



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

September 25, 2006

Lawrence Byrne, Esq.
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036-2787

Re: Royal Ahold N.V. and U.S. Foodservice, Inc.

Dear Mr. Byrne:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York ("this Office") will not criminally prosecute Royal Ahold N.V. ("Ahold") and its wholly owned subsidiary U.S. Foodservice, Inc. ("USF"), for any crimes (except for criminal tax violations as to which this Office cannot and does not make any agreement) related to (1) Ahold's and USF's participation in the conduct set forth in the Superseding Indictment filed in United States v. Mark Kaiser and Michael Resnick, S1 04 Cr 733 (SHS) (the "Superseding Indictment") and in the complaint filed in Securities and Exchange Commission v. Koninklijke Ahold N.V. (Royal Ahold), Civil Action No. 04-1742(RMU)(D.D.C.) ("SEC Complaint"); or (2) false statements to the United States Department of Defense or any other agency of the United States related to the pricing of goods sold by Ahold or USF to the United States, during 2000 to the present.

Moreover, if Ahold and USF fully comply with the understandings specified in this Agreement, no information provided by or on behalf of Ahold and USF or any testimony given by any then-current employees at the request of this Office (or any other information directly or indirectly derived therefrom) will be used against Ahold and USF in any criminal tax prosecution. This Agreement does not provide any protection against prosecution for any crimes except as set forth above, and applies only to Ahold and USF and not to any other entities or any individuals except as set forth herein. Ahold and USF expressly understand that the protections provided to Ahold and USF by this Agreement shall not apply to any successor entities, whether the successor's interest arises through a merger or plan

of reorganization, unless and until such successor formally adopts and executes this Agreement. The protections arising from this agreement will not apply to any purchasers of all or substantially all of the assets of Ahold and USF, unless such purchaser enters into a written agreement, on terms acceptable to the Office, agreeing in substance to undertake all obligations set forth in the Continuing Obligation To Cooperate paragraph.

Continuing Obligation To Cooperate

It is understood that, in connection with any matter relating to Ahold's and USF's operations, finances, and corporate governance between 1998 and the date of the signing of this Agreement, Ahold and USF: (a) shall truthfully and completely disclose all information with respect to the activities of Ahold and USF, its officers and employees, and others concerning all such matters about which this Office inquires, which information can be used for any purpose, except as limited by the second paragraph of this agreement; (b) shall cooperate fully with this Office, the Federal Bureau of Investigation ("FBI"), and the United States Securities and Exchange Commission ("SEC"); (c) shall, at the Office's request, use its best efforts to assist the Office in any prosecution or investigation arising out of the conduct described in the Superseding Indictment and the SEC Complaint by providing logistical, technical, and accounting support for any meeting, interview, grand jury proceeding, or any trial or other court proceeding, (d) shall, at the Office's request, use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, agent or employee at any meeting or interview or before the grand jury or at any trial or other court proceeding; (e) shall use its best efforts promptly to provide to this Office upon request, any document, record, or other tangible evidence relating to matters about which this Office or any designated law enforcement agency inquires; and (f) shall bring to this Office's attention all criminal conduct by or criminal investigations of Ahold and USF or their respective senior managerial employees which comes to the attention of Ahold and USF's board of directors or senior management, as well as any administrative proceeding or civil action brought by any governmental authority which alleges fraud by or against Ahold or USF. It is further understood that Ahold and USF shall commit no crimes whatsoever. Moreover, any assistance Ahold and USF may provide to federal criminal investigators shall be pursuant to the specific instructions and control of this Office and designated investigators. Ahold and USF obligations under this paragraph shall continue until the later of (1) a period of two years from the date of the signing

of this Agreement or (2) the date upon which all prosecutions arising out of the conduct described in the Superseding Indictment and the SEC Complaint are final.

Restitution Obligations

In light of the settlement reached by Ahold with the plaintiffs in In re Royal Ahold N.V. Securities & ERISA Litigation, 03-MD-1539, in which Ahold has agreed to make payments totaling \$1.1 billion as a result of, among other things, the conduct set out in the Superseding Indictment and the SEC Complaint, no further restitution will be required by this Office.

It is a condition of this Agreement that Ahold and USF abide by the terms of the Amended Settlement Agreement in In re Royal Ahold N.V. Securities & ERISA Litigation, 03-MD-1539.

Additional Obligations

It is understood that, should Ahold or USF commit any crimes subsequent to the date of signing of this Agreement, or should it be determined that Ahold or USF has given false, incomplete, or misleading testimony or information, or should Ahold or USF otherwise violate any provision of this Agreement, Ahold and USF shall thereafter be subject to prosecution for any federal criminal violation of which this Office has knowledge, including perjury and obstruction of justice. The running of the statute of limitations with respect to any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement shall be tolled from the date hereof until the aforementioned period of cooperation has expired. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any such prosecution that is not time-barred on the date that this Agreement is signed, to the extent set forth above.

It is understood that if it is determined that Ahold or USF has committed any crime after signing this Agreement or has given false, incomplete, or misleading testimony or information, or has otherwise violated any provision of this Agreement, (a) all statements made by Ahold and USF to this Office, the SEC, or other designated law enforcement agents, and any testimony given by any then current officer, agent or employee of Ahold and USF before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in

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any criminal proceeding brought against Ahold and USF; and (b) Ahold and USF shall assert no claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

It is further understood that this Agreement does not bind any federal, state or local prosecuting authority other than this Office. This Office will, however, bring the cooperation and remedial actions of Ahold and USF to the attention of other prosecuting offices, if requested by Ahold or USF.

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With respect to this matter, this Agreement supersedes all prior, if any, understandings, promises and/or conditions between this Office and Ahold and/or USF. No additional promises, agreements, and conditions have been entered into other than those set forth in this agreement and none will be entered into unless in writing and signed by all parties.

Very truly yours,

MICHAEL J. GARCIA
United States Attorney

By:

Jason Sabot/Lawrence Gerschwer
Assistant United States Attorneys
Alex Lipman
Special Assistant United States
Attorney
(212) 637-2398/2579/2478

APPROVED:

Lev Dassin
Chief, Criminal Division

AGREED AND CONSENTED TO:

Pursuant to Authority Conveyed
By Resolution of the Executive
Board of Ahold

DATE

APPROVED:

Lawrence Byrne, Esq.
White & Case LLP,
Attorneys for Ahold and USF

DATE