transfer*) of the Facilities Agreement:
  - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender’s Commitment, rights and obligations referred to in the Schedule in accordance with Clause 33.5 (*Procedure for transfer*) of the Facilities Agreement.
  - (b) The proposed Transfer Date is [•].
  - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 40.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 33.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.
4. The New Lender confirms that it [is]/[is not] a Non-Acceptable L/C Lender.
5. The New Lender confirms that it [is]/[is not] incorporated, having its place of effective management, or acting through a Facility Office or office, as the case may be, located in a Non-Cooperative Jurisdiction.
6. The New Lender confirms (for the benefit of the Agent and without liability to any Obligor) that:
  - (a) in respect of a Belgian Obligor, it is:
    - (i) [a Belgian Qualifying Lender (other than a Belgian Treaty Lender)];
    - (ii) [a Belgian Treaty Lender]; or
    - (iii) [not a Belgian Qualifying Lender].



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- (b) in respect of a Luxembourg Obligor, it is:
  - (i) [a Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender);]
  - (ii) [a Luxembourg Treaty Lender]; or
  - (iii) [not a Luxembourg Qualifying Lender].
- (c) in respect of an Obligor tax resident in the US, it is:
  - (i) [a US Qualifying Lender (other than a US Treaty Lender)];
  - (ii) [a US Treaty Lender]; or
  - (iii) [not a US Qualifying Lender.]
- 7. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
- 8. This Transfer Certificate is governed by English law.



**THE SCHEDULE**

**Commitment/rights and obligations to be transferred**

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments,]*

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [•].

[Agent]

By:



**SCHEDULE 4  
FORM OF ACCESSION LETTER**

To: [Agent]  
 From: [Subsidiary] and Anheuser-Busch InBev SA/NV

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
 Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
 on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
 further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is an Accession Letter. Terms defined in the Facilities Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Facilities Agreement as an Additional [Borrower]/[Guarantor] pursuant to Clause [34.2 (*Additional Borrowers*)]/[Clause 34.4 (*Additional Guarantors*)] of the Facilities Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction] and is a limited liability company and registered number [•].
3. [Subsidiary’s] administrative details are as follows:  
 Address:  
 Fax No.:  
 Attention:
4. This Accession Letter is governed by English law.  
 [This Guarantor Accession Letter is entered into by deed.]

[Company]

[Subsidiary]





**SCHEDULE 5  
FORM OF RESIGNATION LETTER**

To: [Agent]  
 From: [resigning Obligor] and Anheuser-Busch InBev SA/NV

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
 Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
 on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
 further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to [Clause 34.3 (*Resignation of a Borrower*) of the Facilities Agreement]/[Clause 34.5 (*Resignation of a Guarantor*) of the Facilities Agreement], we request that [resigning Obligor] be released from its obligations as a [Borrower]/[Guarantor] under the Facilities Agreement.
3. This letter is governed by English law.

[ANHEUSER-BUSCH INBEV SA/NV]

[resigning Obligor]

By:

By:



**SCHEDULE 6  
TIMETABLES**

**PART 1  
LOANS**

	<b>Loans in dollars</b>	<b>Loans in euro</b>	<b>Loans in an Optional Currency (other than euro)</b>
Approval as an Optional Currency, if required (Clause 4.3 ( <i>Conditions relating to Optional Currencies</i> ))	N/A	N/A	Not later than 10.00 a.m. on the fifth Business Day prior to the desired date of the Loan
Agent notifies the Company if a currency is approved as an Optional Currency in accordance with Clause 4.3 ( <i>Conditions relating to Optional Currencies</i> )	N/A	N/A	Not later than 11.00 a.m. on the fifth Business Day prior to the desired date of the Loan
Delivery of a duly completed Utilisation Request (Clause 5.1 ( <i>Delivery of a Utilisation Request</i> ))	Not later than 1.00 p.m. on the third Business Day prior to the desired date of the Loan	Not later than 1.00 p.m. on the third Business Day prior to the desired date of the Loan	Not later than 10.00 a.m. on the fourth Business Day prior to the desired date of the Loan
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under Clause 5.4 ( <i>Lenders' participation</i> )	N/A	N/A	Not later than 11.00 a.m. on the fourth Business Day prior to the desired date of the Loan
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 ( <i>Lenders' participation</i> )	Not later than 4.00 p.m. on the third Business Day prior to the desired date of the Loan	Not later than 4.00 p.m. on the third Business Day prior to the desired date of the Loan	Not later than 3.00 p.m. on the fourth Business Day prior to the desired date of the Loan
Agent receives a notification from a Lender under Clause 14.2 ( <i>Unavailability of a currency</i> )	N/A	Not later than 9.30 a.m. on the third Business Day prior to the desired date of the Loan	Not later than 9.30 a.m. on the third Business Day prior to the desired date of the Loan
Agent gives notice in accordance with Clause 14.2 ( <i>Unavailability of a currency</i> )	N/A	Not later than 3.00 p.m. on the third Business Day prior to the desired date of the Loan	Not later than 3.00 p.m. on the third Business Day prior to the desired date of the Loan
LIBOR or EURIBOR is fixed	As of 11.00 a.m. on the Quotation Day	As of 10.00 a.m. on the Quotation Day	As of 10.00 a.m. on the Quotation Day
Reference Bank Rate calculated by reference to available quotations in accordance with Clause 21.2 ( <i>Calculation of Reference Bank Rate</i> ).	Noon on the Quotation Day	Noon on the Quotation Day	Noon on the Quotation Day



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All times in this Schedule refer to London time.

- “U” = date of utilisation
- “U-X” = X Business Days prior to date of utilisation



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**PART 2**  
**SWINGLINE LOANS**

**Euro Swingline  
Loans**

**Dollar Swingline  
Loans**

Delivery of a duly completed Utilisation Request for a Dollar Swingline Loan (Clause 9.1 (*Delivery of a Utilisation Request for Dollar Swingline Loans*))

U  
9.30am  
(New York time)

Agent determines Federal Funds Rate under Clause 10.3 (*Interest*)

U  
11.00am  
(New York time)

Agent determines the Base Currency Amount of the Dollar Swingline Loan under paragraph (d) of Clause 9.3 (*Dollar Swingline Lenders' participation*) and notifies each Dollar Swingline Lender of the amount of its participation in the Dollar Swingline Loan in accordance with paragraph (d) of Clause 9.3 (*Dollar Swingline Lenders' participation*)

U  
noon  
(New York time)

Delivery of a duly completed Utilisation Request for a Euro Swingline Loan (Clause 12.1 (*Delivery of a Utilisation Request for Euro Swingline Loans*))

U  
9.30am  
(Brussels time)

Agent determines (in relation to a Utilisation) the Base Currency Amount of the Euro Swingline Loan, if required under Clause 12.3 (*Euro Swingline Lenders' participation*) and notifies each Euro Swingline Lender of the amount of its participation in the Euro Swingline Loan under Clause 12.3 (*Euro Swingline Lenders' participation*)

U  
noon  
(Brussels time)

“U” = date of utilisation

“U-X” = Business Days prior to date of utilisation



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**PART 3  
LETTERS OF CREDIT**

	<b>Letters of Credit</b>
Delivery of a duly completed Utilisation Request (Clause 6.2 ( <i>Delivery of a Utilisation Request for Letters of Credit</i> ))	U-5 10.00am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Letter of Credit if required under paragraph (d) of Clause 6.5 ( <i>Issue of Letters of Credit</i> ) and notifies the Issuing Bank and Lenders of the Letter of Credit in accordance with paragraph (d) of Clause 6.5 ( <i>Issue of Letters of Credit</i> ).	U-3 11.00am
Delivery of duly completed Renewal Request in accordance with paragraph (a) of Clause 6.6	U-5 10.00am
“U” = date of utilisation	
“U-X” = Business Days prior to date of utilisation	



**SCHEDULE 7  
FORM OF LETTER OF CREDIT**

To: [Beneficiary](the “**Beneficiary**”)

Date

**Irrevocable Standby Letter of Credit no. [•]**

At the request of [•], [Issuing Bank] (the “**Issuing Bank**”) issues this irrevocable standby Letter of Credit (“**Letter of Credit**”) in your favour on the following terms and conditions:

**1. Definitions**

In this Letter of Credit:

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in [London].\*

“**Demand**” means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit.

“**Expiry Date**” means [•].

“**Total L/C Amount**” means [•].

