



AGREEMENT REGARDING SALES TO MINORS

ExxonMobil and Walgreens Agreements

Attorney General Bill Lockyer and the other chief law enforcement officers of 42 other states, the District of Columbia and two U.S. territories reached an agreement with Exxon Mobil Corp. (ExxonMobil) in August 2002 regarding tobacco sales to minors. A similar agreement was previously reached in February 2002 between Attorney General Lockyer and the Attorneys General of 39 other states with Walgreens. Among other things, the agreements require that these corporations adopt standards that relate to the hiring and training of employees and the checking of identification of all customers who appear to be under the age of 27, and establish "mystery shopper" programs. The agreements also prohibit self-service displays of cigarettes and other tobacco products; the sale of cigarette papers or pipes to minors; and the distribution of free tobacco product samples stores.

These agreements are offered to local communities as examples of good business standards that are already being followed by retailers and that all responsible retailers should be willing to adopt. They might be used in the following ways: 1) community groups may try to negotiate similar voluntary standards with local chains; 2) community groups may work with their District Attorney or City Attorney to negotiate similar agreements as part of a Business and Professions Code 17200 (unfair business practices) violation with local chains that have tobacco sales rates higher than other local chains or have been found in violation of tobacco control laws; 3) some of the provisions may be referred to in local ordinances as reflecting "the standard of business practice"; 4) community groups may monitor Exxon and Walgreens stores for compliance with the standards and report possible violations to the California Attorney General's Tobacco Litigation and Enforcement Section. Contact them at their Tobacco Complaint Line at (916) 565-6486 or use the [e-mail Complaint Form](#) so they can check out the situation and take appropriate action.



ExxonMobil Agreement

In the matter of
EXXON MOBIL CORPORATION

ASSURANCE

BACKGROUND

WHEREAS, more than 80 % of regular adult smokers began smoking as children;

WHEREAS, every day in the United States more than 2,000 children begin smoking cigarettes, and one third of those children will one day die from a tobacco-related disease;

WHEREAS, it has been shown that the younger a person begins smoking, the more likely it is that he or she will be unable to quit in later life and will suffer a disease attributable to tobacco use;

WHEREAS, recent studies indicate that youth demonstrate signs of addiction after smoking only a few cigarettes;

WHEREAS, the federal Food & Drug Administration (“FDA”) indicates that, as an average among U.S. retailers, one in every four attempts by a person 15 to 17 years old to purchase cigarettes over the counter results in a sale;

WHEREAS, an estimated 690 million packs of cigarettes are sold illegally to children each year nationwide, and 47 % of youth who report buying cigarettes identify gas stations as their primary point of purchase, and another 27 % identify convenience stores;

WHEREAS, more than 400,000 Americans die each year from diseases caused by tobacco use;

THEREFORE, Exxon Mobil Corporation (hereafter referred to as “ExxonMobil”), recognizing the need to step forward and demonstrate its commitment to responsible marketing of this age-restricted product and to the health and welfare of our nation’s youth, agrees to enter into the following Assurance.

AGREEMENT

1. This Assurance is entered into by the Attorneys General of Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Northern Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virgin Islands, Virginia, Washington, West Virginia, Wisconsin and Wyoming (collectively “the Attorneys General”)¹ on behalf of their respective jurisdictions (collectively “the States”) and ExxonMobil.
2. This Assurance follows an analysis of compliance check data collected by the FDA and by state authorities under the Synar Amendment, section 1926(b)(2) Public Health Service Act [42 USC 300x-26(b)(2)] 1992. Such data indicates that retail outlets operating under the Exxon or the Mobil trademark made tobacco sales to persons under the age of 18 in numerous controlled compliance checks. The Attorneys General claim that such sales, and/or the corporate policies and practices that result in such sales, violate the Consumer Protection statutes² and/or other laws of their respective states.

¹ Of the jurisdictions listed, Georgia is not represented by its Attorney General, but by the Administrator of the Fair Business Practices Act, and the District of Columbia is represented by its Corporation Counsel. The term “Attorneys General” as used herein, as it pertains to Georgia refers to the Administrator of the Fair Business Practices Act, and as it pertains to the District of Columbia refers to its Corporation Counsel. With regard to Virginia, this document will be titled an “Agreement.”

² A.R.S. § 44-1521 et seq. (AZ); Arkansas Code Annotated 4-88-101 et seq.; Cal.Civ.Code §1750 (West) and Cal. Bus. & Prof. Code §§17200 & 17500 (West) (CA); Conn. Gen. Stat. § 42-110a et seq. (1993) (CT); 6 Del. C. 2512 et seq. and 6 Del. C. 2531 et seq. (DE); D.C. Code, 2001 Ed. § 28-3901, et seq. (DC); Fla. Stat. Ann.

3. ExxonMobil is a publicly held corporation, with its principal place of business in Irving, Texas. ExxonMobil operates, either itself or through affiliates or agents, motor fuel outlets and associated convenience stores which sell, among other things, tobacco products. Such retail outlets are hereinafter referred to as "CORS." In addition, ExxonMobil enters into motor fuel sales contracts and leases with others permitting such others to operate retail motor fuel outlets with associated convenience stores using the Exxon or the Mobil trademark and the On The Run mark ("Franchisees").
4. ExxonMobil has expressed its commitment to employing tobacco retailing practices which are designed to prevent the sale of tobacco products to minors. Without admitting liability for any of the acts or practices described or referred to herein, ExxonMobil agrees to enter into this Assurance and to abide by the provisions set forth below in connection with its activities in each signatory state.
5. This Assurance shall be binding on ExxonMobil, and on its officers, employees, successors, assigns, and agents.
6. The parties reserve the right to discuss the viability of any or all of these provisions as they are implemented, having due regard for changes in laws and regulations, as well as changes in equipment, technology, or methodology of retail sales over time. In particular, to the extent that unlawful underage sales occur in spite of ExxonMobil's compliance with the provisions of this Assurance, the States expressly reserve any and all enforcement options available for addressing such non-compliance, including without limitation the right to renew discussions with ExxonMobil for the purpose of establishing additional and/or different practices, policies, or procedures designed to eliminate or further reduce underage tobacco sales. Any modifications to this Assurance shall be by written agreement of the affected parties.
7. This Assurance is intended to resolve only such claims of the Attorneys General as may arise from Consumer Protection jurisdiction over ExxonMobil's acts and practices relating to the tobacco sales to minors occurring prior to the execution of this Assurance by ExxonMobil. Nothing herein shall affect other remedies available to any state or local jurisdiction in connection with a past or future underage sale of tobacco at a particular retail location, including fines, administrative penalties, permit suspensions, or any other remedy, sanction, or penalty that may be available to state or local authorities under applicable law.
8. This Assurance may be executed in counterparts.
9. No provision of this Assurance is intended or shall be interpreted to authorize conduct in violation of applicable local, state or federal law, which law supersedes any and all terms of this Assurance in conflict with such law.
10. The tobacco retailing practices set forth herein relate to efforts to prevent persons under legal age from

