

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	
v.	:	CRIMINAL NO. 14-
SUPREME FOODSERVICE GMBH, f/k/a	:	
SUPREME FOODSERVICE AG		

GUILTY PLEA AGREEMENT

Under Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the government, the defendant, and the defendant's counsel enter into the following guilty plea agreement. Any reference to the United States or the government in this agreement shall mean the Office of the United States Attorney for the Eastern District of Pennsylvania.

1. Defendant Supreme Foodservice GmbH, formerly known as Supreme Foodservice AG, ("Supreme AG"), by its undersigned representative and attorneys, and pursuant to the power granted by its Board of Directors, agrees to plead guilty to Counts One through Three of an information, waiving prosecution by indictment, charging Supreme AG with major fraud against the United States, in violation of Title 18, United States Code, Section 1031, conspiracy to commit major fraud against the United States, in violation of Title 18, United States Code, Section 371, and wire fraud, in violation of Title 18, United States Code, Section 1343, and not to contest forfeiture as set forth in the notice of forfeiture seeking criminal forfeiture of the sum of \$10,000,000, all arising from Supreme AG's scheme to defraud the United States, and in particular, the Defense Logistics Agency, with respect to the prices for acquiring and delivering food and water for the U.S. troops stationed in Afghanistan under the Subsistence Prime Vendor

contract number SPM300-05-D-3130 between December 2005 and April 2009. Supreme AG further acknowledges its waiver of rights, as set forth in Attachment A to this agreement.

2. This agreement is conditioned upon the following: (a) Supreme AG entering a guilty plea in this case; (b) acceptance of Supreme AG's guilty plea by the United States District Court; (c) Supreme Foodservice FZE ("Supreme FZE") entering a guilty plea in this case; and (d) acceptance of Supreme FZE's guilty plea by the United States District Court. If these conditions are not satisfied, or if either Supreme AG or Supreme FZE subsequently seeks to withdraw its guilty plea, the United States, in its sole discretion, will be released from all its obligations under this agreement.

3. The parties agree that this plea agreement is made pursuant to Fed.R.Crim.P. 11(c)(1)(C) and that the following specific sentence is the appropriate disposition of this case. Taking into consideration the factors set forth in 18 U.S.C. §§ 3553(a) and 3572, the agreed-upon sentence is as follows:

a. By the close of business on the fifth business day after the date that the government notifies Supreme AG in writing, through counsel, that the Court has entered an order authorizing the pre-payment of the sums discussed herein, Supreme AG will deposit with the Clerk of Court for the Eastern District of Pennsylvania the sum of \$250,000,000. Supreme AG agrees that \$154,000,000 of that \$250,000,000 will be held by the Court pending either: i) sentencing pursuant to this plea agreement, or if no sentence is imposed pursuant to this plea agreement; ii) the outcome of any criminal Indictment or Information subsequently filed by the United States against Supreme AG for its conduct under Subsistence Prime Vendor contract number SPM300-05-D-3130. Supreme AG further agrees that the remaining \$96,000,000 of that \$250,000,000 will be held by the Court pending either: i) sentencing pursuant to co-defendant

Supreme FZE's plea agreement, or if no sentence is imposed pursuant to that plea agreement; ii) the outcome of any criminal Indictment or Information subsequently filed by the United States against Supreme FZE for its conduct under Subsistence Prime Vendor contract number SPM300-05-D-3130.

b. Supreme AG agrees to pay on the date of sentencing: \$48,000,000 in restitution and \$96,000,000 in a criminal fine. Supreme AG agrees that these sums may be paid from the \$250,000,000 deposited with the Clerk of Court pursuant to this agreement. Supreme AG further agrees to pay the special assessments in the amount of \$1,200 on the date of sentencing.

c. Supreme AG agrees to the entry and payment in full of a forfeiture money judgment in the amount of \$10,000,000 on the date of the guilty plea. Supreme AG agrees that this money judgment may be paid from the \$250,000,000 it deposited with the Clerk of Court pursuant to this agreement. Supreme AG agrees that the Clerk of Court may transfer \$10,000,000 of the \$250,000,000 deposited with the Clerk of Court as described in (a) above to the United States Marshals Service, this amount representing proceeds of the wire fraud offense to which the defendant is pleading guilty.