**2. Issuing Bank’s agreement**

- (a) The Beneficiary may request a drawing or drawings under this Letter of Credit by giving to the Issuing Bank a duly completed Demand. A Demand must be received by the Issuing Bank by no later than [•] p.m. ([London] time) on the Expiry Date.
- (b) Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, within [ten] Business Days of receipt by it of a Demand, it must pay to the Beneficiary the amount demanded in that Demand.
- (c) The Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

**3. Expiry**

- (a) The Issuing Bank will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the Issuing Bank as the date upon which the obligations of the Issuing Bank under this Letter of Credit are released.
- (b) Unless previously released under paragraph (a) above, on [•] p.m.([London] time) on the Expiry Date the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank except for any Demand validly presented under the Letter of Credit that remains unpaid.



(c) When the Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the Issuing Bank.

4. **Payments**

All payments under this Letter of Credit shall be made in [•] and for value on the due date to the account of the Beneficiary specified in the Demand.

5. **Delivery of Demand**

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, fax or telex and must be received in legible form by the Issuing Bank at its address and by the particular department or office (if any) as follows:

[•]

6. **Assignment**

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred.

7. **ISP**

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.

8. **Governing Law**

This Letter of Credit is governed by English law.

9. **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit.

Yours faithfully

\_\_\_\_\_  
[Issuing Bank]

By:



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<b>ANHEUSER-BUSCH INBEV</b>	Donnelley Financial	ADGP64RS22 14.4.10.0	ADG pf_rend	18-Mar-2021 10:28 EST	<b>106470 EX4 3 234</b>	4*
<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	OC

NOTES:

\* This may need to be amended depending on the currency of payment under the Letter of Credit.





**SCHEDULE  
FORM OF DEMAND**

To: [Issuing Bank]

[Date]

Dears Sirs

**Standby Letter of Credit no. [•] issued in favour of [BENEFICIARY]  
(the "Letter of Credit")**

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of [•] is due [and has remained unpaid for at least [•] Business Days] [under [set out underlying contract or agreement]]. We therefore demand payment of the sum of [•].
2. Payment should be made to the following account:  
 Name:  
 Account Number:  
 Bank:
3. The date of this Demand is not later than the Expiry Date.

Yours faithfully

\_\_\_\_\_  
(Authorised Signatory)

\_\_\_\_\_  
(Authorised Signatory)

For  
[BENEFICIARY]



**SCHEDULE 8  
GUARANTEE PRINCIPLES**

1. The guarantees to be provided will be given in accordance with the agreed guarantee principles set out in this Schedule 8. This Schedule addresses the manner in which the agreed guarantee principles (the “**Guarantee Principles**”) will impact on the guarantees proposed to be taken in relation to the transaction contemplated by this Agreement.
2. The Guarantee Principles embody recognition by all parties that there may be certain legal, contractual and practical difficulties in obtaining guarantees from all Obligors in every jurisdiction in which Obligors are located. In particular:
  - (a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, “thin capitalisation” rules, earnings stripping and similar principles may limit the ability of a member of the Group to provide a guarantee or may require that the guarantee be limited by an amount or otherwise; the Company will use all reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to Anheuser-Busch and each Obligor; and
  - (b) members of the Group will not be required to give guarantees if it would conflict with the fiduciary duties of their directors or contravene any legal or regulatory prohibition (including, without limitation, any prohibition contained in case law) or result in a material risk of personal or criminal liability on the part of any officer **provided that** the relevant Group member shall use its all reasonable endeavours to overcome any such obstacle.



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**SCHEDULE 9  
MATERIAL BRANDS**

- Stella Artois
- Beck's
- Leffe
- Jupiler
- Hoegaarden
- Budweiser
- Michelob
- Bud Light
- Corona



**SCHEDULE 10  
FORM OF INCREASE CONFIRMATION**

To: [•] as Agent and [Anheuser-Busch InBev SA/NV] as Company, for and on behalf of each Obligor

From: [the Increase Lender] (the “Increase Lender”)

Dated:

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is an Increase Confirmation for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.
2. We refer to Clause 2.2 (*Increase*) of the Facilities Agreement.
3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Revolving Facility Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.
4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [•].
5. On the Increase Date, the Increase Lender becomes:
  - (a) Party to the Finance Documents as a Lender; and
  - (b) Party to [other relevant agreements in other relevant capacity].
6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 40.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
7. The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in paragraph (f) of Clause 2.2 (*Increase*) of the Facilities Agreement.
8. The Increase Lender confirms that it [is]/[is not] incorporated, having its place of effective management, or acting through a Facility Office or office, as the case may be, located in a Non-Cooperative Jurisdiction.



9. The Increase Lender confirms (for the benefit of the Agent and without liability to any Obligor) that:
- (a) in respect of a Belgian Obligor, it is:
    - (i) [a Belgian Qualifying Lender (other than a Belgian Treaty Lender)];
    - (ii) [a Belgian Treaty Lender]; or
    - (iii) [not a Belgian Qualifying Lender].
  - (b) in respect of a Luxembourg Obligor, it is:
    - (i) [a Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender)];
    - (ii) [a Luxembourg Treaty Lender]; or
    - (iii) [not a Luxembourg Qualifying Lender].
  - (c) in respect of an Obligor tax resident in the US, it is:
    - (i) [a US Qualifying Lender (other than a US Treaty Lender)];
    - (ii) [a US Treaty Lender]; or
    - (iii) [not a US Qualifying Lender.]
10. This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.
11. This Increase Confirmation is governed by English law.
12. This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.



**THE SCHEDULE**

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

*[insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

[Increase Lender]

By:

This Increase Confirmation is accepted by the Agent and the Issuing Bank and the Increase Date is confirmed as [date].

Agent

Issuing Bank

By:

By:



**SCHEDULE 11  
FORM OF EXTENSION REQUEST**

To: [•] as Agent  
 From: Anheuser-Busch InBev SA/NV as the Company  
 Dated: [•]

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
 Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
 on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
 further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is an Extension Request. Terms defined in the Facilities Agreement have the same meaning in this Extension Request unless given a different meaning in this Extension Request.
2. We request that the Applicable Final Termination Date be extended to the [First Extended Final Termination Date/the Second Extended Final Termination Date] with effect from [•].
3. This Extension Request is irrevocable.

Yours faithfully

By:

Anheuser-Busch InBev SA/NV

Authorised Signatory



**SCHEDULE 12  
FORM OF SUBSTITUTE FACILITY OFFICE OR SUBSTITUTE AFFILIATE  
LENDER DESIGNATION NOTICE**

To: [•] (as Agent for itself and each of the other parties to the Agreement referred to below); and

Anheuser-Busch InBev SA/NV as the Company

From: [*Designating Lender*] (the “**Designating Lender**”)

Dated: [•]

Dear Sirs

**Anheuser-Busch InBev SA/NV – US\$10,100,000,000 Revolving Credit and Swingline  
Facilities Agreement dated 26 February 2010, as amended on 25 July 2011, as extended  
on 20 August 2013, as amended and restated on 28 August 2015 and [•] 2021 and as  
further amended from time to time (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Designation Notice.
2. [We hereby designate our Facility Office in [•] as a Substitute Facility Office]/[We hereby designate our Affiliate details of which are given below as a Substitute Affiliate Lender] in respect of any Revolving Loans and Swingline Loans required to be advanced to [specify name of borrower or refer to all borrowers in a particular jurisdiction etc] (“**Designated Loans**”).
3. [The details of the Substitute Affiliate Lender are as follows:  
Name:  
Facility Office:  
Fax Number:  
Attention:  
Jurisdiction of Incorporation:
4. By countersigning this notice below the Designated Affiliate Lender agrees to become a Designated Affiliate Lender in respect of Designated Loans as indicated above and agrees to be bound by the terms of the Agreement accordingly.]
5. This Designation Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.





---

For and on behalf of

[Designating Lender]

[We acknowledge and agree to the terms of the above.]

---

For and on behalf of

[Substitute Affiliate Lender]

We acknowledge the terms of the above.

---

For and on behalf of

The [Agent]

Dated

We acknowledge the terms of the above.

---

For and on behalf of

Anheuser-Busch InBev SA/NV as Company

Dated



**SCHEDULE 13  
COMPOUNDED RATE TERMS**

**PART I  
DOLLARS**

**CURRENCY:** Dollars.

**Definitions**

**Additional Business Days:** An RFR Banking Day.

**Business Day Conventions  
(definition of "Month" and Clause  
20.1(e) (Non-Business Days)):**

- (a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:
  - (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
  - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
  - (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.
- (b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

**Central Bank Rate:** (a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or



- (b) if that target is not a single figure, the arithmetic mean of:
  - (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and
  - (ii) the lower bound of that target range.

**Central Bank Rate Adjustment:** In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20 per cent trimmed arithmetic mean (calculated by the Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.