§501.201 (West) (FL); O.C.G.A. 10-1-390 et seq. of the Fair Business Practices Act (GA); Haw. Rev. Stat. § 481A-1 et seq. (HI); Idaho Code Section 48-601 et seq.; Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 et seq.; Iowa Code § 714.16 (2001); K.S.A. 50-623, et seq. (KS); KRS 367.110-367.300 (KY); La. Rev. Stat. Ann. §51:1501 (West) (LA); Me. Rev. Stat. Ann. tit. 5 §206 et seq. and tit. 10 § 1211 (ME); Maryland Annotated Code, Commercial Law Article, §§13-101 et seq.; M.G.L. c. 93A (MA); M.C.L. 445.901 et seq., M.S.A. 19.418(1) et seq. (1994) (MI); Minn. Stat. § 325F.68-.69 (prevention of consumer fraud) and § 325D.43-.48 (2000)(MN); Miss. Code Ann. §75-24-1 (MS); Mont. Code Ann. § 30-14-101 et seq. (MT); Neb.Rev.Stat. §87-301 to §87-306 (Reissue 1999)(NE); Nevada Revised Statutes Chapter 598; NH Rev.Stat.Ann. 358-A (1995 Michie Butterworth, and Supp. 2001 West) (NH); N.J.S.A. 56:8-1 et seq. (NJ); NMSA 1978, §§57-12-1 et seq. (NM); New York Executive Law §63(12) and General Business Law Article 22-A; 1 CMC § 5101 et seq. of the Commonwealth Code (Northern Marianas Islands); R.C. 1345.01 et seq. (OH); 15 O.S. (1991) §§ 751 et seq. (OK); ORS 646.605, et seq. (OR); 73 P.S. §§201-1 et seq. (PA); R.I. General Laws §§ 11-9-13, 11-9-13.1 through 11-9-13.16, and 11-9-14 (RI); S.C. Code Ann., §39-5-10 et seq. (1976, as amended) (SC); S.D. Codified Laws Ann. Chapter 37-24 (SD); Tenn. Code Ann. §47-18-101 (TN); Tex. Bus. & Com. Code Ann. §17-41 (Vernon) (TX); Utah Code Ann. §§13-5-1 through 13-5-18 & 13-11-1 through 13-11-23; Vermont Consumer Fraud Act, 9 V.S.A. §2451 et seq. (VT); V.I. Code Ann. Tit. 12A VIC, §§ 101 to 123 Consumer Protection Law of 1973 (Virgin Islands); Virginia Consumer Protection Act, Va. Code § 59.1-196 et seq.; Wash. Rev. Code Ann. §19.86.020 (WA); W. VA Code 46A-1-101 et seq. (WV); Wis. Stat. § 100.18(1) (WI); Wyo. Stat. §40-12-101 et seq. (WY).

having access to and using tobacco. Although tobacco is not the only item to which youth access is restricted, the term “youth access” is used herein as a shorthand reference to age restrictions on tobacco only. The term “tobacco” is intended to include cigarettes of all kinds (including bidis), cigars, loose tobacco, chewing tobacco, and snuff.

The provisions of this Section 10 (I through V) relate only to ExxonMobil's hiring and training of its employees and other practices relating to the sale of tobacco products in CORS retail outlets, and do not relate to any practices and operations of any of the Franchisees except as provided in Section 12 of this Assurance.

I.
Personnel Practices Relating to the Sale of Tobacco Products to Minors

ExxonMobil shall implement the following personnel practices with respect to its employees relating to youth access:

A. Hiring

1. ExxonMobil shall not hire anyone under the legal age for purchasing tobacco for a position that may involve selling tobacco.
2. As part of the employment interview process, ExxonMobil shall inform applicants for positions that may involve selling tobacco, or supervising anyone who sells tobacco, of the importance of compliance with laws relating to youth access. The information ExxonMobil provides shall include references to ExxonMobil's business practices, legal consequences, and health concerns associated with youth access.
3. ExxonMobil shall ask all applicants for positions as store managers about past violations of prohibitions on selling or supplying tobacco to minors by that person or anyone under that person's supervision, and shall give any such violations due consideration in the hiring decision.
4. ExxonMobil shall inform each new hire for a position that may involve the sale of tobacco, before he or she assumes any job responsibilities, that: (a) the employee's compliance with youth access laws and policies will be taken into account in connection with compensation, promotion, and retention decisions; (b) ExxonMobil actively monitors employee compliance with youth access laws and policies by instructing on-site managers to assess performance on an on-going basis, by checking security tapes periodically, and by conducting internal and external compliance check programs; and (c) failure to comply with youth access laws and policies may constitute grounds for discharge. ExxonMobil also shall provide the new hire this information in writing and shall require the employee to sign an acknowledgment that he/she has read and understands the information provided.

B. Training

1. Before assuming any job duties that involve or may involve the sale of tobacco, an employee shall receive comprehensive training in the laws and company policies relating to tobacco.
2. Such training shall be performed by a person experienced in providing youth access training, and shall include, at a minimum, the following components:
 - a. A review of applicable federal, state, and local laws relating to youth access.
 - b. A review of all ExxonMobil business practices relating to youth access.
 - c. An explanation of the reasons that the law and ExxonMobil business practices deem youth access an important matter, with appropriate references to: (i) the age of most beginning users (currently the average age is 14); (ii) the fact that nicotine is addictive,

and that young people may show signs of addiction after smoking only a few cigarettes; (iii) the fact that the younger a person becomes a regular tobacco user the more likely it is that he or she will become addicted and will suffer serious health damage; and (iv) the fact that more than 400,000 Americans die each year from tobacco-related diseases.

- d. A review of the range of tobacco products, and, where applicable, smoking paraphernalia sold by ExxonMobil, to which ExxonMobil business practices and/or youth access laws apply.
 - e. A review of the law and ExxonMobil business practices and procedures relating to requiring identification, including: (i) the age that triggers the I.D. requirement; (ii) acceptable forms of I.D.; (iii) features of an I.D. that must be checked, with particular emphasis on the government-issued forms of identification most commonly possessed by adults in the market area; (iv) how to tell if an I.D. may have been altered or is being misused; and (v) what an employee is to do if an I.D. appears altered or misused.
 - f. An explanation of the fact that many illegal sales are made to minors who produce I.D.s showing that they are in fact under the legal age, and the importance of devoting the time and effort needed to perform the necessary calculation to establish that a customer is of age.
 - g. A review of prescribed methods, practical techniques, and stock phrases (where appropriate) for handling the following recurring situations: (i) asking for I.D.; (ii) making the necessary age calculation; (iii) declining to make a sale based on concerns relating to whether the I.D. has been altered or is being misused; (iv) declining to make a sale for failure to have an I.D.; (v) recognizing a potential “third party” sale; (vi) declining to make a sale that appears to be a “third party” sale; (vii) declining to make a sale of smoking paraphernalia; (viii) resisting customer pressure and handling a customer’s abusive conduct; (ix) special challenges associated with declining to sell tobacco to underage persons who are friends, acquaintances, and/or peer group members, and techniques and methods for meeting such challenges; and (x) contacting the police when required by ExxonMobil business practices to do so.
 - h. Actual practice of the methods, techniques, and phrases to be employed in the situations described in the preceding paragraph, in the form of role plays.
 - i. A review to establish that the employee has fully acquired the knowledge required to perform in accordance with the laws and ExxonMobil’s business practices relating to youth access, including the use of role plays in order to ensure that the employee can perform properly in the situations referred to in subparagraph g above. ExxonMobil shall provide supplemental training to ensure that any weaknesses identified by such testing are remedied before tobacco responsibilities are assumed.
 - j. Instruction that an employee is not required to make a tobacco sale, and must decline to do so, if the circumstances reasonably suggest that doing so would violate the laws or ExxonMobil business practices regarding youth access.
3. ExxonMobil shall provide all employees who have responsibilities relating to tobacco, but who are not new hires, additional training periodically to ensure that they maintain the requisite knowledge, skill, and motivation. Such training shall occur no less frequently than annually and shall include at minimum: a review of the applicable laws and ExxonMobil’s written business practices on youth access; an updated review of performance by the company and the particular outlet on internal and external compliance checks; and a discussion of specific compliance check performance goals and ways to attain those goals. ExxonMobil shall require that each employee upon completion of such training sign an acknowledgment that he or she has read and understands the information provided.
4. In the event that an employee sells tobacco products to minors in violation of state or local laws,

or fails to pass an internal or external compliance check pursuant to subsections III.B or C of this Section 10, ExxonMobil shall provide additional training to the employee as soon as possible, and within no more than thirty (30) days of ExxonMobil's receipt of notice of such violation and a final determination by the authority issuing such notice that the violation has occurred.

II. Support Tools

1. ExxonMobil shall, to the extent reasonably and technically practicable, program its cash registers to (i) lock when a tobacco product is scanned; (ii) prompt the employee to I.D. the customer; (iii) require the clerk to enter the birth date shown on the I.D., or, if it cannot be programmed in that manner, display the date on or before which the customer must have been born in order to make a legal tobacco purchase; and (iv) indicate whether the tobacco sale can proceed.
2. In addition to meeting whatever signage and posting requirements or restrictions may be embodied in local, state or federal law, ExxonMobil shall post signs (at minimum) as follows, with all prescribed messages conspicuously presented: On each door by which a customer may enter the establishment (facing out), at each cash register at which tobacco is sold, at each tobacco product display, and on the door by which employees leave the employee area, a sign indicating that a person must be 18 to buy tobacco and that I.D.s are checked on all persons appearing to be under age 27.
3. Each person with responsibility for selling tobacco shall be reminded each time he or she begins a shift of the importance of performing proper I.D. checks for tobacco purchases, through a sign-in sheet, a cash register prompt, or other means.
4. ExxonMobil shall monitor developments in technology relating to electronic age verification devices and systems and, to the extent reasonably practicable, will consider employing such devices and systems. Nothing in this agreement requires or sanctions practices that involve the retention of information identifying individual purchasers.

III. Self-Monitoring and Other Measures to Ensure Compliance

A. Supervision and Accountability at CORS Locations

1. ExxonMobil shall instruct the on-site supervisor immediately upon assuming responsibility for supervising employees selling tobacco to monitor staff compliance with youth access laws and ExxonMobil business practices on an on-going basis, and shall inform the supervisor that instances of compliance and non-compliance with youth access laws and ExxonMobil business practices on the part of those supervised will be given serious consideration in connection with that supervisor's periodic performance review and in connection with subsequent decisions relating to the supervisor's compensation, promotion, and retention.
2. Each store manager shall report all notices of violations of federal, state, and local laws concerning the sale of tobacco products to minors received at the store to a designated person in ExxonMobil's corporate offices where responsibility for management of ExxonMobil's CORS locations is located within three business days of receipt of notice of the alleged violation. Such ExxonMobil corporate office shall maintain a record of all violations occurring within the previous three years.
3. Each ExxonMobil employee shall be informed that, to the extent that his or her job performance is reflected in the compliance or non-compliance of other employees or contractors with youth access laws and ExxonMobil business practices, ExxonMobil will give such compliance or non-compliance consideration in connection with his or her compensation, promotion, and retention (as applicable). This paragraph applies to all employees and contractors whose duties include hiring, retention, training, and/or supervision of employees or contractors with responsibilities relating to youth access.

B. Internal Compliance Checks at CORS Locations

1. ExxonMobil shall implement and maintain a program of internal compliance checks designed to determine whether CORS locations and staff thereat are in compliance with youth access laws and ExxonMobil business practices. This program shall at minimum have the following features:
 - a. ExxonMobil shall support compliance checks with the secrecy and procedures necessary to ensure that those whose compliance is being checked (both clerks and supervisors responsible for the performance of the clerks) have no reason to know that a given attempt to purchase tobacco is a compliance check.
 - b. ExxonMobil shall perform compliance checks at varying or random times of the day at each CORS location no less frequently than once every six months. In addition, each employee who fails a compliance check and who continues to have responsibilities that may involve the sale of tobacco shall receive another compliance check within thirty days of the failed check, and the outlet (but not the employee who failed the check) shall receive another compliance check within sixty days of the failed check.
 - c. The compliance check shall (i) where it is legal to do so, use a person who is under legal age to buy tobacco (a 17 year old where the legal age is 18, an 18 year old where the legal age is 19), in order to test both whether I.D. is being requested as required and whether sales are made in spite of the presentation of a valid I.D. accurately showing the tester's age; or (ii) where the above procedure is not permitted by law, use a person of legal age to buy tobacco who is within the age range requiring that he or she be asked to produce I.D., in order to test whether I.D. is requested as required by the employee responsible for the tobacco sale transaction being checked.
 - d. In the event of a failed compliance check, the supervisor shall without delay inform the non-complying employee of the test result, instruct the employee on what constitutes proper compliance, and caution the employee to avoid further instances of non-compliance. In addition, a company representative shall meet with the non-complying employee at the earliest practicable time for the purpose of informing him/her of the consequences of the violation and any subsequent violations, providing remedial training and testing (if the employee is being retained), and informing the employee that he or she will be the subject of additional compliance checks in the future.
 - e. An employee who passes a compliance check and his/her immediate supervisor shall at the earliest practicable time be informed of the success and reminded that passing a compliance check is noted in personnel records and is taken into account in company decisions relating to compensation, promotion, and retention. ExxonMobil shall provide tangible rewards such as store- or company-wide recognition to such employees.
2. The Attorneys General agree not to institute legal proceedings under the statutes set out in footnote 1 based on any tobacco sales that are made during internal compliance checks conducted pursuant to this section.

C. External Compliance Checks

In addition to the internal compliance checks described above, ExxonMobil shall, in consultation with the Attorneys General, arrange for an independent entity reasonably acceptable to the Attorneys General to perform compliance checks consistent with an agreed protocol each six months at 150 or more randomly selected CORS locations that sell tobacco. The independent entity shall be instructed to conduct two separate checks at each selected store for the purpose of obtaining an accurate and reliable indication of actual employee practices in connection with tobacco sales, rather than for the purpose of ensuring favorable results, and successful performance by a selected store shall consist of passing both of the separate checks. These external checks shall be performed in the same manner as the internal checks, but with the following provisos:

1. The independent entity will randomly select which outlets will be checked, and no outlet selected to be checked will be identified to ExxonMobil, directly or indirectly, until after the check of that outlet is completed.
2. ExxonMobil shall require that the results of the external checks be reported by the independent entity to a person designated by the participating Attorneys General to receive such reports at the same time as they are reported to ExxonMobil.
3. For purposes of retaining an independent entity to perform the external compliance checks, ExxonMobil shall evaluate the performance of the entity on the basis of the competency of the entity's performance in obtaining an accurate and reliable indication of actual employee practices in connection with the sale of tobacco, rather than on the basis of whether the results were favorable.
4. ExxonMobil shall cooperate in providing access to information relating to the performance and results of the external compliance checks, including the terms of the agreements with the independent entity and interviews with those with responsibility for performing the checks, upon request of a participating Attorney General.
5. The Attorneys General agree not to institute legal proceedings under the statutes set out in footnote 1 based on any tobacco sales that are made during external compliance checks conducted pursuant to this section.

D. Video-tapes

In all CORS locations that have one or more security cameras designed and placed to video-tape transactions at the cash register, ExxonMobil shall adopt the following procedures:

1. The security cameras shall continuously video-tape sales transactions at the cash register.
2. Supervisory personnel shall periodically review portions of the tapes in order to monitor compliance with youth access laws and policies on the part of each employee who sells tobacco, such review to occur at least twice each year in each store. The review shall cover enough tobacco sales transactions involving young customers to permit a realistic assessment of whether the employee is in compliance.
3. Such reviews shall be conducted in a manner that does not permit an employee to predict which shifts or transactions are likely to be reviewed.
4. As soon as practicable after each review is performed, the supervisor shall meet with the employee whose performance was reviewed for the purpose of informing him/her of the fact that a review was performed and discussing the employee's performance. Employees who performed well shall be commended. If it is determined as a result of the review that an employee failed to comply with youth access laws and policies, ExxonMobil shall inform the employee of the consequences of the violation and any subsequent violations, shall provide remedial training and testing (if the employee is being retained), and shall inform the employee that he or she will be the subject of an additional compliance check in the future.
5. ExxonMobil shall display a clear and conspicuous sign at or near the cash register informing customers that security cameras are used to detect underage attempts to buy tobacco.

E. Electronic I.D. Scanning Systems and/or Cash Register Locks

To the extent that electronic systems store data that would assist in evaluating whether the systems are being properly used by employees, ExxonMobil shall review such data periodically, use it to assess employee performance, and provide remedial training and support, as necessary, for those employees who, in ExxonMobil's estimation, appear to need it. Such data shall be made available for review by a participating attorney general, upon request.

F. Youth Access Compliance Designee

ExxonMobil shall designate a senior-level employee to be responsible for assuring compliance with the terms of this Assurance and, more generally, for taking the steps necessary to improve compliance with youth access laws, including reviewing reports of violations of laws concerning the sale of tobacco products to minors (see 10.III.A.2, above).

**IV.
Vendor-Assisted Sales**

- A. ExxonMobil shall display and store all tobacco products in a format that does not permit a customer to take possession of the product without requesting an employee's assistance in retrieving it from a restricted-access location.
- B. No vending machines shall be used to sell tobacco products at CORS locations.

**V.
Other Tobacco Business Practices**

A. Written Business Practices

ExxonMobil business practices relating to tobacco shall be in writing. ExxonMobil shall provide a copy to each employee who sells tobacco, and shall do so within sixty days of the execution of this Assurance, or upon assumption of tobacco sales responsibilities if that occurs thereafter. Tobacco policies intended to prevent underage tobacco sales shall be no less stringent or comprehensive than policies intended to prevent underage alcohol sales, except where differences in the law require differences in policy. ExxonMobil business practices shall, at minimum, embody the standards and practices relating to personnel, support tools, self-monitoring, and vendor-assisted sales set forth in this Assurance and shall also include the following business practices:

- 1. Requiring that no one under the legal age for purchasing tobacco is permitted to purchase smoking paraphernalia including lighters, matches, cigarette papers, and pipes.
- 2. Youth access to tobacco shall be given comparable treatment to underage access to alcohol in employee training and discipline, as well as in other aspects of company operations.
- 3. Requiring that store personnel make every reasonable effort to cooperate in the enforcement of applicable youth access laws, by making timely reports to law enforcement authorities of violations of laws (a) prohibiting the possession, purchase, or attempts to purchase tobacco by minors; (b) prohibiting persons from supplying tobacco to minors; (c) prohibiting the theft of tobacco; and (d) prohibiting the alteration or misuse of a government-issued I.D. in connection with an attempt to purchase tobacco.
- 4. Prohibiting the sale of single cigarettes or other modes of packaging cigarettes in packs with fewer than twenty (i.e., so-called "kiddie packs").
- 5. Prohibiting the distribution of free samples of tobacco products on store property.
- 6. Requiring that an I.D. be checked in connection with tobacco purchases and tobacco paraphernalia purchases by persons appearing to be under age 27.
- 7. Prohibiting the sale of non-tobacco products which are designed to look like tobacco products, such as bubble gum cigars or candy cigarettes.

8. Unless otherwise provided by law, requiring only the following forms of photo-I.D. -for purposes of establishing legal age to purchase tobacco: (a) Driver's License; (b) State-Issued Identification Card; (c) U.S. Passport; (d) Military Identification Card; and (e) U.S. Immigration Card.

B. Policies provided to Attorneys General

ExxonMobil shall provide a copy of written business practices that it adopts pursuant to paragraph V.A of this Assurance in order to comply with the standards set forth herein to a person or persons designated by the Attorneys General within sixty days of its execution of this Assurance, and thereafter shall provide copies of any changes or modifications to such written business practices to a person or persons designated by the Attorneys General to receive them within thirty days of such change or modification.

11. ExxonMobil knowingly and voluntarily agrees to adopt and to implement at all CORS locations the tobacco retailing business practices set forth in this Assurance, and to do so within sixty days of the date of execution of this Assurance by ExxonMobil.
12. ExxonMobil shall make good faith efforts to effect compliance on the part of each non-CORS outlet permitted by ExxonMobil to display the Exxon or the Mobil trademark ("NCO outlet") with local, state, and federal laws and regulations relating to the sale of tobacco products to minors. Without limiting the foregoing, ExxonMobil shall, within ninety days of its execution of the Assurance:
 - a. Provide each Franchisee who operates an NCO outlet to which ExxonMobil directly supplies motor fuels and each Franchisee who supplies motor fuels to an NCO outlet correspondence reminding them of the importance of preventing underage sales of tobacco products, the seriousness of complying with laws regarding youth access to tobacco, and noting the fact that failure to comply with such laws could constitute grounds for termination or non-renewal of their right to operate under the Exxon and/or Mobil trademark at the non-complying outlet. In the case of correspondence to each Franchisee who supplies motor fuels to an NCO outlet, such correspondence shall also request the Franchisee to provide a copy of the correspondence to each outlet to which the Franchisee supplies motor fuels and to confirm having done so. Thereafter, correspondence from ExxonMobil bearing the same message will be sent annually to each such Franchisee.
 - b. Offer each Franchisee who operates an NCO outlet to which ExxonMobil directly supplies motor fuels and each Franchisee who supplies motor fuels to an NCO outlet the opportunity to participate in ExxonMobil's Internal and/or External Compliance Check programs described above at Parts III.B. & C, respectively, which offer may include the requirement that the NCO outlet pay the reasonable cost of its participation.
 - c. In evaluating available legal options to discipline, terminate or non-renew the franchise agreement of an NCO outlet, ExxonMobil will give appropriate consideration under the circumstances in its discretion to violations of laws restricting underage access to tobacco.
 - d. Incorporate provisions into all franchise agreements with NCO outlets, at the time such agreement is initiated or renewed, requiring that the NCO outlet (1) not permit on the marketing premises the sale of tobacco products to underage persons; and (2) notify ExxonMobil within five business days, in writing, of any Notices of Violation received from local, state or federal authorities concerning the sale of tobacco to minors.

13. ExxonMobil agrees to pay, within thirty days of its execution of this Assurance, the sum of \$100,000 to the States, made payable to such accounts and addresses as the Attorneys General may direct. Such sum is to be divided by the States as they may agree and is to be used by the individual States for attorneys fees or costs of investigation, or it shall be placed in or applied to consumer education, public protection, or local consumer aid funds, including for implementation of programs designed to decrease possession and use of tobacco by minors, or for any other purpose authorized by state law at the sole discretion of each State's Attorney General or as otherwise required by law.

DATED: August 7, 2002

EXXON MOBIL CORPORATION

By: _____
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Vice President
Exxon Mobil Corporation

BILL LOCKYER
Attorney General
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State of Wyoming



Walgreens Agreement

In the matter of
WALGREEN CO.

ASSURANCE OF VOLUNTARY COMPLIANCE

BACKGROUND

WHEREAS, the undersigned Attorneys General believe that underage access to tobacco products constitutes a severe and continuing threat to public health based on the following facts:

- more than 80% of regular adult smokers began smoking before the age of eighteen;
- every day in the United States more than 2,000 persons under the age of eighteen begin smoking cigarettes, and one third of those persons will one day die from a tobacco-related disease;
- it has been shown that the younger a person begins smoking, the more likely it is that he or she will be unable to quit in later life and will suffer a disease attributable to tobacco use;
- recent studies indicate that youth demonstrate signs of addiction after smoking only a few cigarettes;
- the federal Food & Drug Administration ("FDA") indicates that, as an average among U.S. retailers, one in every four attempts by a person 15 to 17 years old to purchase cigarettes over the counter results in a sale;
- an estimated 690 million packs of cigarettes are sold illegally to persons under the legal age to buy cigarettes each year nationwide;
- more than 400,000 Americans die each year from diseases caused by tobacco use;

THEREFORE, the Walgreen Co. (hereafter referred to as "Walgreens"), recognizing the need to step forward and demonstrate its commitment to responsible marketing of this age-restricted product and to the health and welfare of our nation's youth, agrees to enter into the following Assurance of Voluntary Compliance.

AGREEMENT

1. This Assurance of Voluntary Compliance ("Assurance") is entered into by the Attorneys General of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming (collectively "the Attorneys General")¹ on behalf of their

¹ Of the states and commonwealths listed, Georgia is not represented by its Attorney General, but by the Administrator of Fair Business Practices Act. The term "Attorneys General" as used herein, as it pertains to Georgia, refers to the Administrator of the Fair Business Practices Act. For Maine, Vermont, and West Virginia, in which Walgreens has no retail outlets as of the date this Assurance is executed, the Assurance shall apply if and when Walgreens develops or acquires a retail outlet in such state. With regard to Virginia, this document will be titled an "Agreement."

respective states and commonwealths (collectively "the States") and Walgreens. The provisions of this Assurance shall apply in the above-referenced States.

2. This Assurance follows an analysis of compliance check data collected by the FDA and by state authorities under the Synar Amendment, section 1926(b)(2) Public Health Service Act [42 USC 300x-26(b)(2)] 1992. Such data indicates that retail stores and pharmacies (hereafter, "stores") operating under the Walgreens name made tobacco sales in the above-referenced States to persons under the age of 18 in controlled compliance checks. The Attorneys General claim that such sales, and/or the corporate policies and practices that result in such sales, violate the Consumer Protection statutes of their respective States.
3. Walgreens is a publicly held corporation, with its principal place of business in Deerfield, Illinois. Walgreens operates stores which sell, among other things, tobacco products.
4. Walgreens has expressed its commitment to employing tobacco retailing practices which are designed to prevent the sale of tobacco products to minors. Without admitting liability for or commission of any of the unlawful acts or practices described or referred to herein, Walgreens agrees to enter into this Assurance of Voluntary Compliance which shall be binding on Walgreens, and on its subsidiaries, successors and assigns.
5. The parties reserve the right to discuss the viability of any or all of these provisions as they are implemented, having due regard for changes in laws and regulations, as well as changes in equipment, technology, or methodology of retail sales over time. Any modifications to this Assurance shall be by written agreement of the parties.
6. This Assurance is intended to settle all claims of the Attorneys General as may arise from Consumer Protection jurisdiction² over Walgreens' acts and practices relating to tobacco

² §13A-12-3, Code of Alabama (1975) (AL); A.R.S. §44-1521 et seq. (AZ); Arkansas Code Annotated 4-88-101 et seq. (AK); Cal. Civ. Code §1750 (West) and Cal. Bus. & Prof. Code §§17200 & 17500 (West) (CA); Colorado Consumer Protection Act, §§6-1-101, et seq., C.R.S. (2001) CO); Conn. Gen. Stat. §42-110a et seq. (1993) (CT); Fla. Stat. Ann. §501.201 (West) (FL); O.C.G.A. 10-1-390 et seq. of the Fair Business Practices Act (GA); Idaho Code Section 48-601 et seq. (ID); Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS §505/1 et seq. (IL); Iowa Code §714.16 (2001) (IA); K.S.A. 50-623, et seq. (KS); KRS 367.110-367.300 (KY); La. Rev. Stat. Ann. §51:1501 (West) (LA); Me. Rev. Stat. Ann. tit. 5 §205-A et seq. and tit. 10 §1211 (ME); Maryland Annotated Code, Commercial Law Article, §§13-101 et seq. (MD); M.G.L. c. 93A (MA); MCL445.901 et seq. (MI); Minn. Stat. s. 325F.68-.69 (prevention of consumer fraud) and s. 325D.43-.48 (2000) (MN); Miss. Code Ann. §75-24-1 (MS); NH Rev. Stat. Ann. 358-A (1995 Michie Butterworth, and Supp. 2001 West) (NH); N.J.S.A. 56:8-1 et seq. (NJ); NMSA 1978, §§57-12-1 et seq. (NM); New York Executive Law §63 (12) and General Business Law Article 22-A (NY); O.R.C. § 1345.01 et seq. (OH); 15 O.S. (1991) §§751 et seq. (OK); ORS 646.605, et seq.

(OR); 73 P.S. §§201-1 et seq. (PA); R.I. Gen. Laws §§ 23-71-1 through 3 (RI); S.C. Code Ann., §39-5-10 et seq. (1976, as amended) (SC); S.D. Codified Laws Ann. Chapter 37-24 (SD); Tenn.

sales to minors occurring prior to the execution of this Assurance by Walgreens. Nothing herein shall affect other remedies available to any state or local jurisdiction in the signatory States in connection with a past or future underage sale of tobacco at a particular retail location. The Attorneys General shall inform other state agencies that monitor or enforce laws concerning the sale of tobacco to minors that Walgreens has entered into this Assurance. Prior to seeking to enforce this Assurance, a signatory Attorney General shall contact the person designated by Walgreens in section III.F to attempt to resolve the State's concerns. Failing resolution, the Attorneys General agree to provide Walgreens thirty (30) days advance written notice prior to instituting any proceeding under the States' Consumer Protection jurisdiction alleging a violation of this Assurance. The Attorneys General agree not to file an action alleging a violation of this Assurance based on isolated, inadvertent errors in complying with this Assurance.

7. This Assurance may be executed in counterparts.
8. No provision of this Assurance is intended or shall be interpreted to authorize conduct in violation of applicable local, state or federal law.
9. Walgreens knowingly and voluntarily agrees to adopt and to implement the tobacco retailing practices set forth in this Assurance. These practices relate to efforts to prevent persons under legal age from having access to and using tobacco. Although tobacco is not the only item to which youth access is restricted, the term "youth access" is used herein as a shorthand reference to age restrictions on tobacco products only, and specifically refers to the sale of tobacco products to persons under the legal age to purchase tobacco products in the particular state. The term "tobacco products" is intended to include all tobacco-containing products, including cigarettes (including bidis), cigars, loose tobacco, chewing tobacco, and snuff.
10. This Assurance shall not be effective or considered executed until February 13, 2002, by which date the signature of Walgreens and all of the Attorneys General of the States listed in paragraph 1 shall have been affixed.

I.

Personnel Policies Relating to the Sale of Tobacco Products to Minors

Walgreens shall commence implementation of the following personnel policies relating to youth access within sixty (60) days of the signing of this Assurance and shall complete implementation as soon as circumstances permit, but in any event no later than one-hundred fifty (150) days after the signing of this Assurance:

A. Hiring and Employment

Code Ann. §47-18-101 (TN); Tex. Bus. & Com. Code Ann. §17-41 (Vernon) (TX); Utah Code Ann. §§13-5-1 through 13-5-18 & 13-11-1 through 13-11-23 (UT); Vermont Consumer Fraud Act, 9 V.S.A. §2451 et seq. (VT); Virginia Consumer Protection Act, Va. Code § 59.1-196 et seq. (VA); Wash. Rev. Code Ann. §19.86.020 (WA); W. VA Code 46A-1-101 et seq. (WV); Wis. Stat. §100.18(1) (WI); Wyo. Stat. §40-12-101 et seq. (WY).

1. Walgreens shall attempt to minimize the use of persons under the legal age for purchasing tobacco in positions that may involve the sale of tobacco products. Walgreens shall closely supervise any such persons.
2. Upon hiring, Walgreens shall inform new employees hired for positions that may involve selling tobacco, or who may supervise anyone who sells tobacco, of the importance of compliance with laws relating to youth access. The information Walgreens provides shall be in written or electronic form, shall include references to company policies, legal consequences, and health concerns associated with youth access, and shall inform the employee that: (a) the employee's compliance with youth access laws and policies will be taken into account in connection with promotion and retention decisions; and (b) Walgreens monitors employee compliance with youth access laws and policies. Walgreens shall obtain a written or electronic acknowledgment that the employee has read and understands the information provided.

B. Training

1. Before assuming any job duties that involve or may involve the sale of tobacco, an employee shall receive the following training relating to tobacco, which shall be performed by a competent person, or if conducted electronically, shall be overseen by a competent person, and shall be provided to all current employees within six (6) months of the signing of this Assurance by Walgreens:
 - a. A review of all Walgreens policies relating to youth access, which policies have taken into account all applicable federal, state, and local laws relating to youth access.
 - b. An explanation of the health-related reasons that restriction of youth access to tobacco is an important matter.
 - c. A review of the range of tobacco products sold by Walgreens to which Walgreens' youth access policies apply.
 - d. Instruction that an employee must decline to make a tobacco sale if the circumstances reasonably suggest that doing so would violate the laws or company policies regarding youth access.
 - e. A review of the law and company policies and procedures relating to requiring identification, including: (i) the age that triggers the identification requirement; (ii) acceptable forms of identification; and (iii) features of an I.D. that must be checked, with particular emphasis on government-issued forms of identification including the driver's license issued in the particular state.
 - f. A review of prescribed methods and practical techniques (where appropriate)

associated with situations which may present special challenges in declining to sell tobacco to underage persons, for example, “third party” sales, customer pressure, and sales to persons who are friends, acquaintances, and/or peer group members.

- g. An explanation of the fact that many illegal sales are made to minors who produce identification showing that they are in fact under the legal age, and the importance of devoting the time and effort needed to establish that a customer is of age.

Walgreens shall continually review and address any weaknesses identified in the training process.

- 2. Walgreens shall provide all employees who sell tobacco or manage those who sell tobacco additional training periodically to ensure that they maintain the requisite knowledge, skill, and motivation. Such training shall include a review of Walgreens' policies on youth access and an updated review of performance by the company and the particular store.
- 3. In the event an employee sells tobacco products to minors in violation of federal, state or local laws, or fails to pass an internal or external performance check pursuant to sections III.B. or C., and if Walgreens desires to retain the employee, Walgreens shall provide additional training as soon as possible within no more than thirty (30) days of Walgreens' receipt of notice of such violation. Each such employee shall sign an acknowledgment in writing or electronically that he or she has read and understands the policy and other information provided.

II. Support Tools

- A. Walgreens states that it presently uses computer/cash registers in all its stores which prompt the clerk to obtain and check identification, and require the clerk to enter information from the identification to determine the age of the customer. Walgreens shall maintain this type of register or a comparable device in order to ensure that the entry required to be made when identification is checked in connection with a tobacco sale can be easily and reliably performed and is actually made. Nothing in this Assurance requires or sanctions practices that involve the retention of information identifying individual purchasers.
- B. In addition to meeting whatever signage and posting requirements or restrictions may be embodied in local, state or federal law, Walgreens shall post signs indicating that a person must be 18 to buy tobacco (where the legal age is 18, or 19 where the legal age is 19) and that identification is checked for all persons appearing to be under the age of 27 (or such higher age as Walgreens in its sole discretion determines appropriate for its stores) on one of the doors at each entrance by which a customer may enter the establishment (facing out) and at each check-out where tobacco products are sold.

III.

Self-Monitoring and Other Measures to Ensure Compliance

A. Supervision and Accountability

1. Walgreens shall instruct its store managers and assistant managers (hereafter, “managers”) upon assuming responsibility for supervising employees selling tobacco that their responsibilities include the monitoring and supervision of staff compliance with youth access laws and policies on an on-going basis, and shall inform managers that instances of compliance and non-compliance with youth access laws and policies on the part of those supervised will be given consideration in connection with future employment decisions regarding the manager.
2. Walgreens shall implement a policy requiring each store manager to report all alleged violations of laws concerning the sale of tobacco products to minors occurring at the store to a designated department in Walgreens' corporate offices within ten business days of receipt of notice of the alleged violation. Walgreens' corporate office shall maintain a record of all reported alleged violations and their dispositions for three years.

B. Internal Performance Checks

Walgreens shall implement and maintain a program of internal performance checks in states whose Attorneys General are parties to this Assurance designed to assist Walgreens in determining whether stores and staff are in compliance with youth access laws and policies. This program shall at minimum have the following features:

1. The internal performance checks shall be discreet and utilize procedures necessary to ensure that those whose performance is being checked (both employees and managers responsible for the performance of the clerks) have no reason to know that a given attempt to purchase tobacco is a performance check.
2. The internal performance checks shall occur at varying or random times of the day at each store that has either received notice from a law enforcement agency of an alleged violation of law concerning the sale of tobacco products to minors that occurred after the effective date of this Assurance, or has failed an external performance check pursuant to section III.C. Walgreens shall perform this check within forty-five (45) days after Walgreens' corporate office receives written notice of the alleged violation or failure.
3. The internal performance check shall either (i) where it is legal to do so, use a person who is under legal age to buy tobacco (a 17 year old where the legal age is 18, an 18 year old where the legal age is 19), in order to test both whether identification is being requested as required and whether sales are made in spite of the presentation of a valid I.D. accurately showing the tester's age; or (ii) use a person of legal age to buy tobacco who is within the age range requiring that he or she be asked to produce identification in order to test whether identification is requested as required by store policy and this Assurance. The check will determine whether the employee selling

the tobacco product asked the purchaser to produce identification, whether the purchaser provided an acceptable form of identification (see section V.A.6), whether the employee checked the identification to verify whether the purchaser is of legal age, and in the case of attempted purchase by a person under legal age to buy tobacco, whether the sale was consummated.

4. In the event of a failed check for an employee whom Walgreens desires to retain, the manager shall inform the employee of the test result, instruct the employee on what constitutes proper performance, and caution the employee to avoid further instances of noncompliance with youth access laws. Walgreens shall also take whatever other action the company deems necessary to ensure future compliance.
5. Walgreens shall inform the employee who passes a performance check and his/her manager of the successful performance check.
6. The Attorneys General agree not to institute legal proceedings based on any tobacco sales that are made during internal performance checks conducted pursuant to this sub-section.

C. External Performance Checks

In addition to the internal performance checks described above, Walgreens shall arrange for an independent entity reasonably acceptable to the Attorneys General to conduct performance checks consistent with an agreed protocol each six months at 225 or more randomly-selected stores that sell tobacco products. The independent entity shall be instructed to conduct checks at each selected store for the purpose of obtaining an accurate and reliable indication of actual store practices in connection with sales of tobacco products. These external checks shall be performed in the following manner:

1. The independent entity will randomly select which stores will be checked from among the states whose Attorneys General are parties to this Assurance, and no store selected to be checked will be identified to Walgreens, directly or indirectly, until after the check of that outlet is completed.
2. The performance check shall be conducted as follows:
 - (i) Upon the written request of the Attorney General, such request to be made to the person designated by Walgreens in section III.F at least thirty (30) days prior to the first or a subsequent six-month performance check period, use a person who is under legal age to buy tobacco (a 17 year old where the legal age is 18, an 18 year old where the legal age is 19), in order to test both whether identification is being requested as required and whether sales are made in spite of the presentation of a valid I.D. accurately showing the tester's age to be below the legal age for purchase, or
 - (ii) Where the Attorney General does not make the request referred to in subparagraph (i), use a person of legal age to buy tobacco who is within the age range requiring that he or she be asked to produce identification, in order to test whether identification is requested as required by store policy. The check will

determine whether the employee selling the tobacco product asked the purchaser to produce identification, whether the purchaser provided an acceptable form of identification (see section V.A.6), and whether the employee checked the identification to verify whether the purchaser is of legal age. In the event that a store fails to perform successfully in the performance check, Walgreens shall request that the independent entity will conduct a second check (“re-check”) of the store within the same six month period.