d. The defendant and the government agree that the fine, restitution and forfeiture payments, and Supreme AG's deposit of these funds, represents a fair and just resolution of all issues associated with loss, fine, and forfeiture calculations.

e. Supreme AG agrees that Jamal Ahli Foods Company LLC, or "JAFCO," will permanently cease all business operations on or before the date of the guilty plea. Supreme AG also agrees that within five business days of the date of the guilty plea hearing, Supreme AG will initiate the process of dissolving JAFCO and then take all necessary steps to ensure that

JAFECO is dissolved. Supreme AG shall provide a copy of proof of such dissolution of JAFECO to the United States Attorney for the Eastern District of Pennsylvania within five business days of such dissolution becoming final.

f. Supreme AG agrees that within three business days after the date of sentencing, the Board of Directors of Supreme AG will pass a resolution, and take all other necessary steps, to ensure that all current and former owners of Supreme AG are removed from management and supervision of all business with the United States government for a period of five years. Supreme AG shall provide a copy of such resolution to the United States Attorney for the Eastern District of Pennsylvania within five business days of its passage.

g. Supreme AG agrees that on or before the date of sentencing, Supreme AG will pay the sum of \$38,362,198.71 to the Defense Logistics Agency in satisfaction of its obligations under the agreement between Supreme AG and DLA for reconciliation (or "true up") of the price of bottled water purchased during the period from March 2007 through December 2013.

h. Supreme AG agrees that it intends to propose to enter into an Administrative Agreement with the Defense Logistics Agency which will impose restrictions on Supreme AG and its owners.

i. Supreme AG shall be placed on probation for a term of five years subject to the following:

(1) If, before the time of sentencing, Supreme AG enters into an Administrative Agreement with the Defense Logistics Agency, and has reached a civil settlement with the Department of Justice, then Supreme AG will not be placed on probation.

(2) If, subsequent to the time of sentencing, Supreme AG enters into an Administrative Agreement with the Defense Logistics Agency, or is suspended or debarred by the Defense Logistics Agency, the government will agree to early termination of probation.

4. Supreme AG waives any and all defenses and objections in this matter which might be available under the Double Jeopardy and Excessive Fines clauses of the Eighth Amendment.

5. Supreme AG waives any claim under the Hyde Amendment, 18 U.S.C. § 3006A (Statutory Note), for attorneys' fees and other litigation expenses arising out of the investigation or prosecution of this matter.

6. Supreme AG understands that the intent of this plea agreement is that the business entity Supreme Foodservice Gmbh as it exists on the date of the signing of this agreement is the entity which is pleading guilty to the offenses charged and which will remain in business. Supreme Foodservice Gmbh was formerly known as Supreme Foodservice AG. Should Supreme Foodservice Gmbh, formerly known as Supreme Foodservice AG, or its corporate parent elect to reorganize Supreme Foodservice Gmbh (formerly known as Supreme Foodservice AG) by transferring assets or lines of business to any affiliate, division, or subsidiary, or otherwise significantly changing this Supreme business entity before the conviction is final, any penalty satisfied, or any period of supervision completed, this plea agreement, together with all of the obligations that it establishes and any obligations flowing from any judgment in this case shall bind all assignees, successors-in-interest, or transferees of the defendant. Supreme AG agrees that it shall not, through a change of name, business reorganization, sale or purchase of assets, divestiture of assets, or similar action, seek to avoid the obligations and conditions set forth in this plea agreement.

