

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION**

_____)	
IN RE ROYAL AHOLD SECURITIES)	03-MD-1539-CCB
AND "ERISA" LITIGATION)	RELATED TO ALL
_____)	SECURITIES ACTIONS

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into as of this 27th day of November, 2005, by and between Royal Ahold N.V. ("Royal Ahold"), Plaintiffs and the Class in *In re Royal Ahold N.V. Securities & ERISA Litigation*, Civil No. 1:03-MD-01539, pending in the United States District Court for the District of Maryland, a multidistrict consolidated class action, and each class action brought on behalf of Royal Ahold investors consolidated therein, including, without limitation, the actions set forth on Schedule A hereto (the "Action").

WHEREAS, on February 24, 2003, Royal Ahold announced that it planned to restate its financial statements for fiscal years 2000 and 2001 and its interim results for 2002. The Action was commenced after Royal Ahold's February 24, 2003 announcement;

WHEREAS, the Action alleges, among other things, that the Specified Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, Sections 11, 12(a) and 15 of the Securities Act of 1933;

WHEREAS, by Order dated November 4, 2003, the Court appointed the Public Employees' Retirement Association of Colorado ("COPERA") and Generic Trading of Philadelphia, LLC ("Generic Trading") as Lead Plaintiffs and approved their selection of Entwistle & Cappucci, LLP as Plaintiffs' Lead Counsel and the firm of Adelberg Rudow Dorf & Hendler, LLC as liaison counsel for the securities laws claims asserted in the Action;

WHEREAS, Specified Defendants deny Plaintiffs' allegations and have asserted defenses to Plaintiffs' claims;

WHEREAS, Plaintiffs and Royal Ahold agree that this Agreement shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Specified Defendants or of the truth of any of the claims or allegations alleged in the Action or otherwise;

WHEREAS, Plaintiffs' Lead Counsel, assisted by certain counsel approved by Lead Plaintiffs to assist in the prosecution of the litigation, have conducted an extensive multinational investigation relating to the allegations of wrongdoing pertaining to each of the Specified Defendants. In addition, Plaintiffs' Lead Counsel reviewed and analyzed approximately 15 million pages of documents and reports, reviewed several hundred interviews and interview notes and materials, litigated numerous motions, litigated before the Enterprise Chamber in the Netherlands, served and prosecuted over 100 subpoenas, served document requests, consulted with experts and consultants retained by Lead Plaintiffs, and reviewed materials and proceedings before various administrative and governmental agencies, including the Securities and Exchange Commission, criminal proceedings in the United States, the Netherlands and South America, and various stock exchanges including the Euronext.

WHEREAS, arm's-length settlement negotiations have taken place between Lead Plaintiffs on the one hand, and Royal Ahold, on the other hand, including in a mediation conducted by the Honorable Nicholas Politan, and Plaintiffs and Royal Ahold have reached this Agreement, which embodies all the terms and conditions of the settlement, subject to Final Approval;

WHEREAS, Lead Plaintiffs in consultation with Plaintiffs' Lead Counsel have concluded that it would be in the best interests of the Class to enter into this Agreement in order to avoid the uncertainties of complex litigation, and to assure that the benefits reflected herein are obtained for the Class;

WHEREAS, Lead Plaintiffs and Plaintiffs Lead Counsel consider the terms of the settlement set forth herein to be fair, reasonable, adequate, and in the best interests of the Class; and

WHEREAS, despite maintaining that the Specified Defendants are not liable for the claims asserted herein and that they have good defenses thereto, Royal Ahold has determined to enter into this Agreement, among other reasons, to avoid further expense, inconvenience, and the burden of protracted litigation, to avoid the distraction and diversion of their personnel and resources, to avoid the risk of litigation and to obtain a full release of all claims and potential claims from the Class Members;

NOW, THEREFORE, it is agreed by and between the undersigned that the Action and all claims of the Class Members be settled, compromised and dismissed with prejudice as to their claims against Specified Defendants and, except as hereinafter provided, without costs as to the Specified Defendants, subject to Final Approval, on the following terms and conditions:

1. Select Definitions. The following terms, as used in this Agreement, have the following meanings for purposes of this Settlement Agreement:

a. "Ahold" means Royal Ahold N.V., Ahold USA, Inc., Ahold USA Holdings, Inc., U.S. Foodservice, Inc., Stop & Shop Supermarket Company, Giant Food, Inc. (Landover), Giant Food, Inc. (Carlisle), Tops Markets, LLC, Bi-Lo, LLC, Bruno's Supermarkets, Inc., Peapod, Inc., Ahold U.S.A. Support Services, Inc., Jeronimo Martins Retail Services AG, ICA Ahold AB,

