

ADMINISTRATIVE AGREEMENT

This Administrative Agreement ("Agreement") is made among Agility Public Warehousing Company, K.S.C.P ("PWC"), Agility DGS Logistics Services Co. K.S.C.(c) ("Agility DGS"), and the Defense Logistics Agency ("DLA"). Collectively, all of the aforementioned entities are referred to as "the parties." As used herein, "Agility DGS" means Agility DGS and its subsidiaries.

PREAMBLE

- A. PWC is a Kuwaiti shareholding company with its head office located in Kuwait City, Kuwait. PWC uses the trade name "Agility" in many of its operations. It provides logistics services both directly and through subsidiaries located in over 100 countries.
- B. Agility DGS, formerly known as PWC Logistics Services Co. K.S.C.(c), a Kuwaiti closed corporation, is a wholly owned subsidiary of PWC, which commenced operation in 2006. Any current or future U.S. Government contracts or subcontracts will be managed by Agility DGS, and any bids or proposals for new U.S. Government contracts or subcontracts will be made by Agility DGS.
- C. The DLA Troop Support ("DLA"), formerly known as Defense Supply Center Philadelphia, is a primary level field activity of DLA that manages subsistence and garrison feeding. Starting in 2002, DLA issued solicitations for the acquisition of foodstuffs and non-food items for various parts of the Middle East, including Iraq, Kuwait and Jordan. The offeror who is awarded such a contract becomes the "Prime Vendor" for that contract. DLA has awarded three Prime Vendor contracts to PWC since May 28, 2003. Under these contracts, DLA has paid PWC approximately \$8.6 Billion.
- D. On May 28, 2003, DLA awarded to PWC prime vendor contract SPO300-03-D-3061 to provide food for United States military personnel in Southwest Asia, including Kuwait and Iraq (hereinafter "PV1 contract").
- E. On February 17, 2005, DLA awarded PWC prime vendor contract SPM300-05-D-3119 which was also for food for United States military personnel in Southwest Asia (hereinafter "PV Bridge contract").
- F. On July 7, 2005, DLA awarded PWC prime vendor contract SPM300-05-D-3128 (hereinafter "PV2 contract"). This contract was also for food for United States military personnel in Southwest Asia. The three contracts PV1, PV Bridge, and PV2 are collectively referred to as the "Prime Vendor Contracts."
- G. In November 2009, a qui tam suit pending since 2005 in the U.S. District Court for the Northern District of Georgia was unsealed. The United States subsequently intervened in part of the qui tam suit. That suit alleges, generally, that prompt payment discounts claimed by PWC on certain overseas food purchases are not true prompt payment discounts but are part of a conspiracy to overcharge DLA and that PWC used higher prices for food charged by

consolidators acting as intermediaries between PWC and manufacturers/suppliers for certain food items.

H. Also in November 2009, PWC was indicted in the Northern District of Georgia on charges related to Prime Vendor Contract pricing. The case is docketed as case number 1:09-CR-0490. A superseding indictment was issued on February 9, 2010. The indictment charges PWC and its subsidiaries Agility DGS Holdings, Inc., and Agility DGS Logistics Services Company with six criminal counts. Counts One and Two allege conspiracy (18 U.S.C. § 371), Counts Three and Four allege Major Fraud Against the United States and Aiding and Abetting Major Fraud (18 U.S.C. §§ 1031, 2), and Counts Five and Six allege Wire Fraud and Aiding and Abetting Wire Fraud (18 U.S.C. §§ 1343, 2). Agility DGS Holdings, Inc. and Agility DGS Logistics Services Company subsequently were dismissed from the superseding indictment.