**Central Bank Rate Spread:** In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent of:

- (a) the RFR for that RFR Banking Day; and
- (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

**Credit Adjustment Spread:** In respect of any Interest Period:

- (a) the Credit Adjustment Spread for Dollars and for the Relevant Tenor of that Interest Period calculated and published by Bloomberg Index Services Limited (“**BISL**”) (or a successor provider as approved and/or appointed by the International Swaps and Derivatives Association, Inc. (“**ISDA**”)), 5 RFR Banking Days before the Rate Switch Date for Dollars; or
- (b) if the Credit Adjustment Spread has ceased to be published by BISL for more than 5 RFR Banking Days by the time of the Rate Switch Date for Dollars, the last Credit Adjustment Spread for Dollars and for the Relevant Tenor of that Interest Period published by BISL for the Relevant Tenor before the Rate Switch Date for Dollars, in each case, for the purposes of Supplement number 70 to the 2006 ISDA Definitions, as published by ISDA (final on October 23, 2020 and published and effective on January 25, 2021).



**Relevant Tenor:**

- (a) For any Interest Period below and up to and including one week, the Relevant Tenor shall be one week;
- (b) for any Interest Period above one week and up to and including one month, the Relevant Tenor shall be one month;
- (c) for any Interest Period above one month and up to and including three months, the Relevant Tenor shall be three months; and
- (d) for any Interest Period above three months and up to and including six months, the Relevant Tenor shall be six months.

**Daily Rate:**

The “**Daily Rate**” for any RFR Banking Day is:

- (a) the RFR for that RFR Banking Day; or
- (b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:
  - (i) the Central Bank Rate for that RFR Banking Day; and
  - (ii) the applicable Central Bank Rate Adjustment; or
- (c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:
  - (i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and
  - (ii) the applicable Central Bank Rate Adjustment,

rounded, in either case, to five decimal places and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Credit Adjustment Spread is zero.



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**ANHEUSER-BUSCH INBEV**  
**ANHEUSER BUSCH FORM**

Donnelley Financial  
None

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Page 1 of 1

- Lookback Period:** Five RFR Banking Days.
- Relevant Market:** The market for overnight cash borrowing collateralised by US Government securities.
- RFR:** The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
- RFR Banking Day:** Any day other than:
- (a) a Saturday or Sunday; and
  - (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.



**PART II  
STERLING**

**CURRENCY:** Sterling.

**Definitions**

**Additional Business Days:** An RFR Banking Day.

**Business Day Conventions (definition of "Month" and Clause 20.1(e) (Non-Business Days)):**

- (a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:
  - (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
  - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
  - (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.
- (b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

**Central Bank Rate:** The Bank of England's Bank Rate as published by the Bank of England from time to time.

**Central Bank Rate Adjustment:** In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20 per cent trimmed arithmetic mean (calculated by the Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.



**Central Bank Rate Spread:** In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent of:

- (a) the RFR for that RFR Banking Day; and
- (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

**Credit Adjustment Spread:** In respect of any Interest Period:

- (a) the Credit Adjustment Spread for sterling and for the Relevant Tenor of that Interest Period calculated and published by Bloomberg Index Services Limited (“**BISL**”) (or a successor provider as approved and/or appointed by the International Swaps and Derivatives Association, Inc. (“**ISDA**”)), 5 RFR Banking Days before the Rate Switch Date for sterling; or
- (b) if the Credit Adjustment Spread has ceased to be published by BISL for more than 5 RFR Banking Days by the time of the Rate Switch Date for sterling, the last Credit Adjustment Spread for sterling and for the Relevant Tenor of that Interest Period published by BISL for the Relevant Tenor before the Rate Switch Date for sterling,

in each case, for the purposes of Supplement number 70 to the 2006 ISDA Definitions, as published by ISDA (final on October 23, 2020 and published and effective on January 25, 2021).

**Relevant Tenor:**

- (a) For any Interest Period below and up to and including one week, the Relevant Tenor shall be one week;
- (b) for any Interest Period above one week and up to and including one month, the Relevant Tenor shall be one month;
- (c) for any Interest Period above one month and up to and including three months, the Relevant Tenor shall be three months; and
- (d) for any Interest Period above three months and up to and including six months, the Relevant Tenor shall be six months.



**Daily Rate:**

The “**Daily Rate**” for any RFR Banking Day is:

- (a) the RFR for that RFR Banking Day; or
- (b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:
  - (i) the Central Bank Rate for that RFR Banking Day; and
  - (ii) the applicable Central Bank Rate Adjustment; or
- (c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:
  - (i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and
  - (ii) the applicable Central Bank Rate Adjustment,

rounded, in either case, to four decimal places and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Credit Adjustment Spread is zero.

**Lookback Period:**

Five RFR Banking Days.

**Relevant Market:**

The sterling wholesale market.

**RFR:**

The SONIA (sterling overnight index average) reference rate displayed on the relevant screen of any authorised distributor of that reference rate.

**RFR Banking Day:**

A day (other than a Saturday or Sunday) on which banks are open for general business in London.





**SCHEDULE 14  
DAILY NON-CUMULATIVE COMPOUNDED RFR RATE**

The “**Daily Non-Cumulative Compounded RFR Rate**” for any RFR Banking Day “**i**” during an Interest Period for a Compounded Rate Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

“**UCCDR<sub>i</sub>**” means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day “**i**”;

“**UCCDR<sub>i-1</sub>**” means, in relation to that RFR Banking Day “**i**”, the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

“**dcc**” means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

“**n<sub>i</sub>**” means the number of calendar days from, and including, that RFR Banking Day “**i**” up to, but excluding, the following RFR Banking Day; and

the “**Unannualised Cumulative Compounded Daily Rate**” for any RFR Banking Day (the “**Cumulated RFR Banking Day**”) during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose):

$$ACCDR \times \frac{tn_i}{dcc}$$

where:

“**ACCDR**” means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

“**tn<sub>i</sub>**” means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

“**Cumulation Period**” means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, the Cumulated RFR Banking Day;

“**dcc**” has the meaning given to that term above; and



the “**Annualised Cumulative Compounded Daily Rate**” for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to five decimal places in respect of a Compounded Rate Loan in Dollars and rounded to four decimal places in respect of a Compounded Rate Loan in Sterling or any currency other than Dollars) calculated as set out below:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{tn_i}$$

where:

“**d<sub>0</sub>**” means the number of RFR Banking Days in the Cumulation Period;

“**Cumulation Period**” has the meaning given to that term above;

“**i**” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

“**DailyRate<sub>i-LP</sub>**” means, for any RFR Banking Day “**i**” in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day “**i**”;

“**n<sub>i</sub>**” means, for any RFR Banking Day “**i**” in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day “**i**” up to, but excluding, the following RFR Banking Day;

“**dcc**” has the meaning given to that term above; and

“**tn<sub>i</sub>**” has the meaning given to that term above.



**SCHEDULE 15  
FORM OF SUSTAINABILITY COMPLIANCE CERTIFICATE**

To: [•] as Agent

From: Anheuser-Busch InBev SA/NV as Company

**Anheuser-Busch InBev SA/NV – Revolving Facility Agreement originally dated 26 February 2010, as amended, restated and extended from time to time, most recently on \_\_\_\_\_ 2021 (the “Facility Agreement”)**

1. We refer to the Facility Agreement. This is a Sustainability Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Sustainability Compliance Certificate unless given a different meaning herein.
2. We confirm that, for the financial year ended 31 December [*year*]:
  - 2.1 Total Water Use was [•] hl/hl and we have therefore [met/not met] the Total Water Use Target and paragraph (a) of the definition of “Sustainability Performance Targets” in the Facility Agreement [has/has not] been met for that financial year;
  - 2.2 percentage of Recycled Content was [•] per cent. and we have therefore [met/not met] the Recycled Content Target and paragraph (c) of the definition of “Sustainability Performance Targets” in the Facility Agreement [has/has not] been met for that financial year;
  - 2.3 percentage of Renewable Electricity was [•] per cent. and we have therefore [met/not met] the Renewable Electricity Target and paragraph (d) of the definition of “Sustainability Performance Targets” in the Facility Agreement [has/has not] been met for that financial year;
  - 2.4 GHG Emissions was [•] Kg CO2 e/hl and we have therefore [met/not met] the GHG Emissions Target and paragraph (b) of the definition of “Sustainability Performance Targets” in the Facility Agreement [has/has not] been met for that financial year;
3. We therefore confirm that the [Sustainability Discount/Sustainability Premium] is [•] per cent. and the Margin is therefore [•] per cent.