Diso S.A., Santa Isabel, S.A., Bompreço S.A., Disco Ahold International Holdings N.V. JMR, Paiz Ahold N.V. and any of their immediate families, parent entities, associates, joint ventures, affiliates or subsidiaries, and each and all of their respective past or present officers, directors, certificate holders, representatives, employees, employers, attorneys, financial or investment advisors, consultants, accountants, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors and assigns, and any of their respective employees, agents, affiliates, or controlling persons other than Deloitte.

b. “Authorized Claimant” means a Class Member that submits a timely and valid Proof of Claim form to the Claims Administrator that is approved by the Claims Administrator in whole or in part. The shares approved by the Claims Administrator as being subject to payment from the Settlement Fund are “Authorized Shares.”

c. “Claimant” means a Person that submits a Proof of Claim to the Claims Administrator seeking to share in the Settlement Fund for this Action.

d. The “Class” means all persons and entities who purchased Royal Ahold N.V. common shares and/or American Depository Receipts from July 30, 1999 through February 23, 2003. Excluded from the term Class are the Original Defendants.

e. “Class Member” means any Person included in the definition of the Class as set forth in Paragraph 1d herein, and who does not timely and validly opt out of the Class in accordance with the exclusion procedure and deadline set by the Court.

f. “Class Representatives” means Itzehoer Atkien Club GbR, Union Asset Management Holding AG and Deka Investment GmbH.

g. The “Code” means the U.S. Internal Revenue Code of 1986, as amended.

h. The “Court” means the United States District Court for the District of Maryland where *In re Royal Ahold N.V. Securities & ERISA Litigation*, Civil No. 1:03-MD-01539 is pending.

i. “Deloitte” means Deloitte & Touche LLP and Deloitte & Touche Accountants and any of their immediate families, parent entities, associates, joint ventures, affiliates or subsidiaries, and each and all of their respective past or present officers, directors, certificate holders, representatives, employees, employers, attorneys, financial or investment advisors, consultants, accountants, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors and assigns, and any of their respective employees, agents, affiliates, or controlling persons.

j. “Foreign Proceedings” shall mean proceedings under foreign law commenced outside the United States and its Territories by Class Members residing outside the United States and its Territories.

k. “Lead Plaintiffs” means the Public Employees’ Retirement Association of Colorado and Generic Trading of Philadelphia, LLC and any of their immediate families, parent entities, associates, joint ventures, affiliates or subsidiaries, and each and all of their respective past or present officers, directors, certificate holders, representatives, employees, employers, attorneys, financial or investment advisors, consultants, accountants, insurers, advisors or agents, beneficiaries, stakeholders, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors and assigns, and any of their respective employees, agents, affiliates, or controlling persons.

l. The “Original Defendants” means Royal Ahold N.V., Ahold USA, Inc., Ahold

USA Holdings, Inc., U.S. Foodservice, Inc., Cees Van der Hoeven, Michiel Meurs, Henny de Ruiten, Cor Boonstra, James L. Miller, Mark Kaiser, Michael Resnick, Tim Lee, Robert G. Tobin, William J. Grize, Roland Fahlin, Jan G. Andreae, ABN AMRO Rothschild, ABN AMRO Holding N.V., Goldman Sachs Group, Inc., Goldman Sachs International, Merrill Lynch & Co., Inc., Merrill Lynch International, ING Bank, ING Groep N.V., ING Bank N.V., Rabo Securities N.V., Rabobank International, Rabobank Nederland, Robeco Group, Kempen & Co. N.V., Kempen & Co. Corporate Finance, Kempen & Co. Securities, Deloitte & Touche LLP, and Deloitte & Touche Accountants.

m. “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government entity or any political subdivision or agency thereof, and any business or legal entity; with respect to individually owned businesses, each of their spouses, heirs, predecessors, successors, representatives or assigns, and with respect to corporate entities, each of their parents, subsidiaries, affiliates, assignees, predecessors, successors, officers, directors, employees, agents, and attorneys.

n. “Plaintiffs” means the Lead Plaintiffs, Class Representatives, and all other named plaintiffs in the Action, including the actions identified in Exhibit A hereto.

o. “Plaintiffs’ Lead Counsel” means the law firm of Entwistle & Cappucci LLP.

p. “Plan of Allocation” means the plan and procedures for allocating the Settlement Fund to be distributed to the Authorized Claimants, as approved by the Court.

q. “Proof of Claim” means the Proof of Claim and Release form to be approved by the Court.

r. “Releasers” refers jointly and severally to Plaintiffs, the Class Members, and to

their respective past, present and future officers, directors, employees, agents, stockholders, servants, legal representatives, trustees, parents, subsidiaries, affiliates, partners, insurers, beneficiaries, stakeholders and all other persons, partnerships or corporations with whom any of Plaintiffs and Class Members have been, or are now, affiliated, and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

s. “Settlement Fund” means the payments by Ahold pursuant to Paragraph 7 hereof, including any interest that accrues on such payments.