I. PWC has agreed to enter a misdemeanor plea to a one count Information, charging that PWC charged a supplier in the Prime Vendor Contracts, which utilized Interchange Group, Inc.'s ("Interchange") services, an amount equal to Interchange's charges plus an additional mark-up to PWC. (Interchange provided warehousing and consolidation services at the Virginia Inland Port in Front Royal, Virginia.) Contrary to the terms of the Prime Vendor Contracts, PWC included this charge as a component of the Delivered Price (as defined in the Prime Vendor Contracts) and sent an invoice to DLA reflecting an artificially inflated Delivered Price for a product. Thus, PWC knowingly and willfully took a profit of \$551 in connection with the services that Interchange performed on this product reflected on one invoice. This \$551 profit that PWC obtained was separate from the profit that PWC obtained through the Distribution Price that PWC charged for the sale of this product. Thus, PWC knowingly converted to its own use \$551 of government funds, in violation of Title 18, United State Code, Section 641.

J. DLA has determined under the authority of Federal Acquisition Regulation ("FAR") 9.406 that the terms and conditions of this Agreement provide adequate assurance that future dealings, if any, between the U.S. Government and PWC and its successors and operating subsidiaries, including, but not limited to Agility DGS, will be conducted with the high degree of honesty and integrity required of a U.S. Government contractor and suspension or debarment is not necessary at this time to protect the U.S. Government's business interests. The parties, therefore, agree to the following terms and conditions.

K. Furthermore, DLA has agreed as of the Effective Date of this Agreement to work as expeditiously as possible to remove PWC and all of its subsidiaries, affiliates, and related individuals from the list of Registrations with an Active Exclusion(s), as reflected on the General Services Administration's System for Award Management ("SAM") database. DLA will first remove from the list of Registrations with an Active Exclusion(s) PWC, its related individuals, and Agility DGS. DLA will then continue to remove from the list of Registrations with an Active Exclusion(s) the remaining subsidiaries and affiliates of PWC in the order set forth on the prioritized list provided to DLA by counsel for PWC on the Effective Date of this Agreement. DLA agrees to promptly update PWC or its representatives on the status of removal upon request, and DLA further agrees that all PWC affiliates, subsidiaries, and related individuals will be removed from the list of Registrations with an Active Exclusion(s) no later than sixty (60) days from the Effective Date of this Agreement.

ARTICLES

1. The "Effective Date" of this Agreement is May 23, 2017. The Effective Date is contingent upon the completion of the PWC, DOJ and DLA Settlement Agreements. "Completion" means the following: (i) a signed plea agreement regarding the aforementioned Criminal case referred to in Paragraph H of this Agreement; (ii) a signed settlement agreement regarding the Qui Tam suit referred to in Paragraph G of this Agreement; and (iii) a signed settlement agreement between DLA and PWC settling all ASBCA claims. Upon completion of all three events listed in i, ii, and iii, above, this Administrative Agreement becomes fully executable. The term of this Administrative Agreement shall last for two (2) years from the Effective Date.

2. PWC and Agility DGS shall implement policies, procedures, and internal controls relating to the maintenance and retention of documents related to the performance of U.S. Government contracts and subcontracts which shall be sufficient to allow for audit of Agility DGS's performance of U.S. Government contracts or subcontracts by cognizant U.S. Government audit authorities, as permitted under applicable U.S. laws and regulations, including the FAR. As appropriate, PWC and Agility DGS shall develop and implement business systems for accounting, estimating, and purchasing that are based on the applicable DoD FAR Supplement ("DFARS") business system requirements, are intended to comply with FAR Part 31 requirements, and are auditable by cognizant U.S. Government audit authorities. Records relating to PWC's and Agility DGS's performance of U.S. Government contracts or subcontracts shall be maintained for at least four (4) years after final payment of any affected contract, subcontract, or other agreement.

3. PWC shall maintain an Ethics and Compliance Program. Management and operation of the PWC Ethics and Compliance Program shall be the responsibility of the Chief Executive Officer ("CEO") of PWC, or that CEO's designee. The Ethics and Compliance Program shall be maintained so as to ensure that PWC and Agility DGS and the officers and employees of PWC and Agility DGS maintain the business honesty and integrity required of a U.S. Government contractor and that PWC's and Agility DGS's performance of each U.S. Government contract and subcontract is in compliance with all applicable laws, regulations, and the terms of the contract and subcontract. The Ethics and Compliance Program shall as a minimum include the following components:
 - (a) PWC shall continue to maintain and improve, as appropriate, The Agility Code of Business Ethics and Conduct, as adopted by PWC and as set forth in Appendix A hereto (the "Code"). The Code will continue to include (i) a statement of PWC's commitment to comply with all applicable laws and regulations in the conduct of its business; (ii) guidelines for PWC employees to follow in their business dealings on behalf of any PWC company; (iii) a notice that PWC shall immediately discipline, up to and including dismissal, any employee, officer, or director of PWC whose conduct violates applicable laws, regulations, PWC's Code, or basic tenets of business honesty and integrity; (iv) a requirement that employees report through PWC's established reporting mechanisms any impropriety relating to U.S. Government contracting of which they have knowledge

