

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

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IN RE ROYAL AHOLD SECURITIES
AND "ERISA" LITIGATION

03-MD-01539-CCB

RELATED TO ALL
SECURITIES ACTIONS

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**PLAN OF ALLOCATION OF NET SETTLEMENT FUND
AMONG CLASS MEMBERS**

1. The One Billion and One Hundred Million Dollar (\$1,100,000,000) Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. Ahold will pay the Cash Settlement Amount in two installments: two thirds of the Settlement amount (\$733,333,333) will be funded into escrow within three business days following preliminary court approval of the Settlement by the United States District Court for the District of Maryland; and the remaining one third (\$366,666,667) will be funded into escrow within six months following final Court approval of the Settlement. Any interest earned on the amounts deposited as part of the Gross Settlement Fund shall become and remain part of the Gross Settlement Fund.

2. The Gross Settlement Fund, less all taxes, approved costs, attorneys' fees and expenses, including the expenses of administering this Settlement (the "Net Settlement Fund"), shall be distributed to members of the Class who submit timely, valid and acceptable Proof of Claim Forms ("Authorized Claimants").

3. Ninety percent (90%) of the Net Settlement Fund ("Fund A"), will be available to pay claims for losses incurred by Authorized Claimants based upon shares of Royal Ahold common stock and/or ADRs that Authorized Claimants purchased or received as a dividend during the Class Period and continued to hold as of February 23, 2003 (the last day of the Class Period).

4. Ten percent (10%) of the Net Settlement Fund ("Fund B") will be available to pay claims for losses incurred by Authorized Claimants based upon shares of Royal Ahold common stock and/or ADRs that Authorized Claimants purchased or received as a dividend during the Class Period and sold at a loss prior to February 23, 2003 (the last day of the Class Period).

5. As described herein, the Claims Administrator shall determine each Authorized Claimant's *pro rata* share of Fund A and/or Fund B of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to this Plan of Allocation. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. All payments made to Authorized

Claimants from Fund A and/or Fund B of the Net Settlement Fund pursuant to this Plan of Allocation shall be made in United States Dollars (\$). For all purposes under this Plan of Allocation, the exchange rate of \$1.00 United States Dollar to €0.9271 in effect on February 21, 2003 (the last trading day of the Class Period) shall be utilized.

Calculation of Recognized Claim for Shares of Ahold Common Stock and/or ADRs Purchased During the Class Period and Held As of February 23, 2003 (Shares Included in Fund A)

6. For each share of Royal Ahold common stock purchased or received as a dividend during the Class Period that an Authorized Claimant continued to hold as of February 23, 2003 (the last day of the Class Period) and did not sell prior to May 25, 2003, the Recognized Claim shall be equal to the difference, if a positive number, between the Purchase Price Paid for such common stock (or, in the case of a dividend, the closing price on the day upon which such dividend was declared), including commissions and other charges, minus €3.97 per share of Ahold common stock (the average trading price of Ahold common stock for the 90-day period following the end of the Class Period). **NOTE:** if the Claimant did not incur a loss based upon the shares of Ahold common stock purchased during the Class Period and held as of February 23, 2003, then the Claimant shall have no Recognized Claim with respect to such common stock.

7. For each Ahold ADR purchased or received as a dividend during the Class Period that an Authorized Claimant continued to hold as of February 23, 2003 (the last day of the Class Period) and did not sell prior to May 25, 2003, the Recognized Claim shall be equal to the difference, if a positive number, between the Purchase Price Paid for such ADR (or, in the case of a dividend, the closing price on the day upon which such dividend was declared), including commissions and other charges, minus \$4.44 per Ahold ADR (the average trading price of Ahold ADRs for the 90-day period following the end of the Class Period). **NOTE:** if the Claimant did not incur a loss based upon the Ahold ADRs purchased during the Class Period and held as of February 23, 2003, then the Claimant shall have no Recognized Claim with respect to such ADRs.

8. For each share of Royal Ahold common stock and/or each Ahold ADR purchased or received as a dividend during the Class Period that an Authorized Claimant sold at a loss during the period from February 24, 2003 through May 25, 2003 (the 90-day Period after the end of the Class Period), the Recognized Claim shall be equal to the difference, if a positive number, between the Purchase Price Paid for such common stock and/or ADR (or, in the case of a dividend, the closing price on the day upon which such dividend was declared), including commissions and other charges, minus the price at which such common stock and/or ADR was sold during the period from February 24, 2003 through May 25, 2003. **NOTE:** if the Claimant did not incur a loss based upon the shares of Ahold common stock and/or ADRs purchased during the Class Period and sold during the period from February 24, 2003 through May 25, 2003, then the Claimant shall have no Recognized Claim with respect to such common stock and/or ADRs.