Signed:

\_\_\_\_\_  
Director  
of  
**Anheuser-Busch InBev SA/NV**

\_\_\_\_\_  
Director  
of  
**Anheuser-Busch InBev SA/NV**



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<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C

**SIGNATURES**

*[Signature pages not restated]*



**SIGNATURES**

**The Company**

For and on behalf of  
**ANHEUSER-BUSCH INBEV SA/NV**

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer

By: /s/ Alexandre Bueno  
Name: Alexandre Bueno  
Title: Global VP, Treasury

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



**The Borrowers**

For and on behalf of  
**ANHEUSER-BUSCH INBEV SA/NV**

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer

By: /s/ Alexandre Bueno  
Name: Alexandre Bueno  
Title: Global VP, Treasury

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**ANHEUSER-BUSCH INBEV WORLDWIDE INC.**

By: /s/ Margot Miller  
Margot Miller  
Authorized Signatory

By: /s/ Daniel Strothe  
Daniel Strothe  
Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**COBREW SA/NV**

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer

By: /s/ Alexandre Bueno  
Name: Alexandre Bueno  
Title: Global VP, Treasury

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*





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**The Guarantors**

For and on behalf of  
**ANHEUSER-BUSCH INBEV SA/NV**

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer

By: /s/ Alexandre Bueno  
Name: Alexandre Bueno  
Title: Global VP, Treasury

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**COBREW SA/NV**

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer

By: /s/ Alexandre Bueno  
Name: Alexandre Bueno  
Title: Global VP, Treasury

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**ANHEUSER-BUSCH INBEV WORLDWIDE INC.**

By: /s/ Margot Miller  
Margot Miller  
Authorized Signatory

By: /s/ Daniel Strothe  
Daniel Strothe  
Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**ANHEUSER-BUSCH INBEV FINANCE INC.**

By: /s/ Margot Miller  
Margot Miller  
Authorized Signatory

By: /s/ Daniel Strothe  
Daniel Strothe  
Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**ANHEUSER-BUSCH COMPANIES, LLC**

By: /s/ Margot Miller  
Margot Miller  
Authorized Signatory

By: /s/ Daniel Strothe  
Daniel Strothe  
Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**BRANDBREW S.A.**

*Société anonyme*

Registered office: 15, Breedewues, L-1259 Senningerberg,  
Grand-Duchy of Luxembourg R.C.S. Luxembourg: B  
75.696

By: /s/ Aleksey Legostaev  
Name: Aleksey Legostaev  
Title: Authorized Signatory

By: /s/ Yann Callou  
Name: Yann Callou  
Title: Authorized Signatory

By: /s/ Gert Magis  
Name: Gert Magis  
Title: Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**BRANDBEV S.À R.L**

*Société à responsabilité limitée*

Registered office: 15, Breedewues, L-1259 Senningerberg,  
Grand-Duchy of Luxembourg R.C.S. Luxembourg: B  
80.984

By: /s/ Aleksey Legostaev  
Name: Aleksey Legostaev  
Title: Authorized Signatory

By: /s/ Yann Callou  
Name: Yann Callou  
Title: Authorized Signatory

By: /s/ Gert Magis  
Name: Gert Magis  
Title: Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



**The Existing Lenders**

For and on behalf of  
**AUSTRALIA AND NEW ZEALAND BANKING  
GROUP LIMITED**

By: /s/ Robert Grillo  
Robert Grillo  
Director

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For and on behalf of  
**BANCO SANTANDER, S.A.**

By: /s/ Luis Casero  
\_\_\_\_\_  
Luis Casero

By: /s/ Maria Teresa  
\_\_\_\_\_  
Maria Teresa  
Vice President

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For and on behalf of  
**BANK OF AMERICA N.A.**

By: /s/ Albert Wheeler  
Albert Wheeler  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**BANK OF AMERICA EUROPE DESIGNATED  
ACTIVITY COMPANY**

By: /s/ Matthew Poyser  
Matthew Poyser  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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<b>ANHEUSER BUSCH FORM</b>	None		NYM		HTM ESS	0C

For and on behalf of  
**BARCLAYS BANK PLC**

By: /s/ Chris Bicheno  
Chris Bicheno  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**BNP PARIBAS FORTIS SA/NV**

By: /s/ Francis Vandeventer  
Francis Vandeventer

By: /s/ Erik Puttemans  
Erik Puttemans

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**CITIBANK, N.A.**

By: /s/ Carolyn A Kee  
Carolyn A Kee  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**COMMERZBANK AKTIENGESELLSCHAFT,  
FILIALE LUXEMBURG**

By: /s/ Marion Sattler  
Marion Sattler

By: /s/ Ivaila Vevecka  
Ivaila Vevecka

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For and on behalf of  
**COÖPERATIEVE RABOBANK U.A., NEW YORK  
BRANCH**

By: /s/ Van Brandenburg  
Van Brandenburg  
Managing Director

By: /s/ Irene Stephens  
Irene Stephens  
Executive Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*





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For and on behalf of  
**DEUTSCHE BANK LUXEMBOURG S.A.**

By: /s/ Banu Kologlu  
Banu Kologlu

By: /s/ Sven Walther  
Sven Walther

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**HSBC BANK USA, NATIONAL ASSOCIATION**

By: /s/ James Smith  
James Smith  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**ING BELGIUM SA/NV**

By: /s/ Gordana Hulina \_\_\_\_\_  
Gordana Hulina  
Chief Risk Officer

By: /s/ Hans de Munck \_\_\_\_\_  
Hans de Munck  
Chief Financial Officer

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**INTESA SANPAOLO BANK LUXEMBOURG S.A., AMSTERDAM BRANCH**

By: /s/ Gianfranco Giromini  
Gianfranco Giromini

By: /s/ Francesco Calcara  
Francesco Calcara

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For and on behalf of  
**JPMORGAN CHASE BANK, N.A.**

By: /s/ Alberto Rizzi  
Alberto Rizzi  
Executive Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**J.P MORGAN SECURITIES PLC**

By: /s/ Alberto Rizzi  
Alberto Rizzi  
Executive Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**MIZUHO BANK, LTD., NEW YORK BRANCH**

By: /s/ Shinsuke Kajiwara  
Shinsuke Kajiwara  
Chief Executive Officer

By: /s/ Joost van Leeuwen  
Joost van Leeuwen  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**MIZUHO BANK NEDERLAND N.V.**

By: /s/ Shinsuke Kajiwara  
Shinsuke Kajiwara  
Chief Executive Officer

By: /s/ Joost van Leeuwen  
Joost van Leeuwen  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*





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For and on behalf of  
**MORGAN STANLEY BANK N.A.**

By: /s/ Michael King  
Name: Michael King  
Title: Authorized Signatory

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**MUFG BANK, LTD.**

By: /s/ Simon Lello \_\_\_\_\_  
Simon Lello  
Managing Director

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For and on behalf of  
**SOCIÉTÉ GÉNÉRALE SUCCURSALE EN BELGIQUE DE LA SOCIÉTÉ GÉNÉRALE FRANCE**

By: /s/ Pierre Lebit  
Pierre Lebit  
Chief Country Officer

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**SOCIÉTÉ GÉNÉRALE, LONDON BRANCH**

By: /s/ Bruno Magnouat  
Bruno Magnouat  
Global head of Advisory & Financing

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**SUMITOMO MITSUI BANKING CORPORATION**

By: /s/ Shohei Shiraishi  
Shohei Shiraishi  
Managing Director

By: /s/ Thierry Muschs  
Thierry Muschs  
Managing Director

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For and on behalf of  
**THE TORONTO-DOMINION BANK**

By: /s/ Pei-Lyn Hui  
\_\_\_\_\_  
Pei-Lyn Hui  
Director

By: /s/ Andrew Williams  
\_\_\_\_\_  
Andrew Williams  
Managing Director

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For and on behalf of  
**THE BANK OF NEW YORK MELLON**

By: /s/ Thomas J. Tarasovich, Jr.  
Thomas J. Tarasovich, Jr.  
Vice President

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For and on behalf of  
**THE ROYAL BANK OF SCOTLAND PLC**

By: /s/ Jonathan Eady  
Jonathan Eady  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*





For and on behalf of  
**UNICREDIT BANK AG**

By: /s/ Christian Eberle  
Christian Eberle  
Managing Director

By: /s/ Diana Rippich  
Diana Rippich  
Senior Associate

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**U.S. BANK NATIONAL ASSOCIATION**

By: /s/ Peter Hale  
Peter Hale  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: /s/ Mark Holm  
Mark Holm  
Managing Director

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**The New Lenders**

For and on behalf of  
**BANCO SANTANDER, S.A., NEW YORK BRANCH**

By: /s/ Andres Barbosa  
Andres Barbosa  
Managing Director

By: /s/ Rita Walz-Cuccioli  
Rita Walz-Cuccioli  
Executive Director

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For and on behalf of  
**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**  
**NEW YORK BRANCH**