whether committed by an employee of PWC, or of the U.S. Government, or any other person, and whether the impropriety relates to violations of law, regulation, contract, PWC's Code, basic tenets of business honesty and integrity, or any other requirement; and (v) a notice that employees may report improprieties anonymously.

(b) PWC will continue to perform, through SAI Global or any alternative provider of good repute whom it may appoint, its regular and periodic compliance training of employees which shall, on a risk-based manner, be designed to ensure that employees are aware of all applicable laws, regulations, and standards of business conduct that employees are expected to follow and the consequences both to the employee and to their employer that will ensue from any violation of such laws, regulations or standards of conduct. For those employees directly involved in the administration of U.S. Government contracts, PWC shall provide additional training on the requirements of the FAR and the DFARS, including appropriate training based upon the employee's position, regarding preparation and submission of proposals for U.S. Government contracts, contract formation and administration, and the maintenance of contract-related documentation.

(c) PWC shall continue to operate toll-free global alert lines in order to enable employees to report suspected misconduct and violations of the Code. Agility DGS and its subsidiaries that participate in U.S. Government contracts shall post in a prominent place accessible to each of its employees, a copy of the DoD Hotline Poster (which includes the phone number to report fraud, waste, abuse or security violations to the DoD Office of Inspector General) and a notice publicizing the PWC Ethics Hotline number and detailing the company's commitment to comply with all applicable laws and regulations in the conduct of its business. PWC shall continue to publish the details of all toll-free numbers in its Code, as well as on PWC's corporate intranet site. Furthermore, PWC shall maintain its current policy of permitting employees to report violations anonymously and of prohibiting any retaliation against any employee as a result of his or her good faith reporting of an actual or suspected breach of the Code.

(d) Written materials and training related to the Ethics and Compliance Program shall be provided to employees of PWC and Agility DGS in English, Arabic or such other such language necessary to ensure that the relevant employees understand all elements of any written or oral presentation. New employees of Agility DGS and its subsidiaries shall receive these material and training within 30 days of their employment.

4. PWC agrees that all bids or proposals for all new U.S. Government prime contract work will be made by Agility DGS or one of its subsidiaries. Within thirty (30) calendar days after the Effective Date of this Agreement, Agility DGS shall select an Independent Monitor ("Monitor") under this Agreement. Agility DGS shall submit the proposed Monitor's name, resume, and contact information to DLA for DLA's approval. DLA shall inform Agility within fifteen (15) calendar days whether it approves Agility DGS's proposed Monitor. Once DLA has approved the selection by Agility DGS of the Monitor, if Agility DGS wishes to replace this selected Monitor, Agility DGS must gain the approval of DLA before contracting with the subsequent Monitor. The Monitor shall (i) evaluate the effectiveness of Agility DGS's Ethics and

Compliance Program; (ii) assess the ethical culture of Agility DGS as it relates to Agility DGS's Government contracting activities; (iii) review Agility DGS's policies, procedures, training and compliance as it relates to compliance with the provisions of the FAR and the DFARS; and (iv) report to DLA on Agility DGS's compliance with the terms of this Agreement no later than the end of the third month after the Effective Date of this Agreement.

(a) For a term ending two years after the Effective Date of this Agreement, the Monitor shall report quarterly to DLA regarding measures taken by Agility DGS to comply with this Agreement. The reports shall be provided directly to the Special Assistant for Contracting Integrity, with a copy to Agility DGS, and include: (i) summaries of actions taken by the Monitor and recommendations provided by the Monitor to Agility DGS regarding Agility DGS's Ethics and Compliance Program or this Agreement; (ii) indications of any problems or weaknesses identified in the Program, the corrective action(s) proposed or undertaken and the status of any such corrective action(s) and (iii) any recommended updates or enhancements to the Code to promote industry best practices relating to compliance and ethics programs.

(b) Agility DGS shall provide responses to any problems or weaknesses identified in prior Monitor reports to which it has not yet responded, as well as a plan for addressing the recommendations offered by the Monitor or an explanation why action is not being taken in response to a Monitor recommendation.

(c) The costs for any Monitor under this Agreement shall be treated as unallowable for Government contracting purposes and shall not be charged either directly or indirectly to any Government contract. Agility DGS agrees to account separately for such costs.

5. Agility DGS shall agree to designate Agility DGS Holdings, Inc. to accept any and all civil and criminal service of process in matters related to United States Government contracts. Agility DGS agrees that the designated agent will accept service of process in the United States, and that delivery of the summons and complaint by hand delivery or certified mail to the designated agent at the following address located in the United States: 1725 Duke Street #450, Alexandria, VA 22314, fulfills the United States Government's service of process requirements under the Federal Rules of Criminal Procedure and the Federal Rules of Civil Procedure. Agility DGS agrees that service of process on this designated agent will be effective and legally binding service for Agility DGS only. If Agility DGS changes its designated agent, or the delivery address where the designated agent can receive service, it will notify DLA within seven (7) days.

The designated agent described in this Article 5 shall not have authority to accept service of process on PWC or any other subsidiary or affiliate of PWC, other than Agility DGS, and any such attempted service of process on PWC or any of its subsidiaries or affiliates other than Agility DGS shall not be effective.

6. The CEO of PWC on the Effective Date is Tarek Sultan, and the CEO of Agility DGS is Daniel Mongeon. PWC and Agility DGS agree to notify DLA within seven (7) days, if either Mr. Sultan or Mr. Mongeon leaves their current positions and to provide the name(s) of their successor(s) to DLA upon appointment.

7. PWC represents to DLA that, to the best of PWC's knowledge, PWC is not now under criminal or civil investigation by any U.S. Government entity.

8. Agility DGS shall not knowingly employ, with or without pay, an individual who will perform work in connection with a U.S. Government contract or subcontract, who is listed by a Federal Agency as debarred, suspended, or otherwise ineligible for Federal programs. Agility DGS shall make reasonable inquiry into the status of any potential employee or consultant who will perform work in connection with a U.S. Government contract or subcontract. The salary of any officer, employee, or consultant removed from U.S. Government contracting in accordance with this Article 8 shall be treated as unallowable for U.S. Government contracting purposes and shall not be charged either directly or indirectly to any U.S. Government contract. PWC and Agility DGS agree to account separately for such costs.

9. Within sixty (60) days following the Effective Date of this Agreement, Agility DGS shall adopt a written internal operating policy that, in connection with any U.S. Government contract or subcontract, Agility DGS shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity that is listed by a Federal Agency as debarred, suspended, or proposed for debarment. A copy of the policy shall be provided to DLA. If Agility DGS concludes that, in connection with any U.S. Government contract or subcontract, there is a compelling reason to enter into any business relationship with any individual or business entity that is listed by a Federal Agency as debarred, suspended, or proposed for debarment, Agility DGS shall provide notice to the cognizant Contracting Officer and to DLA, prior to entering such a business relationship, along with the information required by the clause at FAR 52.209-6, "Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment."

10. PWC shall not seek reimbursement from the U.S. Government, either directly or indirectly, for legal or related costs expended or to be expended arising from, related to, or in connection with, the misdemeanor guilty plea referenced in the Preamble, DLA's independent administrative review of the present responsibility of PWC and its subsidiaries, affiliates, and related individuals, the negotiation and preparation of this Agreement, or the performance or administration of this Agreement. PWC shall treat these costs as unallowable costs for U.S. Government contract accounting purposes. Included in these unallowable costs are any legal or related costs expended on behalf of any PWC employee for the matters identified in this Article 10. Past, present, and future costs of maintaining, operating, and improving PWC's or Agility DGS's internal controls and Ethics and Compliance Program are allowable costs for purposes of this Agreement.