Calculation of Recognized Claim for Shares of Ahold Common Stock and/or ADRs Purchased During the Class Period and Sold During the Class Period (Shares Included in Fund B)

9. For each share of Royal Ahold common stock and/or each Ahold ADR purchased or received as a dividend during the Class Period that an Authorized Claimant sold at a loss prior to February 23, 2003 (the last day of the Class Period), the Recognized Claim shall be equal to the difference, if a positive number, between the Purchase Price Paid for such common stock and/or ADR (or, in the case of a dividend, the closing price on the day upon which such dividend was declared), including commissions and other charges, minus the price at which such common stock and/or ADR was sold on the open market during the Class Period. **NOTE:** if the Claimant did not incur a loss based upon the shares of Ahold common stock and/or ADRs purchased during the Class Period and sold prior to February 23, 2003, then the Claimant shall have no Recognized Claim with respect to such common stock and/or ADRs.

Additional Recognized Claim Guidelines

10. In the event that a Class Member made more than one purchase or sale of Royal Ahold common stock and/or ADRs, all purchases and sales shall be matched on a First In First Out (“FIFO”) basis. Class Period sales will be matched first against any Royal Ahold common stock and/or ADRs, respectively, held at the beginning of the Class Period and then against purchases during the Class Period in chronological order. A purchase or sale of Royal Ahold common stock and/or ADRs shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “Settlement” or “payment” date. The receipt or grant by gift, devise or operation of law of Royal Ahold common stock and/or ADRs during the Class Period shall not be deemed a purchase or sale of Royal Ahold common stock and/or ADRs for the calculation of an Authorized Claimant’s Recognized Claim, nor shall it be deemed an assignment of any claim relating to the purchase of such ADRs, unless specifically provided in the instrument of gift or assignment. The receipt of Royal Ahold common stock and/or ADRs during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Royal Ahold common stock and/or ADRs. The receipt of Ahold common stock and/or ADRs as a dividend shall be treated as a purchase made at the closing price on the day upon which such dividend was declared.

11. To the extent that a Claimant had a gain from his, her or its aggregate transactions in either: (i) shares of Royal Ahold common stock and/or ADRs that Authorized Claimants purchased or received as dividends during the Class Period and continued to hold as of February 23, 2003 (the last day of the Class Period) (Fund A); or (ii) shares of Royal Ahold common stock and/or ADRs that Authorized Claimants purchased or received as dividends during the Class Period and sold at a loss prior to February 23, 2003 (the last day of the Class Period) (Fund B), the value of the Recognized Claim applicable to such Fund will be zero.

12. Each authorized Claimant in Fund A shall be allocated a *pro rata* share of Fund A based on his, her or its Recognized Claim compared to the Total Recognized Claims of all Authorized Claimants in Fund A. The *pro rata* shares shall be determined by multiplying each

Authorized Claimant's "Recognized Claim" by a fraction, the numerator of which shall be the amount of Fund A and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants in Fund A. Class Members who do not submit acceptable Proof of Claim forms will not share in the Settlement proceeds. Class Members who do not submit acceptable Proof of Claim forms will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

13. Each authorized Claimant in Fund B shall be allocated a *pro rata* share of Fund B based on his, her or its Recognized Claim compared to the Total Recognized Claims of all Authorized Claimants in Fund B. The *pro rata* shares shall be determined by multiplying each Authorized Claimant's "Recognized Claim" by a fraction, the numerator of which shall be the amount of Fund B and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants in Fund B. Class Members who do not submit acceptable Proof of Claim Forms will not share in the Settlement proceeds. Class Members who do not submit acceptable Proof of Claim forms will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

14. If an Authorized Claimant purchased shares of Ahold common stock and/or Ahold ADRs in the offering of 80,500,000 shares of Ahold common stock and ADRs on or about September 6, 2001 (the "September 2001 Global Offering"), then such Authorized Claimant's Recognized Claim in Fund A and/or Fund B for such shares shall be adjusted upward by 30% (Amount of Recognized Claim x 1.3).

15. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in either Fund A or Fund B, by reason of un-cashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in either Fund A or Fund B one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive, based on their Recognized Claim, a *pro rata* share of at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering Fund A or Fund B for such re-distribution. If, six (6) months after such re-distribution, any funds remain in either Fund A or Fund B, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Lead Counsel and approved by the Court.

16. Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund or any portion thereof, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.