By: /s/ Cara Younger  
\_\_\_\_\_  
Cara Younger  
Executive Director

By: /s/ Mauricio Benitez  
\_\_\_\_\_  
Mauricio Benitez  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**BANK OF AMERICA, N.A., LONDON BRANCH**

By: /s/ Louise Dendle  
Louis Dendle  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**CITIBANK, N.A., LONDON BRANCH**

By: /s/ Andrew Mason  
Andrew Mason  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**J.P. MORGAN AG**

By: /s/ Viktoriya Cosquer  
Viktoriya Cosquer  
Executive Director

By: /s/ Miguel Holler  
Miguel Holler  
Vice President

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For and on behalf of  
**MIZUHO BANK EUROPE N.V.**

By: /s/ Shinsuke Kajiwara  
Shinsuke Kajiwara  
Chief Executive Officer

By: /s/ Joost van Leeuwen  
Joost van Leeuwen  
Managing Director

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For and on behalf of  
**SOCIÉTÉ GÉNÉRALE S.A., BRUSSELS BRANCH**

By: /s/ Pierre Lebit  
Pierre Lebit  
Chief Country Officer

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For and on behalf of  
**STANDARD CHARTERED BANK**

By: /s/ James Beck  
James Beck  
Associate Director

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For and on behalf of  
**NATIONAL WESTMINSTER BANK PLC**

By: /s/ Jonathan Eady  
Jonathan Eady  
Director

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For and on behalf of  
**UNICREDIT S.P.A.**

By: /s/ Francesco Breuer  
Francesco Breuer  
Vice President

By: /s/ Jacopo Traversa  
Jacopo Traversa  
Director

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**The Arrangers**

For and on behalf of  
**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: /s/ Robert Grillo  
\_\_\_\_\_  
Robert Grillo  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**BANCO SANTANDER, S.A., NEW YORK BRANCH**

By: /s/ Andres Barbosa  
Andres Barbosa  
Managing Director

By: /s/ Rita Walz-Cuccioli  
Rita Walz-Cuccioli  
Executive Director

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For and on behalf of  
**BANK OF AMERICA EUROPE DESIGNATED ACTIVITY COMPANY**

By: /s/ Matthew Poyser  
Matthew Poyser  
Director

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For and on behalf of  
**BARCLAYS BANK PLC**

By: /s/ Chris Bicheno  
Chris Bicheno  
Vice President

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For and on behalf of  
**BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH**

By: /s/ Cara Younger  
Cara Younger  
Executive Director

By: /s/ Mauricio Benitez  
Mauricio Benitez  
Managing Director

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For and on behalf of  
**BNP PARIBAS FORTIS SA/NV**

By: /s/ Francis Vandeventer  
Francis Vandeventer

By: /s/ Erik Puttemans  
Eric Puttemans

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For and on behalf of  
**CITIBANK, N.A., LONDON BRANCH**

By: /s/ Andrew Mason  
Andrew Mason  
Director

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For and on behalf of  
**COMMERZBANK AKTIENGESELLSCHAFT, FILIALE LUXEMBURG**

By: /s/ Marion Sattler  
Marion Sattler

By: /s/ Ivaila Vevecka  
Ivaila Vevecka

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**DEUTSCHE BANK LUXEMBOURG S.A.**

By: /s/ Banu Kologlu  
Banu Kologlu

By: /s/ Sven Walther  
Sven Walther

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For and on behalf of  
**HSBC BANK USA, NATIONAL ASSOCIATION**

By: /s/ James Smith  
James Smith  
Vice President

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For and on behalf of  
**ING BELGIUM SA/NV**

By: /s/ Gordana Hulina  
Gordana Hulina  
Chief Risk Officer

By: /s/ Hans de Munck  
Hans de Munck  
Chief Financial Officer

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For and on behalf of  
**INTESA SANPAOLO BANK LUXEMBOURG S.A., AMSTERDAM BRANCH**

By: /s/ Gianfranco Giromini  
Gianfranco Giromini

By: /s/ Francesco Calcara  
Francesco Calcara

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For and on behalf of  
**J.P. MORGAN AG**

By: /s/ Jon Abando  
Jon Abando  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**MIZUHO BANK EUROPE N.V.**

By: /s/ Shinsuke Kajiwara  
Shinsuke Kajiwara  
Chief Executive Officer

By: /s/ Joost van Leeuwen  
Joost van Leeuwen  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**MORGAN STANLEY SENIOR FUNDING, INC.**

By: /s/ Michael King  
Michael King  
Vice President

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For and on behalf of  
**MUFG BANK, LTD.**

By: /s/ Simon Lello  
\_\_\_\_\_  
Simon Lello  
Managing Director

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For and on behalf of  
**COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH**

By: /s/ Van Brandenburg  
Van Brandenburg  
Managing Director

By: /s/ Irene Stephens  
Irene Stephens  
Executive Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**SOCIÉTÉ GÉNÉRALE S.A., BRUSSELS BRANCH**

By: /s/ Pierre Lebit  
Pierre Lebit

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**STANDARD CHARTERED BANK**

By: /s/ James Beck  
James Beck  
Associate Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*





For and on behalf of  
**SUMITOMO MITSUI BANKING CORPORATION**

By: /s/ Shohei Shiraishi  
\_\_\_\_\_  
Shohei Shiraishi  
Managing Director

By: /s/ Thierry Muschs  
\_\_\_\_\_  
Thierry Muschs  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**THE TORONTO-DOMINION BANK**

By: /s/ Andrew Williams  
Andrew Williams  
Managing Director

By: /s/ Pei-Lyn Hui  
Pei-Lyn Hui  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**THE BANK OF NEW YORK MELLON**

By: /s/ Thomas J. Tarasovich, Jr.  
Thomas J. Tarasovich, Jr.  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**NATIONAL WESTMINSTER BANK PLC**

By: /s/ Jonathan Eady  
Jonathan Eady  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**U.S. BANK NATIONAL ASSOCIATION**

By: /s/ Peter Hale  
Peter Hale  
Vice President

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



For and on behalf of  
**UNICREDIT S.P.A.**

By: /s/ Francesco Breuer  
Francesco Breuer  
Vice President

By: /s/ Jacopo Traversa  
Jacopo Traversa  
Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



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For and on behalf of  
**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: /s/ Mark Holm  
Mark Holm  
Managing Director

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*



**The Agent**

For and on behalf of  
**BNP PARIBAS FORTIS SA/NV**

/s/ Benjamin Nihon  
Name: Benjamin Nihon  
Title: Agency Relationship Manager

/s/ Pascal Gilliard  
Name: Pascal Gilliard  
Title: Head of Capital Markets EMEA

**The Issuing Bank**

For and on behalf of  
**BNP PARIBAS FORTIS SA/NV**

/s/ Francis Vandeventer  
Name: Francis Vandeventer  
Title: Corporate Debt Platform

/s/ Erik Puttemans  
Name: Erik Puttemans  
Title: Senior Banker

*[Signature Page – Amendment and Restatement Agreement – ABI RCF]*





Exhibit 11.2





## Introduction

As the world's leading brewer, Anheuser-Busch InBev SA/NV ("AB InBev" or the "Company", including its subsidiaries and affiliates in which Anheuser-Busch InBev SA/NV has management control) operate in countries having a broad range of cultures and business practices. As a result, it is critical that we are guided by a clear and consistent code of business conduct and guidelines.

In achieving our business objectives, we must always adhere to the highest standards of business integrity and ethics, and ensure that we comply with all applicable laws and regulations.

Our Code of Business Conduct applies to all directors, officers, and colleagues of AB InBev. It applies to all business transactions we make and expresses principles that we expect every individual or entity acting on our behalf to follow. We expect our suppliers, service providers and other business partners to act in a manner consistent with our Responsible Sourcing Policy.

It is everyone's responsibility to carefully read and understand this Code. Senior management must also ensure that, within their respective areas of responsibility, this Code is distributed and receives the appropriate attention and follow-up.

This Code of Business Conduct, together with our policies, plays an important role in building the foundation for our long-term success. No financial objective, no sales target, no effort to outdo the competition, outweighs our commitment to ethics, integrity, and compliance with applicable laws.

Colleagues are encouraged to report to the Company any activity or requested action that they believe to be, even potentially, in violation of applicable laws or this Code. Such reports should be made to a line manager, to the Legal or Ethics & Compliance team, or to our confidential Compliance Helpline. Only with your active support can AB InBev be a company lasting for the next 100+ year.

