

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General of the Department of Health and Human Services (“OIG-HHS”), and the Defense Health Agency (DHA), acting on behalf of the TRICARE Program (collectively, the “United States”); Ahold Delhaize USA, Inc., Ahold U.S.A., Inc., Delhaize America, LLC, The GIANT Company LLC, Giant of Maryland LLC, The Stop & Shop Supermarket Company LLC, Food Lion, LLC, and Hannaford Bros. Co., LLC (collectively, “ADUSA”); and Lawrence LaBenne (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### RECITALS

A. Ahold Delhaize USA, Inc. is a corporation headquartered in Quincy, Massachusetts, and is a subsidiary of Koninklijke Ahold Delhaize N.V., a Netherlands company formed as a result of a July 2016 merger between Koninklijke Ahold N.V. and Delhaize Group, N.V./S.A. Ahold Delhaize USA, Inc., owns and operates, through subsidiaries Ahold U.S.A., Inc. and Delhaize America, LLC (and their respective subsidiaries), grocery store chains in multiple states in the United States. Ahold U.S.A., Inc. and its pre-merger predecessors (collectively “Legacy Ahold”) owned and operated, through subsidiaries, grocery store chains with in-store retail pharmacies operating under the brand or trade names Giant, Martin’s, and Stop & Shop. Delhaize America, LLC and its pre-merger predecessors (collectively “Legacy Delhaize”) owned and operated, through subsidiaries, grocery store chains with in-store retail pharmacies operating under the brand or trade names Food Lion, Hannaford, Bloom, Harvey’s, and Sweetbay. Until 2018, the pre-merger operations of Legacy Ahold and Legacy Delhaize continued to operate largely independently of each other.

B. On July 17, 2018, Relator filed a *qui tam* action in the United States District Court for the Western District of Pennsylvania captioned *United States of America, et al., ex rel. Lawrence LaBenne v. Koninklijke Ahold Delhaize N.V., et al.*, Civil Action No. 18-925, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (“the Civil Action”).

C. The United States contends that ADUSA submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”); and the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”).

D. The United States contends that it has certain civil claims against ADUSA for engaging (directly and/or through its subsidiaries) in the following alleged conduct during the time periods noted below (hereafter referred to as the “Covered Conduct”):

1. The United States contends that, during the period May 2013 through September 2017, Legacy Ahold grocery stores operated prescription savings programs (“Ahold PSPs”) pursuant to which enrolled members received discounted prices on prescription drugs; that, in light of the features and operations of those Ahold PSPs, and the applicable Medicare Part D, Medicaid, and TRICARE program requirements (including, where applicable, requirements set forth in contracts with Medicare Part D plan sponsors and/or pharmacy benefit managers), the discounted Ahold PSP prices should have been reported as “usual and customary” prices on claims submitted to Medicare Part D, Medicaid, and TRICARE; and that Legacy Ahold failed to do so, causing Medicare Part D, Medicaid, and TRICARE to pay inflated amounts on such claims.

2. The United States contends that, during the period January 2009 through October 2016, Legacy Delhaize grocery stores operated prescription savings programs (“Delhaize PSPs”) pursuant to which enrolled members received discounted prices on

prescription drugs; that, in light of the features and operations of those Delhaize PSPs, and the applicable Medicare Part D, Medicaid, and TRICARE program requirements (including, where applicable, requirements set forth in contracts with Medicare Part D plan sponsors and/or pharmacy benefit managers), the discounted Delhaize PSP prices should have been reported as “usual and customary” prices on claims submitted to Medicare Part D, Medicaid, and TRICARE; and that Legacy Delhaize failed to do so, causing Medicare Part D, Medicaid, and TRICARE to pay inflated amounts on such claims.

E. ADUSA will be entering into separate settlement agreements, described in Paragraph 1.b below (hereinafter referred to as the “Medicaid State Settlement Agreements”) with certain states in settlement of the Covered Conduct. States with which ADUSA executes a Medicaid State Settlement Agreement in the form to which ADUSA and the States have agreed, or in a form otherwise agreed to by ADUSA and an individual state, are referred to herein as “Medicaid Participating States.”

F. This Settlement Agreement is neither an admission of liability by ADUSA nor a concession by the United States or Relator that their claims are not well founded.