7. Supreme AG understands, agrees and has had explained to it by counsel that the Court may impose the following statutory maximum sentence: Count One (major fraud against the United States), a fine of \$10,000,000, or twice the gross gain derived from the offense or gross loss resulting from the offense, whichever is greater; a special assessment of \$400; and a five-year term of probation; Count Two (conspiracy to commit major fraud against the United States), a fine of \$500,000, or twice the gross gain derived from the offense or gross loss resulting from the offense, whichever is greater; a special assessment of \$400; and a five-year term of probation; Count Three (wire fraud), a fine of \$500,000, or twice the gross gain derived from the offense or gross loss resulting from the offense, whichever is greater; a special assessment of \$400; a five-year term of probation, and forfeiture equal to the proceeds of the crime, which is \$48,000,000.

The total maximum penalty: criminal fines totaling the greater of \$11,000,000 or twice the gross gain derived from the offense, \$1,200 in special assessments, a five year term of probation, and \$48,000,000 in criminal forfeiture.

Full restitution (in the amount of \$48,000,000) may also be ordered.

Supreme AG understands and agrees that the agreed-upon fine amount in this case is at or below the statutory maximum amount authorized by the provisions of 18 U.S.C. § 3571(d).

Supreme AG further understands that the terms and conditions of any Court supervision may be changed and extended by the Court if the defendant violates any of the terms and conditions of that supervision.

8. With respect to the defendant's conduct, the parties stipulate to the attached Statement of Facts (Attachment B) as the basis for the plea and the agreed-upon sentence.

9. With regard to the Information to be filed pursuant to this agreement, Supreme AG waives all defenses under the Constitution or Speedy Trial Act, and any applicable statutes of limitations, as described in this paragraph. Supreme AG agrees that prosecution of the offense conduct described in paragraph one above is timely as of the date that this agreement is signed and as of the date that the guilty plea will be entered in District Court. In the event that any party withdraws from this agreement, or this agreement is otherwise not fully carried out, including the circumstances described below in subparagraphs (a) through (d) of this paragraph, Supreme AG waives all defenses based on the Speedy Trial Act and any statute of limitations with respect to the offense conduct set forth in the Information to be filed pursuant to this agreement or released in paragraph 10 below, for a period of 120 days from the latest of any of these events: (a) Supreme AG or Supreme FZE's guilty plea is not accepted by the Court for any reason; (b) Supreme AG or Supreme FZE's conviction is later vacated for any reason; (c) Supreme AG or Supreme FZE violates any of the terms or conditions of this agreement; or (d) Supreme AG or Supreme FZE's plea is withdrawn. Supreme AG understands and agrees that, should either Supreme AG or Supreme FZE seek to withdraw its plea, or if this plea agreement is not carried out for any of the reasons identified in this paragraph, it may then be prosecuted for any criminal violation of which the United States has knowledge arising out of this investigation, subject to any applicable statute of limitations (as extended or tolled by any agreement or law) or other time-related protection not waived in this paragraph or elsewhere.

10. Except as provided herein, the United States agrees that, other than the charges to be filed in the Information in this case, it will not bring any other criminal charges against Supreme AG, its present and former parents, affiliates, divisions, and subsidiaries, and their current and former owners, officers, directors, employees or agents or their predecessors, successors and

assigns for conduct which (a) falls within the scope of the criminal investigation in the Eastern District of Pennsylvania into allegations that Supreme AG overbilled the Defense Logistics Agency under Subsistence Prime Vendor contract number SPM300-05-D-3130 or (b) was known to the United States Attorney's Office for the Eastern District of Pennsylvania as of the date of the execution of this plea agreement, and which concerned allegations that Supreme AG overbilled the Defense Logistics Agency under Subsistence Prime Vendor contract number SPM300-05-D-3130. The non-prosecution provisions of this paragraph are binding on the Office of the United States Attorney for the Eastern District of Pennsylvania and, upon execution of Attachment D, the United States Attorney's Offices for each of the other 93 judicial districts of the United States.

Attachment D to this agreement is a copy of the letter to the United States Attorney Zane David Memeger from the Assistant Attorney General, Criminal Division, Department of Justice, authorizing this agreement. The parties understand and agree that the parties will execute this plea agreement, and Supreme AG will make the deposit specified in paragraph 3 above, before Attachment D is available. If Attachment D is not executed, this agreement will be null and void.