11. The parties agree to waive all claims, demands, or requests for monies of any kind or of whatever nature that the parties may have or may develop in the future that relate solely to this Agreement.

12. PWC hereby releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims to PWC arising out of the discussions leading to this Agreement. DLA hereby releases PWC and all of its related

subsidiaries and affiliates, and employees in their official and personal capacities, of any and all liability or claims to DLA arising out of the discussions leading to this Agreement.

13. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

14. PWC's and Agility DGS's compliance with the terms and conditions of this Agreement shall constitute an element of PWC's and Agility DGS's present responsibility for U.S. Government contracting.

15. PWC represents that all written materials and other information supplied to DLA by its authorized representatives during the course of discussions with DLA preceding this Agreement and before the Effective Date of this Agreement are true and accurate, to the best information and belief of the PWC signatories to this Agreement. PWC understands that this Agreement is executed on behalf of DLA in reliance upon the truth and accuracy of all such representations.

16. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

17. The provisions of this Agreement in no way alter or diminish the rights and responsibilities of the United States to carry out its lawful functions in any proper manner.

18. Tarek Sultan, as CEO of PWC is fully authorized to execute this Agreement and represents that he has authority to bind PWC. Daniel Mongeon, as CEO of Agility DGS is fully authorized to execute this Agreement and represents that he has authority to bind Agility DGS.

19. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Agreement. However, upon entering into this Administrative Agreement, all the parties agree that they contemplate a full resolving and finality to the DOJ and DLA ASBCA matters, which are referenced herein, and are to be resolved in the manner set forth in Article 1. The exception to the first sentence in this Article 19 is that if final court action does not occur that would finalize the settlements referenced in Article 1, thereby ending the litigation between DOJ, DLA and PWC, or if for any reason the settlement agreements between DOJ, DLA and PWC referenced in Article 1 are revoked by any party, this Administrative Agreement is void in its entirety.

20. Any notices or information required hereunder shall be in writing and delivered or mailed as follows:

If to PWC or Agility DGS, to:

Attention: Group General Counsel
c/o Agility Public Warehousing Company KSCP

P.O. Box 25418
Safat 13115
Kuwait

with electronic copy and additional paper copy delivered to:

Richard Marmaro
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Suite 3400
Los Angeles, CA 90071
Richard.marmaro@skadden.com

Kristin N. Tahler
Quinn Emanuel Urquhart & Sullivan LLP
865 South Figueroa Street
Los Angeles, CA 90017
kristintahler@quinnemanuel.com

If to DLA, to:

James M. Coyne
General Counsel and Special Assistant for Contracting Integrity
Defense Logistics Agency (DG)
8725 John J. Kingman Road, Suite 1644
Fort Belvoir, VA 22060-6221

with electronic copy and additional paper copy delivered to:

B. Patrick Costello
Chief of Business Integrity and Procurement Fraud
Defense Logistics Agency (DG)
8725 John J. Kingman Road, Suite 1644
Fort Belvoir, VA 22060-6221
Patrick.Costello@dla.mil

or such other address as any party shall have designated by notice in writing to the other party.

21. This Agreement may be amended or modified only by a written document signed by both parties.

MA, 23, 2017
Date


for the DEFENSE LOGISTICS AGENCY

Date

22 May 2017

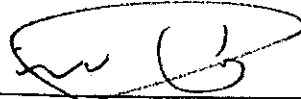
Date

for AGILITY PUBLIC WAREHOUSING
COMPANY K.S.C.P.

Daniel Blougen
for AGILITY DGS LOGISTICS SERVICES
CO. K.S.C.(C)

MAY 23, 2017

Date



for **AGILITY PUBLIC WAREHOUSING
COMPANY K.S.C.P.**

Date

for **AGILITY DGS LOGISTICS SERVICES
CO. K.S.C.(C)**