t. The “Specified Defendants” means “Ahold” as defined herein, and notwithstanding any repetition, shall include jointly and severally Royal Ahold N.V., Ahold USA, Inc., Ahold USA Holdings, Inc., U.S. Foodservice, Inc., Cees Van der Hoeven, Michiel Meurs, Henny de Ruiter, Cor Boonstra, James L. Miller, Mark Kaiser, Michael Resnick, Tim Lee, Robert G. Tobin, William J. Grize, Roland Fahlin, Jan G. Andreae, ABN AMRO Rothschild, ABN AMRO Holding N.V., Goldman Sachs Group, Inc., Goldman Sachs International, Merrill Lynch & Co., Inc., Merrill Lynch International, ING Bank, ING Groep N.V., ING Bank N.V., Rabo Securities N.V., Rabobank International, Rabobank Nederland, Robeco Group, Kempen & Co. N.V., Kempen & Co. Corporate Finance, Kempen & Co. Securities and any other party that could have been named as a defendant in the Action, except Deloitte, (collectively, the “Defendants”) and each and all of Defendants’ immediate families, parent entities, associates, joint ventures, affiliates or subsidiaries, and each and all of their respective past or present officers, directors, certificate holders, shareholders, representatives, employees, employers, attorneys, financial or investment advisors, consultants, accountants, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors and assigns, and any of

their respective employees, agents, affiliates, or controlling persons, other than Deloitte.

u. “Taxes” means any taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any taxes or tax detriments to which Specified Defendants may be subject (computed on a “first-dollar” basis) with respect to (i) any income earned by the Settlement Fund for any period during which the Settlement is not treated, or does not qualify, as a “qualified settlement fund” for federal or state income tax purposes; and (ii) the payment or reimbursement by the Settlement Fund of any taxes or tax detriments described in clause (i). For the purposes of the foregoing, taxes or tax detriments to which the Specified Defendants may be subject shall be deemed to be any income earned by the Settlement Fund that is attributed to the Specified Defendants multiplied by the effective tax rate pursuant to section 11 of the Code plus the Specified Defendants’ effective state tax rate for the year.

v. “Tax Expenses” means expenses and costs incurred in connection with the operation and implementation of Paragraph 11 (including expenses of tax attorneys and/or accountants and mailing a distribution costs and expenses relating to filing, or failing to file, the returns described in Paragraph 11(c)).

2. Authorization to Enter Settlement Agreement. The undersigned representatives of Royal Ahold, COPERA and Generic Trading, respectively, covenant and represent that they are fully authorized to enter into and to execute this Agreement on behalf of Royal Ahold, COPERA and Generic Trading, respectively. Plaintiffs’ Lead Counsel represents that it is fully authorized to conduct settlement negotiations with defense counsel on behalf of Plaintiffs, including Lead Plaintiffs, Class Representatives, and the Class, and to enter into, and to execute, this Agreement on behalf of them, subject to judicial approval.

3. Best Efforts to Effectuate This Settlement. Plaintiffs' Lead Counsel and Lead Plaintiffs agree to recommend approval of this Agreement to the Court and to the Plaintiffs and Class Members. Plaintiffs and Royal Ahold, and their undersigned counsel, agree to undertake their best efforts and to cooperate mutually to effectuate this Agreement and the settlement set forth herein, including taking all reasonable and necessary steps and efforts to secure Preliminary Approval and Final Approval of this Agreement and approval and participation in the settlement from Plaintiffs and Class Members, including without limitation, any representative acting or purporting to act on behalf of any Class Member, and to secure the dismissals of the Action upon the terms set forth herein.

4. Preliminary Approval. Plaintiffs' Lead Counsel shall file a motion, to be consented to by Royal Ahold, for certification of the Class for the purpose of settlement only, for preliminary approval of the settlement and the Settlement Fund, and for the authorization to disseminate a notice in a manner to be approved by the Court of such certification of the Class, the settlement and the final judgment contemplated by this Agreement ("Preliminary Approval"). The motions shall include, among other things: (i) the definition of the Class to be certified as described in Paragraph 1d above; (ii) a proposed form of notice and method for dissemination of such notice; and (iii) a proposed form of the order preliminarily approving the settlement and the Settlement Fund. Plaintiffs' Lead Counsel and Royal Ahold shall agree upon the language of (ii) and (iii) in the preceding sentence before the motions are made to the Court.

5. Proposed Order and Final Judgment. Plaintiffs and Royal Ahold shall jointly seek entry of an order and final judgment (the "Order and Final Judgment") (i) providing for final approval of this Agreement, including a finding that the terms are a fair, reasonable and adequate settlement of the Action pending in the Court as to the Class Members; (ii) directing that this

Agreement be consummated according to its terms; and (iii) directing that the Action be dismissed with prejudice and without costs as to the Specified Defendants, except as provided for in this Agreement; and (iv) containing a release in the form described in Paragraph 18 herein, a covenant not to sue on the terms described in Paragraph 19 herein, a waiver of rights in the form described in Paragraph 20 herein and a bar order as described in paragraph 29 herein.

6. Final Approval. This Agreement shall become final (“Final Approval”) when: (i) the Court has entered the Order and Final Judgment and (ii) if there is an objection, then when the time for appeal or to seek permission to appeal from the Court’s Order and Final Judgment has expired or, if appealed, when the Order and Final Judgment is affirmed in its entirety and such affirmance is no longer subject to further appeal or review by writ of certiorari, or otherwise.

7. Consideration. Subject to the provisions hereof, and in full, complete and final settlement of all claims which have been, might have been, are now or could be asserted against the Specified Defendants in the Action by Plaintiffs and the Class Members, Royal Ahold shall pay \$1,100,000,000 in two installments: (i) a payment of \$733,333,333 into an escrow account (the “Settlement Fund”) opened for such purpose by Plaintiffs’ Lead Counsel with North Fork Bank, Melville, New York with North Fork Bank named as escrow agent (the “Escrow Agent”), within three (3) business days from the date on which the Court has granted the motion for preliminary approval; and (ii) within six (6) months after Final Approval, pursuant to Paragraph 6 above, Royal Ahold shall deposit \$366,666,667 (“Final Payment”) into the Settlement Fund. Any interest earned on the funds deposited into the Settlement Fund shall become and remain part of the Settlement Fund.

8. VEB Settlement Fund. At the same time it makes the first installment to the

Settlement Fund, Royal Ahold shall make a payment of \$8,820,000 into an escrow account (the “VEB Settlement Fund”) opened for such purpose by Plaintiffs’ Lead Counsel with North Fork Bank, Melville, New York with North Fork Bank named as escrow agent (the “Escrow Agent”) for payment to the Vereniging van Effectenbezitters (the “VEB”) or an entity designated by it for their assistance in facilitating the global resolution of all disputes between the parties and the Class and actively encouraging this settlement in the Netherlands and Europe. The VEB Settlement Fund shall be distributed to the VEB or its designee within ten days of Final Approval. Any interest earned on the funds deposited into the VEB Settlement Fund shall become and remain part of the VEB Settlement Fund.

9. Nature of Payment. Notwithstanding any provision herein, the parties to this Agreement recognize and agree that any amounts deposited into the Settlement Fund or the VEB Settlement Fund by Royal Ahold are not a fine or similar penalty or in the nature of a fine or similar penalty.

10. Claims Administrator. Plaintiffs’ Lead Counsel shall be solely responsible for designating an entity to administer the Settlement Fund (the “Claims Administrator”). The Claims Administrator shall administer the rights and obligations of the Class conferred hereunder, under Plaintiffs’ Lead Counsel’s supervision and subject to the Court’s jurisdiction. Specified Defendants will not have any responsibility for, involvement in, or liability in any way for the administration of the Settlement, the allocation of the Settlement Fund, or the payment, review or challenge of claims of Class Members, and Specified Defendants will not be requested or required to pay any costs, fees or expenses in connection with such claims administration, including the provision of notice to the Class.

11. Tax Treatment and Administration. (a) The Parties agree that the Settlement Fund is intended to be, and shall be treated as being, a “qualified settlement fund” within the meaning of Treasury Regulation 1.468B-1. Plaintiffs’ Lead Counsel shall administer the Settlement Fund and shall be the “administrator” (within the meaning of Treasury Regulation 1.468B-2(k)(3)) (the “Administrator”). The Administrator shall obtain an employment identification number for the fund.

(b) The Administrator and, as required, the parties, shall timely make elections as necessary or advisable to carry out the provisions of this Paragraph 11, including the “relation-back election” (as defined in Treasury Regulation 1.468B-1) back to the earliest permitted date. The Administrator shall timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and shall cause the appropriate filings to occur.

(c) The Administrator and/or accountants acting under the supervision of Plaintiffs Lead Counsel or the Claims Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including the returns described in Treasury Regulation 1.468B-2(k) and (l)). Such returns shall reflect that all Taxes shall be paid out of the Settlement Fund. The Administrator and/or accountants acting under the supervision of Plaintiffs Lead Counsel or the Claims Administrator shall prepare the “1.468B-3 Statement” (as described in Treasury Regulation 1.468B-3) and provide said statement to Royal Ahold on or prior to February 1st of the year following each calendar year in which the Specified Defendants make a transfer to the fund.

(d) Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Agreement and shall be timely paid or reimbursed by the Administrator out

of the Settlement Fund without prior order from the Court. In the event the Defendants are subject to Taxes or Tax Expenses, the Administrator shall reimburse the Defendants out of the Settlement Fund for such Taxes and Tax Expenses. The Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution out of the Settlement Fund any funds necessary to pay or reimburse any Taxes or Tax Expenses, including the establishment of adequate reserves for any Taxes and Tax Expenses, as well as any amounts that may be required to be withheld under Treasury Regulation 1.468B-2(1)(2).