11. Supreme AG understands that this guilty plea agreement does not bind any other government agency, or any component of the Department of Justice, except as specified in this agreement. Further, Supreme AG understands that the United States takes no position as to the proper tax treatment of any of the payments made by Supreme AG pursuant to this plea agreement, any civil settlement agreement, or any Administrative Agreement reached with the Defense Logistics Agency.

12. If the Court accepts the recommendation of the parties and imposes the sentence stated in paragraph 3 of this agreement, the parties agree that neither will file any appeal of the conviction and sentence in this case. Further, the defendant agrees that if the Court imposes the

recommended sentence the defendant voluntarily and expressly waives all rights to collaterally attack the defendant's conviction, sentence, or any other matter relating to this prosecution. However, the defendant retains the right to file a petition for collateral relief under 28 U.S.C. § 2255 asserting only a claim that the attorney who represented the defendant at the time of the execution of this agreement and the entry of the defendant's guilty plea provided constitutionally ineffective assistance during any part of the representation.

13. If the Court does not accept the recommendation of the parties to impose the sentence stated in paragraph 3 of this agreement, and the defendant nevertheless decides to enter a guilty plea, without objection by the government, then the defendant voluntarily and expressly waives all rights to appeal or collaterally attack the defendant's conviction, sentence, or any other matter relating to this prosecution, whether such a right to appeal or collateral attack arises under 18 U.S.C. § 3742, 28 U.S.C. § 1291, 28 U.S.C. § 2255, or any other provision of law.

a. Notwithstanding the waiver provision in this paragraph, if the government appeals from the sentence, then the defendant may file a direct appeal of his sentence.

b. If the government does not appeal, then notwithstanding the waiver provision set forth in this paragraph, the defendant may file a direct appeal but may raise only a claim:

(1) that the defendant's sentence on any count of conviction exceeds the statutory maximum for that count as set forth in paragraph 7 above;

(2) challenging a decision by the sentencing judge to impose an "upward departure" pursuant to the Sentencing Guidelines;

(3) challenging a decision by the sentencing judge to impose an "upward variance" above the final Sentencing Guideline range determined by the Court.

If the defendant does appeal pursuant to this subparagraph, no issue may be presented by the defendant on direct appeal other than those described in this subparagraph.

c. Notwithstanding the waiver provision set forth in this paragraph, the defendant may file a petition for collateral relief under 28 U.S.C. § 2255, but may only raise a claim that the attorney who represented the defendant at the time of the execution of this agreement and the entry of the defendant's guilty plea provided constitutionally ineffective assistance during any part of the representation.

14. The defendant waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act, 5 U.S.C. § 552a.

15. The defendant is satisfied with the legal representation provided by the defendant's lawyer; the defendant and its lawyer have fully discussed this plea agreement; and the defendant is agreeing to plead guilty because the defendant admits that it is guilty.

16. The defendant will acknowledge acceptance of this guilty plea agreement by the signature of its counsel and of an authorized corporate officer. Supreme AG shall provide to the government for attachment to this plea agreement (as Attachment C) a notarized resolution by its Board of Directors authorizing the corporation to enter a plea of guilty, and authorizing a corporate officer to execute this agreement.

17. If acceptable to the Court, the parties agree to waive the presentence investigation and report pursuant to Rule 32(c)(1) of the Federal Rules of Criminal Procedure, and will jointly request that Supreme AG be sentenced at the time that the guilty plea is entered and accepted by the Court.

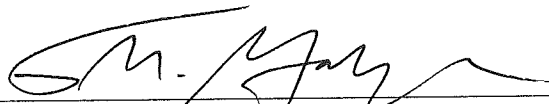
18. It is agreed that this guilty plea agreement contains no additional promises, agreements, or understandings other than those set forth in this written guilty plea agreement, and that no additional promises, agreements, or understandings will be entered into unless in writing and signed by all parties.