**John Blood**  
Chief Legal & Corporate Affairs Officer

**Matt Galvin**  
VP, Ethics & Compliance



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## 1. Our Principles

Our Code of Business Conduct is a practical guide to living our principles and values every day. It is designed to be clear and must be the basic guideline upon which all Company's business decisions are based.

### *Dream*

1. We dream big. We are building a profitable, growth company.

### *People*

2. Our greatest strength is our people. Great people grow at the pace of their talent and are rewarded accordingly. Great people deliver and transform.
3. We recruit, develop and retain people who can be better than ourselves. We are measured by the quality and diversity of our teams.

### *Culture*

4. We are a company of owners. Owners take results personally and lead by example.
5. We are never completely satisfied with our results. We embrace change, take smart risks and learn from our mistakes.
6. The consumer is the boss. We go where consumers go, because that is where growth is.
7. We strive to be the best at serving and partnering with our customers, who are the gateway to our consumers.
8. We believe in common sense and simplicity. We operate with excellence and efficiency in all we do, always having our customers and consumers in mind.
9. We manage our costs tightly to free up resources that will support profitable top line growth.
10. We never take shortcuts. Integrity, hard work, quality, and responsibility are key to building our company and our reputation.

## 2. Statement of Policy

It is our policy that our Board of Directors, officers and colleagues strictly comply with all applicable laws and regulations and observe the highest standards of business ethics. Our reputation for honesty and integrity is an invaluable asset.

All AB InBev directors, officers and colleagues must be honest, objective and diligent in the performance of their duties and responsibilities. You are trusted by the Company to exhibit professionalism in all matters pertaining to AB InBev's affairs and not to partake in any illegal or improper activity.

No Company officer has the authority to require or approve any action that would violate this Code. This Code is not subject to waivers or exceptions because of competitive or commercial demands, industry customs or other exigencies.

All managers shall be responsible for the enforcement of and compliance with our policies, including distributing and making them available to their teams.

Any colleague who violates this Code or authorizes or allows a subordinate to violate it will be subject to disciplinary action, including termination of employment, loss of compensation, or other measures deemed appropriate by AB InBev.

## 3. Reporting Misconduct

You are encouraged to report any activity that you believe is or might be a violation of applicable laws or regulations, this Code or our policies. In addition, you are required to report violations or potential violations of the Human Rights Policy. Managers also have mandatory reporting obligations for sexual harassment allegations. Reports can be made through the following channels:

- to your line manager;
- to the Legal or Ethics & Compliance team; or
- through our Compliance Helpline.

The Company does not restrict you from reporting to the government or regulators conduct that you believe to be a violation of applicable laws.

### **Compliance Helpline**

Our Compliance Helpline is a secure means of reporting, provided by an independent company. It is available anywhere in the world and 24/7, and you can file your report in your language. It is available to all colleagues, where you can CONFIDENTIALLY and, if you choose and local laws permit, ANONYMOUSLY, report any concern in relation to potential violations of applicable laws or regulations, this Code or our policies.



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To reach the Compliance Helpline, visit <http://talkopenly.ab-inbev.com> or call a toll-free number in your country, which can be found on the website.

### How Are Reports Treated?

Reports made to the Company and investigations relating to such reports are treated confidentially.

If necessary, follow-up communications can be facilitated anonymously by the independent company via the Compliance Helpline.

### Compliance Channel

In addition to the Compliance Helpline, you can also use the Compliance Channel (<http://compliancechannelglobal.ab-inbev.com>) to easily (i) request approvals related to certain compliance matters, (ii) access compliance-related policies, (iii) access the Compliance Helpline to file a report, and (iv) ask compliance-related questions.

### No Retaliation

AB InBev prohibits and will not tolerate any threatened or actual retaliation against any persons, or their legitimate representatives, who, in good faith, (i) raise concerns, (ii) formally or informally report to AB InBev, (iii) assist another colleague to report to AB InBev, or (iv) participate in an investigation or legally protected litigation regarding a potential violation of applicable laws or regulations, this Code or Company policies. **Retaliation itself is a violation of this Code and our Whistleblower Policy, and can be reported.**

### 4. Honest and Ethical Conduct

All AB InBev directors, officers and colleagues must be honest, objective and diligent in the performance of their duties and responsibilities and cooperate in all internal investigations. They are trusted by the Company to exhibit professionalism in all matters pertaining to AB InBev's affairs and not to partake in any illegal or improper activity.

### 5. Environment, Health and Safety

In support of the Company's dream, all colleagues should work vigorously to achieve a high standard of environmental, health and safety performance throughout our organization. You should strive to prevent all accidents, injuries and occupational illnesses within our operations.

You should comply with all applicable environmental laws and regulations, Company standards and other requirements, and strive to produce our products in the most environmentally responsible way, while maintaining our commitment to quality and cost-efficiency.

All colleagues have a role to play in helping ensure that we take into account the environment in our daily work, helping limit our use of scarce resources and ensuring we continue our strong commitment to recycling throughout our operations. **See our Environmental Policy and our Health and Safety Policy for more details.**

### 6. Human Rights

As a signatory to the United Nations Global Compact, AB InBev is committed to business practices that respect human rights and that align with international standards of responsible business conduct, including the International Bill of Human Rights and the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work.

**AB InBev's Global Human Rights Policy outlines our approach and commitment to respecting human rights across our global operations and our value chain. In addition to its own operations, AB InBev is committed to upholding high standards of responsible behavior amongst its business partners, including its suppliers, through its Responsible Sourcing Policy.**

### 7. Diversity and Inclusion

We believe that our greatest strength is our diverse team of people. Our focus is on attracting, hiring, engaging, developing and advancing the very best talent—regardless of gender, ethnicity, sexual orientation or any other characteristics that make our colleagues unique.

We are committed to a work environment where all colleagues are respected and valued. All our people deserve to feel comfortable being their authentic selves at work every day. Only then can we all be at our best.

AB InBev takes harassment and discrimination very seriously and all complaints of discrimination or harassment (including unfair discrimination, sexual harassment and sexual misconduct) will be promptly investigated. AB InBev will take disciplinary action in cases of discrimination or harassment (up to and including termination of employment). Colleagues who manage or supervise one or more colleagues have additional responsibilities to report violations. **Refer to our Diversity and Inclusion Policy and Global Anti-Harassment and Anti-Discrimination Policy for more information.**



### 8. Responsible Drinking

As the world's leading brewer, we are committed to promoting the responsible enjoyment of our products among consumers. As a responsible employer, the safety, security and welfare of our colleagues and others is our top priority. That is why we have a global policy regarding responsible drinking. **Our Responsible Drinking Policy outlines the responsibilities of the Company, as well as those of our colleagues, and it gives clear guidelines about what are expected for both.**

Our colleagues are ambassadors of the Company and are encouraged to exercise personal responsibility whenever they consume alcohol. A violation of the Responsible Drinking Policy may lead to disciplinary action, up to and including termination of employment.

### 9. Compliance with Competition and Antitrust Laws

We must understand and comply with all applicable competition and antitrust laws. These laws regulate our dealings with competitors, customers, distributors and other third parties. Infringement of competition and antitrust laws can result in very serious fines for AB InBev and for the colleagues involved, and have additional consequences such as reputational damage, litigation and even imprisonment. To ensure compliance with these laws, AB InBev and its directors, officers and employees:

- Must not participate in a cartel;
- Must not reach agreements or understandings with competitors that could restrict competition (e.g. to raise prices or to limit production volumes);
- Must not exchange confidential information with competitors (e.g. on future price increases, input costs or commercial strategy);
- Must not agree with competitors to limit competition in a market (e.g. agreement on exclusive territories or allocation of customers);
- Must not impose minimum or fixed resale prices on customers;
- Must not try to restrict customers' ability to ship and sell goods throughout the European Union; and
- Must not abuse AB InBev's market position in markets.

In countries where AB InBev has a significant market share, all market practices should be reviewed and pre-approved by the Legal or Ethics & Compliance team to ensure compliance with competition and antitrust laws.

Detailed advice and training for compliance with competition and antitrust laws are available from the Legal or Ethics & Compliance team. Not knowing the rules is not a defense – you should seek advice from the Legal or Ethics

& Compliance team through the Compliance Channel. If you have any suspicion that AB InBev is involved in any anti-competitive behavior, please use our Compliance Helpline or contact the Legal or Ethics & Compliance team without delay.

### 10. Conflict of Interest

Our directors, officers and colleagues are required to disclose all ethical, legal, financial, or other interests that may conflict with AB InBev's interests or give the appearance of conflicting with AB InBev's interests.