(e) It is the sole responsibility of the Class Members to pay Taxes, plus any penalties and interest, on any amounts received pursuant to the Agreement that are construed to be income, and the Specified Defendants shall have no responsibility or liability for such Taxes, penalties, interest or amounts.

12. Distribution to Authorized Claimants. (a) The Claims Administrator shall determine each Class Member's pro rata share of the Settlement Fund based upon a reasonable Plan of Allocation to be proposed by Plaintiffs' Lead Counsel and approved by the Court. Such Plan of Allocation shall not treat any Authorized Shares differently based on the country of residence of the Authorized Claimant or the exchange where such Authorized Shares were purchased.

(b) The Plan of Allocation to be proposed by Plaintiffs' Lead Counsel is not a necessary term of this Agreement and it is not a condition of this Agreement that any particular Plan of Allocation be approved. Any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of this Agreement.

13. Administration of the Settlement to Class Members. (a) Any Member of the Class who does not timely submit a valid Proof of Claim shall not be entitled to receive any of the

proceeds from the Settlement Fund, but will otherwise be bound by all of the terms of this Agreement, including the terms of the Order and Judgment and the releases provided for herein, and will be barred and enjoined from bringing any action against the Specified Defendants, as set forth in Paragraph 19 hereof.

(b) Plaintiffs' Lead Counsel shall be solely responsible for supervising the administration of this Agreement, disbursement of the Settlement Fund by the Claims Administrator, and the disbursement of attorneys' fees and reimbursement of costs and expenses from the Settlement Fund. Specified Defendants shall have no liability, obligation or responsibility for the administration of this Agreement or disbursement of the Settlement Fund. The costs in connection with the administration of this Agreement, the administration of claims, and attorneys' fees and costs and any other expenses in connection with the settlement shall not exceed 20% of the Settlement Fund.

(c) All Proofs of Claim must be submitted by the date specified in the notice unless such period is extended by order of the Court. Any Class Member who fails to submit a Proof of Claim by such date shall be forever barred from receiving any payment pursuant to this Agreement (unless, by Order of the Court, a later submitted Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of this Agreement, including the terms of the Order and Judgment and the releases provided for herein, and will be barred from bringing any action against the Specified Defendants.

(d) Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's claim, and the claim will be subject to investigation and discovery by Plaintiffs' Lead Counsel and/or the Claims Administrator under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Claimant's

status as a Class Member and the validity and amount of the Claimant's claim. The parties will ask the Court to stay the Action as to the Specified Defendants. No discovery shall be allowed on the merits of the Action or this Agreement or as against any of the Specified Defendants, except that Royal Ahold agrees to produce the interview materials that have to date been blocked by the U.S. Government if, and after, the government approves such disclosure subject to any previously unresolved claim of privilege which may be addressed to the Court, and other than to the extent a Claimant is a fact witness to the matters being litigated against the non-Specified Defendants. Production of such interview materials will not be subject to any stay of these proceedings entered by the Court, which stay will also not apply to the prosecution of claims against the non-Specified Defendants.

(e) Payment pursuant to this Agreement shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Settlement Fund, but otherwise shall be bound by all of the terms of this Agreement, including the terms of the Order and Judgment and the releases provided for in Paragraph 18 herein, will be barred from bringing any action against the Specified Defendants as provided for in Paragraph 19 herein and shall be deemed to waive all rights as provided for in Paragraph 20 herein.

(f) Any member of the Class wishing to be excluded from the Class shall mail a written request for exclusion, in the manner set forth in the order granting Preliminary Approval and Notice.

(g) Each member of the Class shall execute all appropriate documentation as a condition of receipt of any payment from the Settlement Fund, including, without limitation (i) a release in the form described in Paragraph 18 herein, (ii) a covenant not to sue on the terms

described in Paragraph 19 herein and (iii) a waiver of rights in the form described in Paragraph 20 herein.

(h) The administration of the Settlement Fund with respect to Royal Ahold is governed by Paragraph 23 below.

14. Distribution of Settlement Funds. The Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after Final Approval and after: (a) all claims have been processed, and all Claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (b) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (c) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time to notice an appeal, seek reargument, make a petition or otherwise seek review has expired; and (d) all costs of administration, Taxes and Tax Expenses have been paid.