For Defendant Supreme Foodservice AG:

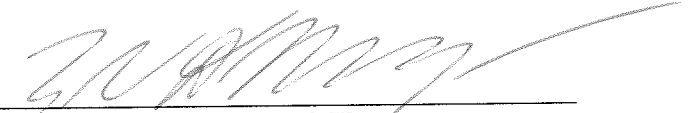
For the United States:



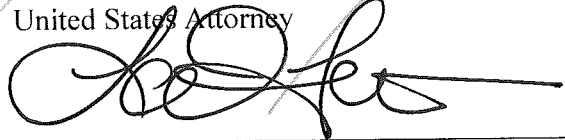
EMMA SHARMA
General Counsel Supreme Group USA



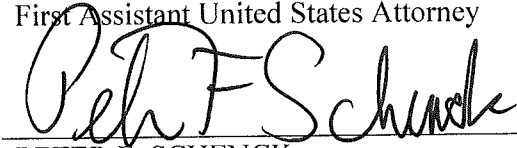
THOMAS M. GALLAGHER
Pepper Hamilton LLP
Counsel for Defendant



ZANE DAVID MEMEGER
United States Attorney



LOUIS D. LAPPEN
First Assistant United States Attorney



PETER F. SCHENCK
Chief, Criminal Division
Assistant United States Attorney



MARY E. CRAWLEY
Chief, Government Fraud Section
Assistant United States Attorney



BEA L. WITZLEBEN
Assistant United States Attorney

Date: 9/22/2014

Attachment A

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA :
 :
 v. : **CRIMINAL NO. 14-**
 :
 SUPREME FOODSERVICE GMBH, f/k/a :
 SUPREME FOODSERVICE AG

ACKNOWLEDGMENT OF RIGHTS

Supreme Foodservice GmbH, formerly known as Supreme Foodservice AG (“Supreme AG”), through its properly authorized officer(s), hereby acknowledges that it has certain rights that it will be giving up by pleading guilty.

1. Supreme AG understands that it does not have to plead guilty.
2. Supreme AG may plead not guilty and insist upon a trial.
3. At that trial, Supreme AG understands:
 - a. that Supreme AG would have the right to be tried by a jury that would be selected from the Eastern District of Pennsylvania and that along with its attorney, Supreme AG would have the right to participate in the selection of that jury;
 - b. that the jury could only convict Supreme AG if all twelve jurors agreed that they were convinced of Supreme AG’s guilt beyond a reasonable doubt;
 - c. that the government would have the burden of proving Supreme AG’s guilt beyond a reasonable doubt and that Supreme AG would not have to prove anything;
 - d. that Supreme AG would be presumed innocent unless and until such time as the jury was convinced beyond a reasonable doubt that the government had proven that Supreme AG was guilty;

- e. that Supreme AG would have the right to be represented by a lawyer at this trial and at any appeal following the trial, and that if Supreme AG could not afford to hire a lawyer, the court would appoint one for Supreme AG free of charge;
- f. that through Supreme AG's lawyer Supreme AG would have the right to confront and cross-examine the witnesses against it;
- g. that Supreme AG could call witnesses to testify in its defense if it wanted to, and Supreme AG could subpoena witnesses for this purpose if it wanted to; and
- h. that Supreme AG would not have to call witnesses to testify or otherwise present any defense if it did not want to, and that if Supreme AG did not present any evidence, the jury could not hold that against Supreme AG.

4. Supreme AG understands that if it pleads guilty, there will be no trial and Supreme AG would be giving up all of the rights listed above, as well as any other rights associated with the trial process arising under statute, common-law, or judicial precedent.

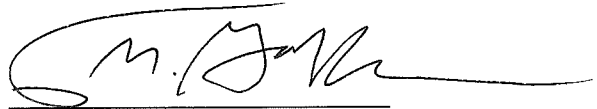
5. Supreme AG understands that if it decides to enter a plea of guilty, the judge will ask its representatives questions under oath, and that if any of those representatives lie on behalf of Supreme AG in answering those questions, those persons could be prosecuted for the crime of perjury, that is, for lying under oath.

6. Supreme AG understands that if it pleads guilty, it has waived its right to appeal, except as set forth in appellate waiver provisions of the plea agreement.