A conflict of interest can arise when any decision could be influenced, or might appear to be influenced, by the possibility of personal benefits. Having a conflict of interest is not necessarily wrong, but failure to promptly disclose it can be a violation of our Conflict of Interest Policy. A conflict of interest may arise in many situations - for example, when you or your immediate family members:

- Act as shareholders, directors, officers, partners, agents or consultants for a supplier, customer, competitor or other counterparties;
- Receive a personal benefit from a supplier, customer, competitor or other counterparties;
- Accept gifts or entertainment from suppliers, customers, competitors or other counterparties; or
- Use Company resources or your position for personal benefits.

In addition, the Company recognizes that colleagues may have or form personal relationships. The existence of any personal relationships between a manager or other supervisory colleagues and his or her direct or indirect report must be disclosed, both to the supervisory colleague's line manager and to the People or Ethics & Compliance team. Other types of personal relationships that have the potential to create a conflict of interest also must be disclosed both to the colleague's line manager and to the People or Ethics & Compliance team.

If you have any questions, you should seek guidance from the People or Ethics & Compliance team through Compliance Channel. Failure to promptly disclose a conflict of interest (including certain personal relationships) may lead to disciplinary action, up to and including termination of employment.

See our [Global Conflict of Interest Policy](#) for more details.





### 11. Compliance with Anti-Corruption Laws

Every director, officer and colleague of the Company must comply with applicable international and local laws that prohibit corruption and bribery everywhere we conduct business, including, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. We have a zero-tolerance policy toward bribery or corrupt conduct in any form. AB InBev directors, officers, and colleagues are strictly prohibited from directly or indirectly giving, offering, promising, or authorizing anything of value to anyone, including but not limited to, any Public Official or any employee or representatives of our customers, suppliers, or business partners, to secure an improper business advantage, influence business or governmental decisions in connection with any of our activities, or otherwise induce the recipient to abuse his or her power or official position.

This prohibition must be interpreted broadly and applies to anyone acting on our behalf. Consequently, you must not:

- Instruct, authorize, or allow a third party to make a prohibited payment on your or the Company's behalf;
- Make a payment to a third party knowing or having reason to believe that all or a portion of such payment is likely to be used for a prohibited payment.
- Engage a Touch Point Vendor (intermediaries who have a high likelihood of interacting with Public Officials on the Company's behalf or in the course of providing goods or services to the Company, as defined under our Anti-Corruption Policy) without proper due diligence and approval by the Ethics & Compliance team.

For further details, see our Global Anti-Corruption Policy.

### 12. Gifts and Hospitality

Our colleagues are not allowed to accept any gifts, meals or entertainment or anything of value that could inappropriately bias future decision making or create an appearance of impropriety, from any current or future client, customer, supplier, service provider or any other counterparty. Details about what gifts are acceptable can be found in the Global Conflict of Interest Policy.

All gifts, entertainment or hospitality to Public Officials (as defined under our Global Anti-Corruption Policy) or commercial counterparties must be provided in compliance with our Global Anti-Corruption Policy.

Specifically, you may not offer or provide a gift, meal, entertainment, travel expenses or other corporate hospitality to a Public Official or commercial counterparty as an incentive, or in exchange or as a reward, for granting a regulatory request, clearing products or supplies through customs, or providing any other improper benefit or improper advantage to the Company. The expenses must be supported by receipts and accurately recorded in the Company's books and records. For further details, see **Global Anti-Corruption Policy**.





When required under our Global Anti-Corruption Policy, you should request approval for providing gifts and hospitality through the Compliance Channel.

**13. Political Contributions and Mandates**

Any direct or indirect contribution on behalf of the Company or with Company's funds to any political party, committee or candidate for public office is strictly forbidden, even if permitted by local regulations, unless the formal approval of AB InBev's Board of Directors, through the Audit Committee, has been obtained in advance. These restrictions apply not only to cash donations, but also to donations in kind, such as free beer, offering a client list for a political purpose, providing materials or service, taking a table at a political fundraising event, or paying for a research project.

AB InBev's officers and colleagues who wish to be a candidate for local, regional, provincial, national, federal or European elections are required to notify AB InBev's Ethics & Compliance team of their intentions.

**14. Books, Records and Controls**

It is essential that the integrity, accuracy and reliability of AB InBev's books, records and financial statements be maintained.

All payments must be accurately recorded in AB InBev's corporate books, records, and accounts in a timely manner and in reasonable detail. False, misleading, incomplete, inaccurate, or artificial entries in the Company's books and records are strictly prohibited.

Business records shall accurately reflect transactions and no transaction shall be entered into with the intention of it being documented or recorded in a deceptive manner.

Similarly, all funds, assets and transactions must be disclosed and recorded in the appropriate books and accounted for properly and punctually. All payments should be made through official bank transfer or by sending cheques directly to the official beneficiary's company address. Business records shall be interpreted broadly, meaning that every document, even an apparently insignificant one, shall be complete and accurate. Business records include but are not limited to:

- Expenses and travel reports;
- Target appraisals;
- Invoices;
- Market research;
- Purchase orders;
- Quality control tests;

- Gift logs;
- Accident reports; and
- Inventory records.

**15. Economic Sanctions and Anti-Money Laundering**

The United Nations, the United States, the European Union and some other countries and organizations restrict certain international trade through their economic sanctions regimes. Such sanctions usually prohibit particular transactions with certain countries or certain listed individuals, entities, or their representatives and certain entities owned or controlled by them.

Money laundering is the process of transferring illegally obtained money through legitimate people or accounts so that its original source cannot be traced. Terrorist financing is the process by which terrorists fund their operations, through legally or illegally obtained funds, in order to perform terrorist acts. Money laundering and terrorist financing, as well as any action that would facilitate money laundering or terrorist financing, are prohibited for all colleagues. In addition, facilitating tax evasion is a standalone criminal offense in some countries, but is also commonly considered a money laundering offense in many jurisdictions.

AB InBev is committed to complying with applicable anti-money laundering, anti-tax evasion, and international trade laws, including economic sanctions. Consult the Legal or Ethics & Compliance team and our International Trade and Anti-Money Laundering Policy for guidance on compliance.

If you have suspicions that a transaction may involve criminal proceeds or fund terrorist activity, you should consult the Legal or Ethics & Compliance team promptly.

**16. Code of Dealing**

AB InBev's Code of Dealing applies to all colleagues and certain "persons closely associated of" AB InBev and all its affiliates. These persons shall comply with specific requirements when handling "inside information" and dealing in AB InBev and other companies' financial instruments.

Inside information is information of a precise nature, which has not been made public, relating directly or indirectly (1) to AB InBev and all its affiliates or to any listed company outside the AB InBev and all its affiliates or (2) to financial instruments of AB InBev and all its affiliates or any listed company outside the AB InBev and all its affiliates, and which, if it were made public, would be likely to have a significant effect on the price of financial instruments of the AB InBev, its affiliates or such other company.





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In particular, dealing in financial instruments while in possession of inside information with respect to such financial instruments or the issuer of such financial instruments is prohibited. "Tipping off" or misappropriation of inside information without proper authorization is also prohibited.

Colleagues shall not deal in AB InBev's financial instruments during certain closed periods (which typically cover 30 calendar days before financial results announcements)

Please refer to the Code of Dealing for details on the scope of the policy as well as its prohibitions and requirements. Violations of the Code of Dealing may result in disciplinary action and may also be a criminal offense and give rise to civil liability. Further advice is available from your Legal or Ethics & Compliance team.

**17. Confidentiality**

Our directors, officers and colleagues may come into possession of private, confidential or proprietary information about the Company, our employees, customers, suppliers, or joint venture parties. The confidentiality of all such information should be strictly maintained, except when disclosure is authorized. Using Company confidential information for personal gain could be a potential violation of the Conflict of Interest Policy. Confidential or proprietary information includes any inside information, as well as any non-public information that would be harmful to the Company, its customers, suppliers, or joint venture parties or helpful to competitors if disclosed.

This obligation of confidentiality does not prohibit you from raising concerns about potential legal violations to government authorities.

**18. Digital Ethics**

In a world of digital transformation, AB InBev aims to not only comply with applicable data privacy laws, but also to ensure that its consumers, customers and employees' data are secured and processed in an ethical manner. We have implemented security measures, data retention and handling procedures, and other internal controls. It is your responsibility to

- Follow established procedures and policies;
- Not process personal data unless there is a lawful basis (such as valid consent from the data subjects);
- Act transparently over the collection and processing of personal data; and
- Take measures to protect data in business process.



Please contact the Ethics & Compliance team through the Compliance Channel to assure your project, website or application is in compliance with our various Privacy Policies and all applicable laws.