G. Relator claims entitlement under 31 U.S.C. § 3730(d), and under analogous provisions of state false claims laws asserted in the Civil Action, to a share of the proceeds of this Settlement Agreement and to Relator’s reasonable expenses, attorneys’ fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. ADUSA shall pay to the United States and the Medicaid Participating States, collectively, the sum of \$40,000,000 plus interest thereon at a rate of 4.375% per annum from

August 28, 2025 (“Settlement Amount”). The Settlement Amount shall constitute a debt immediately due and owing to the United States and the Medicaid Participating States. The debt shall be discharged by payments to the United States and Medicaid Participating States as follows:

a. ADUSA shall pay to the United States the sum of \$32,884,253 plus interest thereon at a rate of 4.375% per annum from August 28, 2025, to and including the Effective Date of this Agreement (the “Federal Settlement Amount”), of which \$16,442,127 is restitution. ADUSA shall pay the Federal Settlement Amount to the United States by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice. ADUSA shall make this electronic funds transfer no later than five business days after the Effective Date of this Agreement.

b. ADUSA shall pay to the Medicaid Participating States the sum of \$7,115,747 plus interest thereon at a rate of 4.375% per annum from August 28, 2025 (the “State Settlement Amount”). The State Settlement Amount shall be paid by electronic funds transfer in accordance with written instructions to be provided by the state negotiating team (the “State Team”) pursuant to the terms and conditions agreed upon by ADUSA and the State Team and as set forth in the Medicaid State Settlement Agreements that ADUSA will enter into with the Medicaid Participating States.

2. Conditioned upon the United States receiving the Federal Settlement Amount from ADUSA and as soon as feasible after receipt, the United States shall pay \$6,083,587, plus a pro rata share of the actual interest paid to the United States by ADUSA pursuant to Paragraph 1.a, to Relator by electronic funds transfer, in accordance with written instructions to be provided by the undersigned Relator’s counsel.

3. Defendants shall pay to Relator's Counsel \$765,000 (the "Attorneys' Fee Settlement Amount"), in full and final settlement of any claim for attorneys' fees, costs, and/or expenses arising from the Civil Action pursuant to 31 U.S.C. § 3730(d) and analogous provision of comparable state laws. Defendants shall pay the Attorneys' Fee Settlement Amount no later than five business days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions from the Relator's Counsel.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and conditioned upon ADUSA's full payment of the Settlement Amount, the United States releases ADUSA, together with its current and former parents (including but not limited to Koninklijke Ahold Delhaize N.V., Koninklijke Ahold N.V., and Delhaize Group, N.V./S.A.), subsidiaries, divisions, other affiliates (defined as an entity that controls, or is controlled by, ADUSA through common ownership), successors, transferees, heirs and assigns (the "ADUSA Released Parties"), from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 6 below, and conditioned upon ADUSA's full payment of the Settlement Amount, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases the ADUSA Released Parties from any civil monetary claim Relator has on behalf of the United States for the Covered Conduct, or for any other allegations asserted in the Civil Action, under the False Claims Act, 31 U.S.C. §§ 3729-3733. Nothing in this Paragraph shall be construed as releasing any claims Relator has against states for a relator's share of proceeds received by states pursuant to the Medicaid State Settlement Agreements.

6. Notwithstanding the releases given in Paragraphs 4 and 5 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Agreement and agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the payment described in Paragraph 2, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the

Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

8. Conditioned upon ADUSA's full payment of the Attorneys' Fee Settlement Amount pursuant to Paragraph 3 of this Agreement, Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, releases the ADUSA Released Parties from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) and analogous provision of comparable state laws, for expenses or attorneys' fees and costs.

9. ADUSA waives and shall not assert any defenses ADUSA may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

10. ADUSA fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that ADUSA has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

11. ADUSA fully and finally releases Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that ADUSA has asserted, could have asserted, or may assert in the future against Relator, related to the filing of the Civil Action and Relator's investigation and prosecution thereof.

12. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any federal or state payer related to the Covered Conduct; and ADUSA agrees not to resubmit to any federal or state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

13. ADUSA agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395III and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of ADUSA, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) ADUSA's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment ADUSA makes to the United States or any State pursuant to this Agreement or the Medicaid State Settlement Agreements, and any payments that ADUSA may make to Relator, including costs and attorneys' fees

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by ADUSA, and ADUSA shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by ADUSA or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: ADUSA further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by ADUSA or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. ADUSA agrees that the United States, at a minimum, shall be entitled to recoup from ADUSA any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The

United States reserves its rights to disagree with any calculations submitted by ADUSA or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on ADUSA or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine ADUSA's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

14. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 15 (waiver for beneficiaries paragraph), below.

15. ADUSA agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

16. Upon receipt of the payment described in Paragraph 1.a, above, and subject to the terms of this Agreement, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal, dismissing with prejudice all claims asserted by Relator on behalf of the United States for the Covered Conduct, and dismissing any claims asserted by Relator on behalf of the United States for other than the Covered Conduct with prejudice to Relator but without prejudice to the United States or the States. Nothing in this Paragraph shall be construed as requiring the dismissal or release of any claims Relator has against states for a relator's share of proceeds received by states pursuant to the Medicaid State Settlement Agreements.

17. Except as provided for in Paragraph 3, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

18. Each party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

19. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Western District of Pennsylvania. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

20. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

21. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

22. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

23. This Agreement is binding on ADUSA's successors, transferees, heirs, and assigns.


24. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

25. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

26. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

**THE UNITED STATES OF AMERICA**

DATED: 5/12/26

BY:   
JEFFREY A. TOLL  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
PAUL E. SKIRTICH  
Assistant United States Attorney  
Western District of Pennsylvania

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
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SUSAN E. GILLIN  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: \_\_\_\_\_


BY: \_\_\_\_\_  
SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
JEFFREY A. TOLL  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: 1 MAY 2026

BY:   
\_\_\_\_\_  
PAUL E. SKIRTICH  
Assistant United States Attorney  
Western District of Pennsylvania

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
SUSAN E. GILLIN  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

**THE UNITED STATES OF AMERICA**

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
JEFFREY A. TOLL  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
PAUL E. SKIRTICH  
Assistant United States Attorney  
Western District of Pennsylvania

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
SUSAN E. GILLIN  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

DATED: 5/1/2026

BY: \_\_\_\_\_  
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SALVATORE M. MAIDA  
General Counsel  
Defense Health Agency  
United States Department of Defense

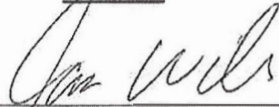
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**For**

ADUSA

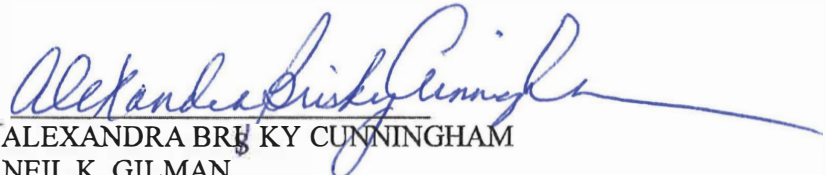
DATED: 5-1-26

BY:

  
\_\_\_\_\_  
JASON WILSON  
Chief Financial Officer  
ADUSA

DATED: 5/4/2026


BY:

  
\_\_\_\_\_  
ALEXANDRA BRISKY CUNNINGHAM  
NEIL K. GILMAN  
MADISON WHALEN SHERRILL  
DANIEL STEFANY  
Hunton Andrews Kurth LLP

and

DATED: 5/6/2026

BY:

  
\_\_\_\_\_  
MICHAEL A. COMBER  
Comber Miller LLC


Counsel for ADUSA

**LAWRENCE LABENNE - RELATOR**

DATED: 09-30-2026 BY:


  
\_\_\_\_\_  
LAWRENCE LABENNE  
Relator

DATED: May 1, 2026 BY:

  
\_\_\_\_\_  
MICHAEL A. MORSE  
ALEXANDER M. OWENS  
Pietragallo Gordon Alfano Bosick & Raspanti, LLP

and

DATED: May 1, 2026 BY:

  
\_\_\_\_\_  
CORY BULAND  
SAMIR DOSHI  
STEPHEN M. SHEPARD  
Susman Godfrey L.L.P.

Counsel for Lawrence LaBenne