7. Understanding that Supreme AG has all these rights and that by pleading guilty Supreme AG is giving them up, Supreme AG still wishes to plead guilty.



Emma Sharma
General Counsel Supreme Group USA



Thomas M. Gallagher
Counsel for Defendant

Date: 9/22/2014

Attachment B - Statement of Facts

This Statement of Facts is incorporated by reference as part of the Guilty Plea Agreements, dated September 22, 2014 and September 23, 2014, respectively, between the United States Attorney's Office for the Eastern District of Pennsylvania and Supreme Foodservice GmbH (formerly Supreme Foodservice AG and together with its affiliates and subsidiaries ("Supreme AG")) and Supreme Foodservice FZE (the successor corporation to Supreme Foodservice GmbH & Co. KG, and together with its affiliates and subsidiaries "Supreme FZE"). The parties to these Agreements each hereby agree and stipulate that the following information is true and accurate. Supreme AG and Supreme FZE further admit, accept, and acknowledge that the conduct described below is that of their current and former owners, officers, directors, employees, and agents, and that each company is responsible for that conduct.

BACKGROUND

Supreme Foodservice AG is a privately-held Swiss company, specializing in developing and operating supply chains and related services. Supreme AG has a number of subsidiaries and affiliated companies, including Supreme FZE.

Supreme FZE is a privately-held United Arab Emirates company.

On June 3, 2005, the Defense Supply Center Philadelphia ("DSCP"), a component of the Department of Defense which is located in the Eastern District of Pennsylvania, and is now known as the Defense Logistics Agency Troop Support, awarded Subsistence Prime Vendor ("SPV") contract number SPM300-05-D-3130 to Supreme AG (hereinafter, the "SPV Contract").

Jamal Ahli Foods Company LLC, or "JAFCO," was a company formed by Supreme AG in the United Arab Emirates after Supreme AG was awarded the SPV Contract. At its formation, JAFCO was not owned by Supreme AG, but at all times Supreme AG made or directed all key decisions regarding JAFCO's management and operations. When Supreme FZE was formed, the shares of JAFCO that Supreme AG and its owners then held were transferred to Supreme FZE.

Under the terms of the SPV Contract, Supreme AG was to provide full line food and nonfood distribution support to locations in Afghanistan. For its services, Supreme AG was to bill the DSCP a "Unit Price" for the goods it purchased and delivered to Afghanistan. The Unit Price had two components: (1) the "Delivered Price," which was the manufacturer's or supplier's actual invoice price to deliver product to Supreme AG's distribution point; and (2) the "Distribution Price," or "Distribution Fee," which was a fixed price representing all other operating expenses and profit, including overhead, packaging costs, and transportation costs.

When Supreme AG submitted its proposal for the SPV Contract, the proposed contract required delivery to only four sites within Afghanistan, each of which was a fairly large site with some infrastructure. Shortly after Supreme AG was awarded the SPV Contract, the SPV Contract was modified, by verbal change order, to require delivery to a number of additional sites, known as Forward Operating Bases ("FOBs"), where troops were located. Many or most of these FOBs did not have infrastructure, involved fairly small numbers of troops, and were

located in remote, hard-to-reach, and dangerous locations. By June of 2009, Supreme AG was required to make direct deliveries to approximately 100 sites in Afghanistan.

In response to a claim for equitable adjustment by Supreme AG, on August 2, 2006, Supreme AG and the DSCP entered into a formal Modification to the contract which provided, among other things, that in addition to paying the Unit Price for goods, the DSCP would pay Supreme AG a set sum for the preparation and packing of each insulated cardboard box (called a "triwall") which contained some of the perishable chilled or frozen goods ordered by the troops which were acquired outside of the United States ("triwall payments").

The value of the SPV Contract between DSCP and Supreme AG exceeded one million dollars. Under the SPV contract, the DSCP paid Supreme AG approximately \$8.8 billion between December 2005 and December 2013.