15. Plaintiffs' Lead Counsel's Use of Qualified Settlement Fund to Pay Notice Costs. The Specified Defendants agree that, prior to final approval pursuant to Paragraph 6 above, and pursuant to an order granted by the Court, Plaintiffs' Lead Counsel may use up to \$8 million (\$8,000,000) of the Settlement Fund that has been deposited into the Settlement Fund to pay for notice to the Class, soliciting the filing of claims by Class Members, assisting them in making their claims and otherwise undertaking such actions that are necessary to implement this Agreement. Any portion of the Settlement Fund expended pursuant to this Paragraph shall not be refundable to Royal Ahold in the event that the Court does not grant Final Approval. Class Members and Plaintiffs' Lead Counsel and other counsel for the Class, will be reimbursed and

indemnified solely out of the Settlement Fund for all expenses related to the Action including, but not limited to, the costs of notices necessary to implement this Agreement. Except as provided in this Paragraph and Paragraph 7 above, any other costs and expense, shall be paid out of the Settlement Fund only after the Final Approval and the conditions set forth in Paragraph 23 have been met.

16. All Expenses and Attorneys' Fees Paid From Settlement Fund. The Specified Defendants shall not be liable for any attorneys' fees, costs, and/or expenses of the litigation of the Action or of this Agreement, including but not limited to those of Plaintiffs' Lead Counsel or (or counsel assisting Plaintiffs' Lead Counsel), experts, consultants, agents and representatives or otherwise incurred in implementing this Agreement. These matters are the sole responsibility of the Plaintiffs' Lead Counsel.

17. All Claims Satisfied By Settlement Fund. Each Class Member shall look solely to the Settlement Fund for settlement and satisfaction, as provided herein, of the Released Claims. Except as provided by order of the Court pursuant to this Agreement, no Class Member shall have any interest in the Settlement Fund or any portion thereof.

18. Releases. Releasers hereby fully, finally and forever compromise, settle, extinguish, dismiss, discharge, waive, and release the Action and any and all claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters, and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or not suspected, disclosed or undisclosed, hidden or concealed, matured or not matured, that have been, could have been, or in the future could be asserted in the Action or in any federal, state, local or foreign court, tribunal, or proceeding (including, but not limited to, any claims, relating, concerning or arising under foreign, federal, state or local law, rule or regulation or

otherwise relating to alleged fraud, breach of duty, of violations of the federal securities laws, the Employee Retirement Income Security Act of 1974, the Racketeering Influence and Corrupt Organizations Act or otherwise) from the beginning of time to the date of Final Approval, by or on behalf of any Class Member, whether individual, class, legal or equitable, against the Specified Defendants, or (ii) could have been asserted in the Action or any other foreign, federal, state or local forum by the Releasers or any of them against any of the Specified Defendants, which arise out of, are based upon, or relate in any way to the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Action, or are based upon or relate in any way to the purchase of Ahold securities, including American Depository Receipts, from July 30, 1999 through February 23, 2003 (collectively, the “Released Claims”), with prejudice pursuant to the terms and conditions set forth herein; provided, however, that the Released Claims shall not include the right of any Specified Defendant or any Class Member to enforce the terms of this Agreement.

19. Covenant Not To Sue. Releasers shall not, after the date of this Agreement, seek to establish liability, solicit or assist non-parties to bring claims based upon, relating to, or arising out of the Released Claims and/or the transactions and occurrences referred to in Plaintiffs' Complaints, as amended, or in any other pleadings filed in this action (including, without limitation, any claim or action seeking indemnification and/or contribution, however denominated) against any of the Specified Defendants. Any Class Member that breaches this Paragraph 19 shall be liable to Ahold for any and all claims, damages, costs (including the cost of investigation, attorneys' fees, and any other costs and expenses) relating to the breach of the covenant not to sue.

20. Waiver of Rights. Each Releaser hereby expressly waives and fully, finally, and

forever settles and releases, upon Final Approval, any known or unknown, suspected or unsuspected, contingent or non-contingent claim with respect to the subject matter of the provisions of Paragraph 18 of this Agreement, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

(a) Such waiver shall include any and all provisions, rights, and benefits conferred by § 1542 of the California Civil Code, which reads:

Certain Claims Not Affected by General Release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor;

or by any law of any state or territory of the United States or foreign law, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code. The provisions of this Paragraph are contractual and are not a mere recital.

(b) Notwithstanding anything to the contrary contained in this Agreement, in consideration of the terms hereof and in order to induce the Specified Defendants to enter into this Agreement, Class Members shall exclude from the dollar amount collectable against any Person in the Action or in any legal proceedings regarding the matters in any way related to the Released Claims an amount equal to the greater of percentage or amount of such judgment for which any of the Specified Defendants would be responsible pursuant to a valid and enforceable claim for contribution and/or indemnification under the federal, state or local laws of the United States or foreign law, if any, including under article 6:14 of the Dutch Civil Code. The Class Members agree that the undertaking set forth in this Paragraph is not only for the benefit of the Specified Defendants, but also for the benefit of any person against whom any such judgment is entered in the Action and that this undertaking may be enforced by any such person as a third-party beneficiary hereof. This Paragraph is a third-party stipulation in favor of Deloitte within

the meaning of article 6:253 of the Dutch Civil Code.

(c) Each Class Member agrees to require, as a condition of any settlement of any claim they may have or may obtain in the future against Deloitte, a full and final release and discharge of any claim that Deloitte may have or may ever have against Ahold or the Specified Defendants relating in any way to the Released Claims, including any claim for attorneys' fees or costs.

21. Effect of Disapproval. If this Agreement fails to obtain Final Approval pursuant to Paragraph 6 herein for any reason, including but not limited to Royal Ahold's exercise of its right of rescission pursuant to Paragraph 24 below, Royal Ahold may, in its absolute discretion, cancel and terminate this Agreement, which shall have the effect of rendering null and void all rights and obligations set forth herein. If this Agreement is canceled and terminated, the proceeds of the Settlement Fund and the VEB Settlement Fund including any and all income or interest earned thereon (less any and all amounts expended pursuant to Paragraphs 11 and 15 herein) shall be returned to Royal Ahold within three (3) business days of notice of Royal Ahold of its election to rescind.

22. No Evidentiary Effect of Termination. In the event this Agreement fails to obtain Final Approval, the parties shall be deemed to have reverted *nunc pro tunc* to their respective status as of November 28, 2005, and shall proceed in all respects as if this Agreement and related orders had not been executed and without prejudice in any way from the negotiation, terms or existence of this Agreement. The Class shall be decertified and all pending motions, including the motion for class certification and the opposition thereto, will be deemed refiled. This Agreement, and all of the negotiations, discussions and statements with respect hereto, shall be inadmissible in the Action for all purposes and shall not entitle any party to recover costs

incurred in connection with the implementation of this Agreement.

23. Procedures with Respect to Foreign Proceedings. (a) Royal Ahold shall serve a schedule (the “Schedule”) upon Plaintiffs’ Lead Counsel of any Foreign Proceedings brought on or before nine (9) months of Final Approval that arise out of and are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Action, and which are based upon the purchase of Royal Ahold N.V. common stock from July 30, 1999 through February 23, 2003. The Schedule shall be provided within 10 business days of the end of the nine month period and shall identify the number of shares of Royal Ahold N.V. common stock subject to the Foreign Proceedings and provide such other necessary information for the Claims Administrator as is available to Royal Ahold to determine whether such shares are within the Class and whether such shares would have been Authorized Shares had they been submitted in the usual course in which case such shares will be deemed “Foreign Proceeding Shares”.

(b) The Claims Administrator’s determination of whether shares reflected on the Schedule are Foreign Proceeding Shares shall be made within sixty (60) days of Royal Ahold’s service of the Schedule.

(c) Royal Ahold will be paid within ten (10) days of the Claims Administrator’s determination the amount of one dollar (\$1) for each Foreign Proceeding Share from the Settlement Fund.

24. Royal Ahold’s Rescission Rights. Within ten (10) business days after the date fixed by the Court for Class Members to opt-out and exclude themselves from the Class, Plaintiffs’ Lead Counsel shall furnish Royal Ahold and the Court with notice that contains complete lists of opt-outs and the number of shares that have been excluded from the Class. If investors holding

in aggregate 180,000,000 shares or more of Royal Ahold common stock purchased during the class period, Royal Ahold may rescind this Agreement at its sole option. Royal Ahold shall have ten (10) business days to provide notice of its election to terminate this Agreement.

25. Integrated Agreement. This Agreement contains an entire, complete and integrated statement of each and every term and provision agreed to by and among the parties hereto. All terms of this Agreement are contractual and not mere recitals.

26. Binding Effect. The terms of this Agreement are and shall be binding upon each of the parties hereto, their agents, attorneys, employees, successors, and assigns, and upon all other persons claiming an interest in the subject matter hereof through any of the parties hereto, including but not limited to any Class Member and Plaintiffs' Lead Counsel.

27. Actions in Breach of This Agreement. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding that may be instituted, prosecuted or attempted in breach of this Agreement.

28. Not a Claims Made Settlement. This is not a claims made settlement. Except as provided in Paragraph 23 above in respect of Royal Ahold's ability to claim against the Settlement Fund for Foreign Proceedings shares, Royal Ahold shall not have any right to the return of the Settlement Fund, or any portion thereof, irrespective of the number of Proofs of Claim filed, the collective amount of losses of Authorized Claimants, the percentage recovery of losses or the amounts to be paid to Authorized Claimants from the Settlement Fund.

29. Bar Order. The Final Judgment shall include, pursuant to the Private Securities Litigation Reform Act (PSLRA), as codified at 15 U.S.C. § 78u-4(f)(7)(A), an order providing that every Person, including Deloitte, is permanently and forever barred and enjoined from filing, commencing, instituting, prosecuting or maintaining, either directly, indirectly, representatively,

or in any other capacity, in this Court, or in any other federal, foreign, state or local court, forum or tribunal, any claim, counterclaim, cross-claim, third-party claim or other actions based upon, relating to, or arising out of the Released Claims and/or the transactions and occurrences referred to in Plaintiffs' Complaints, as amended, or in any other pleadings filed in this action (including, without limitation, any claim or action seeking indemnification and/or contribution, however denominated) against any of the Specified Defendants, whether such claims are legal or equitable, known or unknown, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, or are asserted under federal, foreign, state, local or common law. Royal Ahold shall likewise be barred from making similar claims against Deloitte.

30. No Admission. Whether or not this Agreement becomes final, the parties expressly agree that this Agreement and its contents, including Schedule A hereto, and any and all statements, negotiations, documents and discussions associated with it, shall not be deemed or construed to be an admission or evidence of any violation by any of the Specified Defendants of any statute or law or of any liability or wrongdoing or of the truth of any of the claims or allegations against any of the Specified Defendants contained in the complaints in the Action or any other pleading, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way against any of the Specified Defendants, whether in the Action or in any other action or proceeding.

31. No Party Is The Drafter. None of the parties hereto shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

32. No Release of Claims By Ahold. Nothing in this Agreement shall be construed to

release, compromise, settle, extinguish, dismiss, discharge, or waive any claims, defenses, or rights that Ahold may have against Specified Defendants, Original Defendants, Class Members or any other person.

33. Choice of Law. All terms of this Agreement and the exhibits attached hereto shall be governed by and interpreted according to the substantive laws of the state of Maryland without regard to its choice of law or conflict of laws principles.

34. Notice. Notices required by this Agreement shall be submitted either by any form of overnight mail or in person as to the Plaintiffs and the Class to:

ENTWISTLE & CAPPUCCI LLP
Andrew J. Entwistle
280 Park Avenue, 26th Floor West
New York, New York 10017

Plaintiffs' Lead Counsel for the Class

with a copy (which shall not be considered good notice) to:

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
Greg Smith, Esq.
General Counsel
PO Box 5800
Denver, Colorado, 80217-5800

Notices required by this Agreement shall be submitted either by any form of overnight mail or in person as to Royal Ahold to:

ROYAL AHOLD N.V.
Peter N. Wakkie
Piet Heinkade 167-173, 1019 GM AMSTERDAM
P.O. Box 985, 1000 AZ AMSTERDAM
The Netherlands

with a copy (which shall not be considered good notice) to:

WHITE & CASE LLP
Glenn M. Kurtz
1155 Avenue of the Americas

New York, New York 10036

Counsel for Defendant Royal Ahold

35. Amendment; Waiver. This Agreement shall not be modified in any respect except by a writing executed by all the parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving party. The waiver by any party of any breach of this Agreement shall not be deemed or construed as a waiver of any other prior, subsequent or contemporaneous breach of this Agreement.

36. Execution in Counterparts. This Agreement may be executed in counterparts. Facsimile signatures shall be considered as valid signatures as of the date executed, although the original signature pages shall thereafter be appended to this Agreement and filed with the Court.

37. Retained Jurisdiction. Any action based on this Agreement or to enforce any of its terms shall be venued in the Court, which shall retain jurisdiction over all such disputes. All parties to this Agreement shall be subject to the jurisdiction of the Court for all purposes related to this Agreement.

38. Confidentiality. The Parties agree to maintain the existence and terms of this Agreement confidential until Royal Ahold publicly announces the Settlement (except to the extent that Royal Ahold authorizes disclosure of this Settlement).

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives have agreed to this Agreement on the date first herein above written.

PLAINTIFFS' LEAD COUNSEL

By: _____/s/_____

Andrew J. Entwistle
Entwistle & Cappucci LLP
280 Park Avenue, 26th Floor West
New York, New York 10171
Telephone: (212) 894-7200
Facsimile: (212) 894-7272

On behalf of the Lead Plaintiffs and the
Class

By: _____/s/_____

PUBLIC EMPLOYEES' RETIREMENT
ASSOCIATION OF COLORADO
Greg Smith, Esq.
General Counsel
PO Box 5800
Denver, Colorado, 80217-5800

On behalf of the Lead Plaintiffs and the
Class

By: _____/s/_____

GENERIC TRADING OF
PHILADELPHIA, LLC
C/O Carlin Financial Group
Dan Viola, Esq.
666 Third Avenue
8th Floor
New York, New York 10017

By: _____/s/_____

ROYAL AHOLD N.V.
Peter N. Wakkie
Member of the Executive Board
Piet Heinkade 167-173, 1019 GM
AMSTERDAM
P.O. Box 985, 1000 AZ AMSTERDAM
The Netherlands
(Telephone) +31 20 509 5100

on behalf of Royal Ahold

By: _____/s/_____

Glenn M. Kurtz
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Telephone: (212) 819-8200
Facsimile: (212) 354-8113

on behalf of Royal Ahold