3. Results of these performance checks, including re-checks, shall be made available to the store manager and a corporate office designee. Further, Walgreens shall require by contract that the results of the external checks be reported by the independent entity to a person designated to receive such reports on behalf of the Attorneys General.
4. For purposes of retaining the independent entity to perform the external checks, Walgreens shall evaluate the performance of the entity on the competency of the entity's performance in obtaining an accurate and reliable indication of actual employee practices in connection with the sale of tobacco, rather than on the basis of whether the results were favorable.
5. Walgreens shall cooperate in providing access to information relating to the results of the external performance checks.
6. The performance checks conducted pursuant to this sub-section shall commence within ninety (90) days of the execution of this Assurance, unless Walgreens is unable, in spite of diligent efforts to do so, to locate and complete an agreement with an entity to conduct the checks in the manner provided herein, in which case such performance checks shall commence as soon thereafter as circumstances permit, but in any event no later than one-hundred fifty (150) days after the execution of this Assurance. While Walgreens' goal regarding the sale of tobacco products is to eliminate all sales to minors, for the purpose of this sub-section, Walgreens' progress shall be measured by whether 90% or more of the external performance checks, not including re-checks, conducted pursuant to this section are successful.
7. In the event Walgreens attains a performance measure of **90% or higher** for any six-month period, Walgreens may reduce the number of random external checks conducted in subsequent six month periods by 25%. In the event Walgreens attains a 90% rate for any two consecutive six-month periods, Walgreens may eliminate the requirement to conduct external checks.
8. The Attorneys General agree not to institute legal proceedings based on any tobacco sales that are made during external performance checks conducted pursuant to this sub-section.

D. Video-tapes

1. In all stores that have one or more security cameras designed and placed to video-

tape transactions at the cash register, Walgreens shall utilize such cameras to periodically video-tape tobacco sales transactions of cashiers who have failed to comply with Company policies concerning the sale of tobacco products to minors.

2. In cases in which the manager suspects an employee's violation of youth access laws and/or Walgreens' policies the tapes shall be reviewed to permit a realistic assessment of whether the employee is in compliance.
3. If the review determines that the employee has not complied with company policy, as soon as practicable after the review, the manager shall meet with the employee to inform the employee of that fact and that he or she will be the subject of an additional compliance check in the future.
4. Walgreens shall make reasonable efforts to display in each store a clear and conspicuous sign at or near the cash register informing customers that security cameras may be used to detect underage attempts to buy tobacco.

E. Electronic Identification Scanning Systems and/or Cash Register Locks

To the extent that Walgreens uses electronic identification scanning systems or cash register locks to store data that would assist in evaluating whether the employees are properly using the systems, Walgreens shall review such data periodically, use it to assess employee performance, and provide remedial training and support, as necessary, for those employees who appear to need it.

F. Youth Access Compliance Designee

Walgreens shall designate a corporate-level in-house attorney to be responsible for assuring compliance with the terms of this Assurance and, more generally, for overseeing efforts to comply with youth access laws, including collecting and reviewing reports of violations of laws concerning the sale of tobacco products to minors.

IV.

Vendor-Assisted Sales

- A. Walgreens shall display and store cigarettes and smokeless tobacco in a format that requires an employee's assistance in retrieving the tobacco product from a restricted-access location.
- B. **No vending machines shall be used to sell tobacco products.**

V.

Other Tobacco Policies

A. **Written Policies**

Walgreens' policies relating to the sale of tobacco products shall be in written or electronic form. Walgreens shall provide a copy to each employee who sells tobacco within sixty days of Walgreens' signing this Assurance or upon hiring if that occurs thereafter. Except with respect to Walgreens' policy which currently requires clerks selling alcohol to be 21 years of age or older,

Walgreens' tobacco policies intended to prevent underage tobacco sales shall be no less stringent or comprehensive than policies intended to prevent underage alcohol sales. It is understood that differences in the law may require differences in policy. Walgreens' policies shall, at minimum, embody the standards and practices relating to personnel, support tools, self-monitoring, and vendor-assisted sales set forth in this Assurance and shall also include the following:

1. A policy that no one under the legal age for purchasing tobacco is permitted to purchase cigarette papers or pipes.
2. A policy that Walgreens will give comparable treatment to youth access to tobacco as it gives to underage access to alcohol in employee training and discipline, except where differences in the law require differences in policy.
3. A policy against increasing youth demand for tobacco through in-store advertising. In-store advertising shall only be located at the place in the store at which the particular advertised tobacco products are displayed or sold, and shall be limited to brand names, logos, other trademarks, and pricing.
4. A policy against distribution of free samples of tobacco products on store property.
5. A policy requiring that employees check identification in connection with tobacco product purchases by persons who reasonably appear to be under age 27 or such higher age as Walgreens in its sole discretion determines appropriate for its stores.
6. Unless otherwise provided by law, a policy that only photo-identification will be acceptable **for purposes of establishing the legal age to purchase tobacco, and** that only the following forms of identification shall be accepted: (a) Driver's License; (b) State-Issued Identification Card; (c) U.S. Passport; (d) Military Identification Card; and (e) U.S. Immigration Card.

B. Policies provided to Attorneys General

Walgreens shall provide a copy of the policies it adopts in order to comply with the standards set forth herein to a person or persons designated to receive such policies on behalf of the Attorneys General within sixty days of the execution of this Assurance, and thereafter shall provide copies of any material changes or modifications to such policies to a person or persons designated by the Attorneys General to receive them within thirty days of such change or modification.

C. Contribution

Walgreens agrees to pay, within thirty (30) days of the execution date of this Assurance, the sum of \$320,000 to the States, made payable to such accounts and addresses as the Attorneys General may direct. Such sum is to be divided by the States as they may agree, and is to be used by the individual States for attorneys fees or costs of investigation, or it shall be placed in or applied to consumer education, public protection, or local consumer aid funds, including for implementation of

programs designed to decrease possession and use of tobacco by minors, or for any other purpose authorized by state law at the sole discretion of each State's Attorney General or as otherwise required by law.

Dated: _____

WALGREEN CO.

By: _____
JULIAN A. OETTINGER
Senior Vice President

JANET NAPOLITANO
Attorney General
State of Arizona
NOREEN R. MATTS
Assistant Attorney General

BILL LOCKYER
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