THE SCHEME TO DEFRAUD BY USING JAFCO TO INCREASE THE DELIVERED PRICE FOR LOCAL MARKET READY (LMR) ITEMS

From in or about July 2005, or earlier, through and including in or about April 2009, in the Eastern District of Pennsylvania, and elsewhere, Supreme AG and Supreme FZE conspired to devise, and knowingly devised and intended to devise a scheme to defraud the United States and to obtain money and property of the United States, by material and knowingly false and fraudulent pretenses, representations, and promises in connection with the SPV Contract, in violation of 18 U.S.C. §§ 371, 1031 and 1343. Numerous wires in and affecting interstate and foreign commerce were used in furtherance of this scheme.

It was the object of this scheme that Supreme AG and Supreme FZE use JAFCO to make profits over and above the profits made from the Distribution Fees in the SPV Contract by fraudulently increasing the Delivered Price for Local Market Ready (or LMR) goods sold to the United States. LMR goods are primarily perishable or short shelf-life goods that are purchased from suppliers outside of the United States.

It was part of the scheme that Supreme AG (through its employees and owners) and Supreme FZE knowingly concealed from DSCP during relevant periods of contract performance that Supreme AG effectively owned and controlled JAFCO. Supreme AG and Supreme FZE took steps to create the appearance that JAFCO was unrelated to, and independent of, Supreme AG. These steps included preventing Supreme AG and JAFCO employees from knowing about the relationship between Supreme AG and JAFCO, and, for those who did know about the relationship, instructing them not to discuss it, particularly with non-Supreme AG employees.

It was also a part of the scheme that Supreme AG and Supreme FZE used JAFCO as a middleman between Supreme AG and its LMR suppliers in order to realize a profit on those goods. JAFCO marked-up LMR goods it purchased, which increased the Delivered Price that Supreme AG charged DSCP. The JAFCO mark-up was included in the Delivered Price despite the triwall payments, and even when JAFCO employees were not providing services. DSCP was not informed of, and therefore was unaware of, the mark-up and attendant profit realized through the Delivered Price. Supreme AG and Supreme FZE deliberately tried to prevent DSCP from learning of the JAFCO mark-up, including by omitting the mark-up when Supreme AG believed

DSCP knew the true price LMR suppliers charged, and by preventing wide dissemination, even within JAFCO, of information about the mark-up. Supreme AG continued to charge the JAFCO mark-up until April 2009, at which time the mark-up was eliminated in response to DSCP's instructions to do so.

THE SCHEME TO DEFRAUD BY OVERCHARGING FOR BOTTLED WATER

From in or about July 2005 or earlier through and including in or about April 2007, in the Eastern District of Pennsylvania, and elsewhere, Supreme AG and Supreme FZE conspired to, and knowingly devised and intended to devise a scheme to defraud the United States and to obtain money and property of the United States, by material and knowingly false and fraudulent pretenses, representations, and promises in connection with the SPV Contract, in violation of 18 U.S.C. §§ 371, 1031 and 1343. Numerous wires in and affecting interstate and foreign commerce were used in furtherance of this scheme.

It was the object of this scheme that Supreme AG and Supreme FZE and their owners make profits over and above the profits made from the Distribution Fees in the SPV contract by fraudulently increasing the Delivered Price for bottled water sold to the United States.

It was a part of the scheme that Supreme AG charged DSCP a Delivered Price for the purchase and delivery of bottled water to Kabul, Afghanistan to which it was not entitled under the SPV Contract. In furtherance of the scheme, Supreme AG and Supreme FZE used an artificially high price for the transportation of water, and used JAFCO as a middleman to fraudulently increase the Delivered Price that Supreme AG charged DSCP for water.

From December 2005 through approximately April 2007, Supreme AG charged DSCP a flat rate of \$6.45 as the Delivered Price of a 24-pack of .5 liter bottles of water, regardless of what Supreme AG paid its water suppliers. During this time frame, as Supreme AG knew, the price Supreme AG paid to acquire and transport water was less than \$6.45 per case. Supreme AG's true price of water from different vendors over this period ranged from \$1.64 to \$5.03. In April 2007 Supreme AG began to charge a weighted price that was periodically adjusted to account for changes in its suppliers' prices.