**19. Social Media**

The Internet and social media have changed the way we work, offering new ways to engage with our colleagues, customers, consumers, and the world at large. Social media can help build a strong reputation and more successful business relationships. Candor and transparency are part of our culture, and we encourage the exchange of ideas. However, the disclosure of sensitive or inappropriate information through social media also has the potential to damage our brands, our Company and our people. Consistent with our ownership culture, we have adopted guidelines that must be followed by all directors, officers and colleagues:

- Personal opinions: Do not state personal opinions while creating any impression that you are speaking on behalf the company;
- Proprietary information: Maintain the confidentiality of the trade secrets, private or confidential information, and intellectual property of the Company, our colleagues, customers, suppliers and other stakeholder; and
- Show respect: Always be courteous to fellow employees, customers, members, competitors, suppliers or people who work on behalf of our Company.



There is no substitute for good judgment. By being cautious you will be protecting the Company and your personal image. For further details, please refer to our Social Media Guidelines.

**20. Use of Company Assets**

All directors, officers and colleagues should protect Company assets and ensure their efficient use. It is prohibited to use Company assets, funds, facilities, personnel or other resources for private purposes unless authorized by separate Company policies.

Company assets also include your work product, as well as the Company's equipment and vehicles, computers and software, Company information, trademarks and name.

All Company assets should be used for legitimate business purposes only. It is one of our 10 Principles to manage our costs tightly, and it is everyone's responsibility to protect Company funds. When managing our budgets, we must ensure that our specific policies are strictly followed.

**21. Responsible Marketing and Communications Code**

As a responsible brewer, AB InBev wants to ensure that our commercial communications are directed only to those above the legal drinking age and are carried out in a socially responsible manner.

Our Responsible Marketing and Communications Code applies to all forms of brand marketing and commercial communication for all AB InBev products that contain alcohol, use an alcohol trading name, or are an alcohol-free or non-alcohol beer products, including but not limited to: traditional advertising; direct and relationship marketing; digital media; branding, packaging and labeling; brand promotions; consumer, trade and brand public relations activities; experiential marketing programs and promotional activities; product placement; sponsorships; category marketing; and point-of-connection materials.

The Responsible Marketing and Communications Code shall be used as a Company reference for all commercial communications, along with the other values endorsed by this Code and other Company policies; together these policies shall be regarded as the minimum standard to be applied throughout the Company. Some countries have more stringent standards, and where they do we will meet them too. Thus, where national laws, regulations or self-regulatory codes apply to our commercial communications, these must be followed in addition to the criteria set out in the Responsible Marketing and Communications Code.

For further information, please see the Global Responsible Marketing and Communications Code.

**22. External Communication**

The AB InBev Disclosure Manual requires that only a limited number of key people talk to the media on behalf of the Company. No AB InBev colleagues should respond to media inquiries or give interviews, speeches or make presentations on behalf of the Company, without the prior authorization of the CEO, Zone President, Country Manager or the Corporate Affairs Representative.

**23. Administration of the Code**

In case of general questions about this Code or our policies, contact the Global Ethics & Compliance team through the Compliance Channel.

This Code is reviewed periodically by the Global Ethics & Compliance team to determine whether revisions may be needed.



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## Contact Details

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Chief Legal and Corporate Affairs Officer  
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**Katie Barrett**

General Counsel  
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**Matt Galvin**

VP, Global Ethics & Compliance  
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**Flavio Sodre**

VP, Global Risk Management  
[flavio.sodre@ab-inbev.com](mailto:flavio.sodre@ab-inbev.com)



**Exhibit 12.1**

I, Carlos Brito, certify that:

- 1) I have reviewed this annual report on Form 20-F of Anheuser-Busch InBev SA/NV (the “**Company**”);
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- 4) The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
- 5) The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - b) 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.

Date: 19 March 2021

By: /s/ Carlos Brito  
Name: Carlos Brito  
Title: Chief Executive Officer



**Exhibit 12.2**

I, Fernando Tennenbaum, certify that:

- 1) I have reviewed this annual report on Form 20-F of Anheuser-Busch InBev SA/NV (the “**Company**”);
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- 4) The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
- 5) The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - b) 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.

Date: 19 March 2021

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer





**Exhibit 13.1**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each undersigned officer of Anheuser-Busch InBev SA/NV (the “**Company**”), hereby certifies, to such officer’s knowledge, that:

The Annual Report on Form 20-F for the year ended 31 December 2020 (the “**Form 20-F**”) of the Company fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: 19 March 2021

By: /s/ Carlos Brito  
Name: Carlos Brito  
Title: Chief Executive Officer

Date: 19 March 2021

By: /s/ Fernando Tennenbaum  
Name: Fernando Tennenbaum  
Title: Chief Financial Officer



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333-223774) and Registration Statements on Form S-8 (Nos. 333-250930, 333-237367, 333-231556, 333-227335, 333-221808, 333-165065, 333-165566, 333-169272, 333-171231, 333-172069, 333-178664, 333-188517, 333-192806, 333-201386 and 333-208634) of Anheuser-Busch InBev SA/NV of our report dated March 17, 2021 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

Sint-Stevens-Woluwe, Belgium, March 19, 2021

PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL  
Represented by

/s/ Koen Hens  
Statutory Auditor

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services  
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe  
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com  
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB /  
BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB



Exhibit 15.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration No. 333-223774 on Form F-3 and Registration Statements Nos. 333-250930, 333-237367, 333-231556, 333-227335, 333-221808, 333-165065, 333-165566, 333-169272, 333-171231, 333-172069, 333-178664, 333-188517, 333-192806, 333-201386 and 333-208634 on Form S-8 of our report dated 13 March 2019 (23 April 2019 as to the adoption of IFRS 16 Leases and the retrospective adjustments for changes in the composition of reportable segment as described in Note 5 to the financial statements) relating to the 2018 financial statements of Anheuser-Busch InBev SA/NV appearing in this Annual Report on Form 20-F for the year ended 31 December 2020.

/s/ Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL

Zaventem, Belgium

March 19, 2021

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises  
Coöperatieve vennootschap met beperkte aansprakelijkheid/Société coopérative à responsabilité limitée  
Registered Office: Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem  
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited





### Guarantors and Issuers of Guaranteed Securities

Each of the following securities issued by Anheuser-Busch InBev Worldwide Inc., a wholly owned subsidiary of Anheuser-Busch InBev SA/NV, is fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV and jointly and severally guaranteed by Anheuser-Busch InBev Finance Inc., Anheuser-Busch Companies, LLC, Brandbrew S.A., Brandbev S.à r.l. and Cobrew NV, each wholly owned subsidiaries of Anheuser-Busch InBev SA/NV, on a full and unconditional basis:

- 6.375% Notes due 2040
- 8.200% Notes due 2039
- 3.750% Notes due 2042
- 4.950% Notes due 2042
- 6.625% Notes due 2033
- 5.875% Notes due 2035
- 4.439% Notes due 2048
- 4.000% Notes due 2028
- 4.375% Notes due 2038
- 4.600% Notes due 2048
- 4.750% Notes due 2058
- Floating Rate Notes due 2024
- 4.150% Notes due 2025
- 4.750% Notes due 2029
- 4.900% Notes due 2031
- 5.450% Notes due 2039
- 5.550% Notes due 2049
- 5.800% Notes due 2059
- 3.500% Notes due 2030
- 4.350% Notes due 2040
- 4.500% Notes due 2050
- 4.600% Notes due 2060

Each of the following securities issued by Anheuser-Busch InBev Finance Inc., a wholly owned subsidiary of Anheuser-Busch InBev SA/NV, is fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV and jointly and severally guaranteed by Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch Companies, LLC, Brandbrew S.A., Brandbev S.à r.l. and Cobrew NV, each wholly owned subsidiaries of Anheuser-Busch InBev SA/NV, on a full and unconditional basis:

- 4.000% Notes due 2043
- 4.625% Notes due 2044
- 3.650% Notes due 2026 (issued January 2016)
- 4.700% Notes due 2036 (issued January 2016)
- 4.900% Notes due 2046 (issued January 2016)

Each of the following securities co-issued by Anheuser-Busch InBev Worldwide Inc. and Anheuser-Busch Companies, LLC,, each wholly owned subsidiaries of Anheuser-Busch InBev SA/NV, is fully and unconditionally guaranteed by Anheuser-Busch InBev SA/NV and jointly and severally guaranteed by Anheuser-Busch InBev Finance Inc., Brandbrew S.A., Brandbev S.à r.l. and Cobrew NV, each wholly owned subsidiaries of Anheuser-Busch InBev SA/NV, on a full and unconditional basis:

- 3.650% Notes due 2026 (issued May 2019)
- 4.700% Notes due 2036 (issued May 2019)
- 4.900% Notes due 2046 (issued May 2019)