As a result of the fraudulent schemes described above, Supreme AG received profits of approximately \$48,000,000 more than it was entitled to under the SPV Contract.

Attachment C



DIRECTORS RESOLUTION
SUPREME FOODSERVICE GmbH

The undersigned:

- Mr. Soren Borup Norgaard, born in Aarhus, Denmark on the 28th day of November 1968; and
- Mr. Lars Erwin Leiendecker born in Bonn, Germany on the 5th day of October 1979

together acting as directors and authorized signatories of Supreme Foodservice GmbH, a company with limited liability organized and existing under the laws of Switzerland, having its corporate seat at Canton of Glarus, with address Zwinglistrasse 6, 8750 Glarus, Switzerland, registered with the Main Register under number CH-160.3.003.865-9/a, hereinafter referred to as the "Company",

Whereas:

- The Company has determined that it is in the best interests of the company to enter into proposed settlements relating to certain legal matters and investigations in the United States of America including entering into:
 - (a) a plea agreement with the United States Attorney's Office for the Eastern District of Pennsylvania to plead guilty to three counts of an information, waiving prosecution by indictment, charging the Company with conspiracy to commit major fraud against the United States, in violation of 18 United States Code Section 371, major fraud against the United States, in violation of 18 United States Code Section 1031, and wire fraud, in violation of 18 United States Code Section 1343;
 - (b) a civil settlement agreement with the Eastern District of Pennsylvania;
 - (c) an Administrative Agreement with the Defense Logistics Agency; and
 - (d) all other documents necessary to effectuate the settlement;

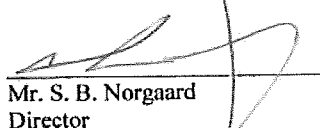
together the "Agreements"

- The undersigned now wishes to authorize its external counsel, Thomas M Gallagher together with either of Emma Joanna Sharma (General Counsel SGUSA) or Soren Norgaard (Chief Corporate Officer) to sign the Agreements as legal representatives on behalf of the Company.

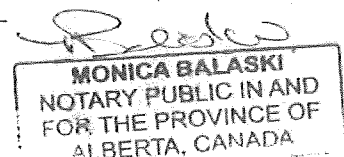
Herewith it is resolved:

- To approve the entering into the Agreements and to authorize its external counsel, Thomas M Gallagher together with either of Emma Joanna Sharma (General Counsel SGUSA) or Soren Norgaard (Chief Corporate Officer) to sign the Agreements as legal representatives on behalf of the Company.
- That any and all agreements executed on behalf of the company in connection with the Agreement, and all further actions necessary to complete and effectuate the Agreement, including the personal appearance in court to enter a plea of guilty on behalf of the company by a corporate officer as designated by Emma Joanna Sharma or Soren Norgaard, hereby are ratified and approved.

Signed on this 11th day of September 2014


Mr. S. B. Norgaard
Director


Mr. L. E. Leiendecker
Director



Attachment D



U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

NOV 18 2001

The Honorable Zane David Memeger
United States Attorney
Eastern District of Pennsylvania
615 Chestnut Street, Suite 1250
Philadelphia, PA 19106

Attention: Bea Witzleben
Assistant United States Attorney

Re: Global Plea Agreements for Supreme Foodservice GMBH
and Supreme Foodservice FZE

Dear Mr. Memeger:

This letter is in response to your request for authorization to enter into global plea agreements with targets Supreme Foodservice GMBH and Supreme Foodservice FZE.

I hereby approve the terms of the plea agreements, including the provisions in paragraph 10, through which the United States Attorneys' Offices agree not to initiate further criminal proceedings against Supreme Foodservice GMBH and Supreme Foodservice FZE and agree not to bring criminal charges against either target's current and former owners, officers, directors, employees or agents or their predecessors, successors and assigns for the conduct described in paragraph 10.

You are authorized to make this approval a matter of record in this proceeding.

Sincerely,

Leslie R. Caldwell
Assistant Attorney General

PAUL M. O'BRIEN
DEPUTY ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION