



U.S. Department of Justice

Criminal Division

June 20, 2019

Karen P. Hewitt
Jones Day
4655 Executive Drive
Suite 1500
San Diego, California 92121

Re: **Walmart Inc.**

Dear Ms. Hewitt:

The United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Eastern District of Virginia (the "Fraud Section and the Office"), and Walmart Inc. (the "Company") pursuant to authority granted by the Company's Board of Directors, enter into this Non-Prosecution Agreement (the "Agreement"). On the understandings specified below, the Fraud Section and the Office will not criminally prosecute the Company for any crimes (except for criminal tax violations, as to which the Fraud Section and the Office do not make any agreement) relating to any of the conduct described in the Statement of Facts attached hereto as Attachment A (the "Statement of Facts"). The Company, pursuant to authority granted by the Company's Board of Directors, also agrees to certain terms and obligations of the Agreement as described below.

The Fraud Section and the Office enter into this Agreement based on the individual facts and circumstances presented by this case and the Company, including:

(a) the Company did not receive voluntary disclosure credit because it did not timely and voluntarily disclose to the Fraud Section and the Office the Mexico conduct described in the Statement of Facts, and because, although the Company disclosed the conduct related to Brazil, China, and India prior to the Fraud Section or the Office learning of that conduct, such disclosure was after the Fraud Section and the Office had already begun investigating the Company relating to the Mexico conduct;

(b) the Company received full credit for its cooperation with the Fraud Section and the Office's investigation into conduct in Brazil, China, and India and partial cooperation credit for its investigation into conduct in Mexico; its cooperation included: conducting a thorough internal investigation; proactively identifying issues and facts that would likely be of interest to the Fraud Section and the Office, and providing updates to the Fraud Section and the Office; making regular factual presentations to the Fraud Section and the Office and sharing information that would not have been otherwise available to the Fraud Section and the Office; voluntarily making foreign-

based employees available for interviews in the United States; producing documents, including translations, to the Fraud Section and the Office from foreign countries in ways that did not implicate foreign data privacy laws; obtaining cooperation of former employees and third parties, including their consent to interviews; providing counsel to employees and former employees to facilitate their cooperation; collecting, analyzing, and organizing voluminous evidence and information for the Fraud Section and the Office; and identifying, investigating, and disclosing conduct to the Fraud Section and the Office that was outside the scope of the Company's initial disclosures; the Company received partial cooperation credit for the conduct in Mexico because, in the view of the Fraud Section and the Office, Walmart did not timely provide documents and information to the Fraud Section and the Office in response to certain requests and did not de-conflict with the Fraud Section and the Office's request to interview one witness before the Company interviewed that witness;

(c) by the completion of the investigation, the Company provided to the Fraud Section and the Office all relevant facts known to it, including information about the individuals involved in the conduct described in the attached Statement of Facts and conduct disclosed to the Fraud Section and the Office prior to the Agreement;

(d) the Company has engaged in significant remedial measures, including enhancing its anti-corruption compliance program and internal accounting controls related to anti-corruption, including: (1) hiring a Global Chief Ethics & Compliance Officer ("CECO") who holds an Executive Vice President position, an International Chief Ethics & Compliance Officer ("International CECO"), and a dedicated Global Anti-Corruption Officer, with separate reporting lines to the Audit Committee of the Board of Directors; (2) adding dedicated regional and market Chief Ethics & Compliance Officers, foreign market anti-corruption directors and anti-corruption compliance personnel at the Company's home office and in the Company's foreign markets, with separate reporting lines to the Audit Committee of the Board of Directors; (3) conducting, across each of the Company's markets, enhanced monthly and quarterly anti-corruption monitoring by dedicated Company Financial Controls and Continuous Improvement Teams (who monitor at the store-level), with results tracked in a centralized, real-time automated monitoring system; (4) enhancing annual anti-corruption risk assessments across all international markets; (5) enhancing on-site global anti-corruption audits to test adherence to enhanced anti-corruption related internal accounting controls and procedures; (6) enhancing anti-corruption related internal accounting controls on the selection and use of third parties, including building a custom third party automated portal to evaluate, manage and identify third party intermediaries and conducting third party audits and risk-based anti-corruption training of third parties; (7) enhancing global anti-corruption training and awareness program, including enhanced onboarding and annual in-person and computer-based anti-corruption training for directors, senior management, and employees most likely to interact directly or indirectly with government officials; (8) implementing an automated global license management system for obtaining and renewing licenses and permits and a global donation management system, which enhances controls relating to charitable donations; and (9) terminating business relationships with third parties involved in the conduct at issue;

(e) the Company has enhanced and has committed to continuing to enhance its compliance program and internal accounting controls related to anti-corruption, including ensuring

that its compliance program satisfies the minimum elements set forth in Attachment B to this Agreement (the "Corporate Compliance Program");

(f) although the Company has engaged in significant remedial measures, the Fraud Section and the Office have determined that an independent compliance monitor is necessary to ensure that the Company's compliance program is operating effectively and adequately tested to ensure that it meets the minimum elements set forth in the Corporate Compliance Program;

(g) the nature and seriousness of the offense conduct;

(h) the Company has no prior criminal history related to corruption; and

(i) the Company has agreed to continue to cooperate with the Fraud Section and the Office in any ongoing investigation of the conduct of the Company's officers, directors, employees, agents, business partners, distributors, and consultants relating to violations of the Foreign Corrupt Practices Act (the "FCPA");

Accordingly, after considering (a) through (i) above, the Fraud Section and the Office believe that an appropriate resolution of this case is this Agreement with the Company, a guilty plea by WMT Brasilia S.a.r.l., the imposition of an independent compliance monitor for a term of two years, and an aggregate discount of 25% off of the bottom of the otherwise-applicable U.S. Sentencing Guidelines fine range for the portion of the penalty applicable to conduct in Brazil, China, and India, and 20% off of the bottom of the otherwise-applicable U.S. Sentencing Guidelines fine range for the portion of the penalty applicable to conduct in Mexico.

The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as set forth in the attached Statement of Facts. The Company also admits, accepts, and acknowledges that the facts described in the attached Statement of Facts are true and accurate and that certain employees who had responsibility for implementing and maintaining internal accounting controls related to anti-corruption with respect to Walmart's subsidiaries in Brazil, China, India, and Mexico had knowledge that the anti-corruption related internal accounting controls in those subsidiaries were not adequate and willfully failed to implement and maintain them. The Company expressly agrees that it shall not, through current or future attorneys, officers, directors, employees, agents, or any other person authorized to speak for the Company, make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the attached Statement of Facts. The Company agrees that if it, or any of its current or future direct or indirect subsidiaries or affiliates, issues a press release or holds any press conference in connection with this Agreement, the Company shall first consult the Fraud Section and the Office to determine: (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Fraud Section, the Office, and the Company; and (b) whether the Fraud Section and the Office have any objection to the release. If the Fraud Section and the Office determine that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Fraud Section and the Office shall so notify the Company, and the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within five business days after notification.

The Company shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This Paragraph does not apply to any statement made by any former officer, director, employee, or agent of the Company in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Company.

The Company's obligations under this Agreement shall have a term of three years from the later of the date on which the Agreement is executed or the date on which the independent compliance monitor (the "Monitor") is retained by the Company, as described below (the "Term"). The Company agrees, however, that, in the event the Fraud Section and the Office determine, in their sole discretion, that the Company has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of the Company's obligations under this Agreement, an extension or extensions of the Term may be imposed by the Fraud Section and the Office, in their sole discretion, for up to a total additional time period of one year, without prejudice to the Fraud Section and the Office's right to proceed as provided in the breach provisions of this Agreement below. Any extension of the Agreement extends all terms of this Agreement for an equivalent period, except the term of the monitorship, which has a term of two years and is addressed in Attachment C. Conversely, in the event the Fraud Section and the Office find, in their sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the monitorship in Attachment C, and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early.

The Company shall cooperate fully with the Fraud Section and the Office in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and Attachment C, subject to applicable law and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded, or the Term. At the request of the Fraud Section and the Office, the Company shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies, as well as the Multilateral Development Banks ("MDBs"), in any investigation of the Company, or its affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and Attachment C. The Company agrees that its cooperation shall include, but not be limited to, the following:

a. Upon request of the Fraud Section and the Office, and subject to applicable law and regulation, the Company shall truthfully disclose all factual information related to the conduct described in the Statement of Facts that is not protected by a valid claim of attorney-client privilege or attorney work product doctrine. This includes conduct of the Company's affiliates and present and former directors, officers, employees, agents, and consultants. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company to provide to the Fraud Section and the Office, upon request, any non-privileged document, record, or other tangible evidence about which the Fraud Section and the Office may inquire of the Company related to the conduct described in the Statement of Facts.

b. Upon request of the Fraud Section and the Office, the Company shall designate knowledgeable employees, agents, or attorneys to provide to the Fraud Section and the Office the information and materials described above on behalf of the Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information.

c. The Company shall use its best efforts to make available for interviews or testimony, as requested by the Fraud Section and the Office, present or former officers, directors, employees, agents, and consultants of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records, or other tangible evidence provided to the Fraud Section and the Office pursuant to this Agreement, the Company consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as MDBs, of such materials as the Fraud Section and the Office in their sole discretion shall deem appropriate.

In addition, during the Term, should the Company learn of any evidence or allegation of conduct that may constitute a violation of the FCPA anti-bribery or accounting provisions had the conduct occurred within the jurisdiction of the United States, the Company shall promptly report such evidence or allegation to the Fraud Section and the Office. Thirty days prior to the end of the Term, the Company, by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, will certify to the Fraud Section and the Office that the Company has met its disclosure obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of 18 U.S.C. § 1001.

The Company represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout its operations, including those of its affiliates, agents, and majority owned or controlled joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption, including, but not limited to, the minimum elements set forth in the Corporate Compliance Program.

The Company agreed to retain a Monitor prior to the date on which the Agreement is executed for the purposes of preparing a written work plan as described in Attachment C. The term of the monitorship is two years from the date on which the Agreement is executed, subject to a possible one-year extension as described in Attachment C. The Monitor's duties and authority, and the obligations of the Company with respect to the Monitor and the Fraud Section and the Office, are set forth in Attachment C, which is incorporated by reference into this Agreement. The Company proposed to the Fraud Section and the Office a pool of three qualified candidates to

serve as the Monitor. The Monitor candidates or their team members had, at a minimum, the following qualifications:

- a. demonstrated expertise with respect to the FCPA and other applicable anti-corruption laws, including experience counseling on FCPA issues;
- b. experience designing and/or reviewing corporate compliance policies, procedures and internal accounting controls, including FCPA and anti-corruption policies, procedures and internal accounting controls;
- c. the ability to access and deploy resources as necessary to discharge the Monitor's duties as described in the Agreement; and
- d. sufficient independence from the Company to ensure effective and impartial performance of the Monitor's duties as described in the Agreement.

The Fraud Section and the Office retained the right, in their sole discretion, to choose the Monitor from among the candidates proposed by the Company, though the Company was entitled to express its preference(s) among the candidates. If the Monitor resigns or is otherwise unable to fulfill his or her obligations as set out herein and in Attachment C, the Company shall within twenty business days recommend a pool of three qualified Monitor candidates from which the Fraud Section and the Office will choose a replacement.

The Monitor's powers, duties, and responsibilities, as well as additional circumstances that may support an extension of the Monitor's term, are set forth in Attachment C. The Company agrees that it will not employ or be affiliated with the Monitor or the Monitor's firm for a period of not less than two years from the date on which the Monitor's term expires. Nor will the Company discuss with the Monitor or the Monitor's firm the possibility of further employment or affiliation during the Monitor's term.

The Company agrees to pay a total monetary penalty in the amount of \$137,955,249 (the "Total Monetary Penalty"). The Total Monetary Penalty reflects a discount of 25% off of the bottom of the U.S. Sentencing Guidelines fine range for the portion of the penalty applicable to conduct in Brazil, China, and India, and 20% off of the bottom of the U.S. Sentencing Guidelines fine range for the portion of the penalty applicable to conduct in Mexico. The Company will pay the Total Monetary Penalty to the United States Treasury within ten business days of the sentencing hearing by the Court of WMT Brasilia S.a.r.l. in connection with its guilty plea and plea agreement entered into simultaneously herewith, except that the parties agree that any criminal penalties that might be imposed by the Court on WMT Brasilia S.a.r.l. in connection with its guilty plea and plea agreement will be deducted from the Total Monetary Penalty.

The Total Monetary Penalty is in addition to the \$144,691,172 disgorgement of profits plus prejudgment interest by the Company in connection with its resolution with the U.S. Securities and Exchange Commission in a related matter. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of the Total Monetary Penalty. The Company shall not seek or accept directly or indirectly reimbursement or indemnification from

any source of the penalty or disgorgement amounts that the Company pays pursuant to this Agreement or any other agreement entered into with an enforcement authority or regulator concerning the facts set forth in the attached Statement of Facts.

The Fraud Section and the Office agree, except as provided herein, that they will not bring any criminal or civil case (except for criminal tax violations, as to which the Fraud Section and the Office do not make any agreement) against the Company, or any of its present or former subsidiaries and joint ventures, relating to any of the conduct described in the attached Statement of Facts, except for the plea agreement with WMT Brasilia S.a.r.l. entered into on June 20, 2019. The Fraud Section and the Office, however, may use any information related to the conduct described in the attached Statement of Facts against the Company: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by the Company or any of its present or former parents or subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company.

If, during the Term, the Company: (a) commits any felony under U.S. federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) fails to cooperate as set forth in this Agreement; (d) fails to maintain a compliance program as set forth in this Agreement and Attachment B; (e) commits any acts that, had they occurred within the jurisdictional reach of the FCPA, would be a violation of the FCPA; or (f) otherwise fails to completely perform or fulfill each of the Company's obligations under the Agreement, regardless of whether the Fraud Section and the Office become aware of such a breach after the Term is complete, the Company, or its subsidiaries, shall thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section and the Office have knowledge, including, but not limited to, the conduct described in the attached Statement of Facts, which may be pursued by the Fraud Section and the Office in the U.S. District Court for the Eastern District of Virginia or any other appropriate venue. Determination of whether the Company has breached the Agreement and whether to pursue prosecution of the Company shall be in the Fraud Section and the Office's sole discretion. Any such prosecution may be premised on information provided by the Company or its personnel. Any such prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Fraud Section and the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement must be commenced against the Company, or its affiliates and subsidiaries, notwithstanding the expiration of the statute of limitations by the expiration of the Term plus one year. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, the Company agrees that the statute of limitations as to any violation of U.S. federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Fraud Section and the Office are made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations. Provided, however, that nothing

in this Agreement shall revive a statute of limitations that expired prior to the time that this Agreement was executed.

In the event the Fraud Section and the Office determine that the Company has breached this Agreement, the Fraud Section and the Office agree to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. Within sixty days of receipt of such notice, the Company shall have the opportunity to respond to the Fraud Section and the Office in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the Fraud Section and the Office shall consider in determining whether to pursue prosecution of the Company.

In the event that the Fraud Section and the Office determine that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company to the Fraud Section and the Office or to the Court, including the attached Statement of Facts, and any testimony given by the Company before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section and the Office against the Company, or its subsidiaries; and (b) the Company, or its subsidiaries, shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Company, or its subsidiaries, prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer, or employee of the Company, or of any person acting on behalf of and at the direction of the Company, will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section and the Office.

Except as may otherwise be agreed by the parties in connection with a particular transaction or any transaction disclosed to the Fraud Section and the Office prior to the date of this Agreement, the Company agrees that in the event that, during the Term, it sells, merges, or transfers a whole, majority, or controlling interest in either the Company or its Walmart International reporting segment ("Walmart International"), as they exist as of the date of this Agreement, whether such change is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Fraud Section and the Office's ability to determine there has been a breach under this Agreement is applicable in full force to that entity. The Company agrees that the failure to include this Agreement's breach provisions in the transaction will make any such transaction null and void. The Company shall provide notice to the Fraud Section and the Office at least thirty days prior to undertaking any such sale, merger, transfer, or other change in corporate form. If the Fraud Section and the Office notify the Company prior to such transaction (or series of transactions) that it has determined that the transaction(s) has the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined in the sole discretion of the Fraud Section and the

Office, the Company agrees that such transaction(s) will not be consummated. In addition, if at any time during the Term, the Company has sold, merged, or transferred a whole, majority, or controlling interest in either the Company or Walmart International, as they exist as of the date of this Agreement, whether such change is structured as a sale, asset sale, merger, transfer, or other change in corporate form, that the Fraud Section and the Office determine in their sole discretion has the effect of circumventing or frustrating the enforcement purposes of this Agreement, it may deem it a breach of this Agreement pursuant to the breach provisions of this Agreement. Nothing herein shall restrict the Company from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Fraud Section and the Office.

This Agreement is binding on the Company and the Fraud Section and the Office but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities, although the Fraud Section and the Office will bring the cooperation of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

It is further understood that the Company and the Fraud Section and the Office may disclose this Agreement to the public.


This Agreement sets forth all the terms of the agreement between the Company and the Fraud Section and the Office. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, the Office, the attorneys for the Company, and a duly authorized representative of the Company.

Sincerely,

ROBERT ZINK
Acting Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: 6/20/2019


BY:



Tarek Helou, Assistant Chief
Lorinda Laryea, Assistant Chief
Katherine Raut, Trial Attorney
John-Alex Romano, Trial Attorney

G. ZACHARY TERWILLIGER
United States Attorney
United States Attorney's Office
Eastern District of Virginia

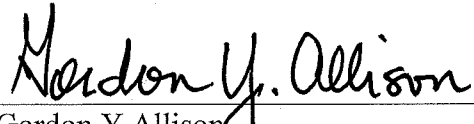
Date: 6/20/19

BY: 
Janar Walker
Assistant United States Attorney

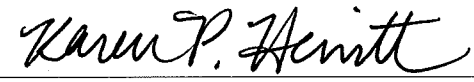
AGREED AND CONSENTED TO:

Walmart Inc.

Date: June 20, 2019

BY: 
Gordon Y Allison
Senior Vice President,
Office of the Corporate Secretary, and
Chief Counsel for Finance & Corporate
Governance
Walmart Inc.

Date: June 20, 2019

BY: 
JONES DAY
Karen P. Hewitt
Counsel for Walmart Inc.

ATTACHMENT A
STATEMENT OF FACTS

The following Stipulated Statement of Facts (“Statement of Facts”) is incorporated by reference as part of the Non-Prosecution Agreement (the “Agreement”) between the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney’s Office for the Eastern District of Virginia, and Walmart Inc. (“Walmart” or the “Company”). Walmart hereby agrees and stipulates that the following information is true and accurate. Walmart admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below:

Relevant Entities and Individuals

1. Walmart was, at all times relevant to the conduct described in this Statement of Facts, a Bentonville, Arkansas-based retail company. Walmart had, at all relevant times, three segments: Walmart U.S., Sam’s Club, and Walmart International. Walmart U.S. and Sam’s Club were responsible for Walmart’s United States operations, while Walmart International oversaw the Company’s operations outside the United States. Each segment was headquartered in Bentonville, Arkansas. Walmart’s shares were publicly traded on the New York Stock Exchange, and the Company therefore was an “issuer” within the meaning of the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Section 78dd-1, *et seq.*
2. In or around 2000, Walmart operated retail stores in seven countries. By in or around 2012, Walmart operated in approximately two dozen countries, including Mexico, India, Brazil, and China.
3. Walmart Senior Attorney #1 was a senior attorney at Walmart starting in 2002. In 2009, he was promoted to a senior executive non-legal position and left Walmart in 2013.
4. Walmart Senior Attorney #2 was a senior attorney at Walmart from 2001 to 2010.

5. Walmart's Internal Audit Services ("IAS"), which was renamed Global IAS, required that foreign subsidiary audit teams conduct periodic Business Practices Audits, which were designed to audit foreign subsidiary anti-corruption related internal accounting controls. IAS reviewed these audits.

6. Generally, during the relevant time period, the CEO of each of certain Walmart foreign subsidiaries reported to the CEO of Walmart International. The CFO and General Counsel of each of certain Walmart foreign subsidiaries reported to the CEOs of the respective foreign subsidiaries. In turn, the CEO, CFO, and General Counsel of Walmart International reported to the CEO, CFO, and General Counsel of Walmart, respectively. The head of IAS and, later, the head of Global IAS, reported to the CFO of Walmart and the Chairman of the Audit Committee of Walmart's Board of Directors.

7. Walmart's Mexican Subsidiary ("Mexico Subsidiary") was a publicly traded company in Mexico. At all times relevant to this Agreement, Walmart owned a majority of Mexico Subsidiary's shares. Mexico Subsidiary is Walmart's largest foreign subsidiary, with more than 2,000 stores and more than 200,000 employees.

8. Mexico Subsidiary Executive #1 was a senior executive at Mexico Subsidiary in the early 2000s, during which time he was also an employee of Walmart. He became a senior executive at Walmart in 2005. He held those positions until 2008 and left the Company in 2012.

9. Senior Mexico Subsidiary Attorney was a senior attorney at Mexico Subsidiary from 2004 to 2012.

10. Mexico Subsidiary Attorney was an attorney in Mexico Subsidiary's Real Estate department from 1991 to 2004.

11. India JV Partner was a business conglomerate based in New Delhi, India.

12. India Wholesale Business was a joint venture between Walmart and India JV Partner that developed and operated wholesale stores in India.

13. India Retail Business was owned by India JV Partner, operated as a franchisee of Walmart, and developed and operated retail stores in India.

14. India Wholesale Business and India Retail Business operated as separate companies created in 2007. The two companies integrated certain of their administrative functions, including legal and compliance, in approximately 2010. India Wholesale Business and India Retail Business employed numerous third-party intermediaries (“TPIs”) and consultants who assisted in obtaining licenses and permits necessary for operating stores in India.

15. India Retail Employee #1 was the head of the Licenses and Permits team for India Wholesale Business and India Retail Business from approximately October 2011 through approximately November 2012. In that role, India Retail Employee #1 reported directly to India Wholesale Business’s General Counsel.

16. India Retail Employee #2 worked in the Licenses and Permits team and obtained licenses and permits for India Wholesale Business and India Retail Business from approximately 2011 through approximately mid-2013. In that role, India Retail Employee #2 reported directly to India Retail Employee #1.

17. WMT Brasilia S.a.r.l. was a wholly owned subsidiary of Walmart and was a majority-owner of Walmart’s wholly-owned subsidiary in Brazil, which was headquartered in Sao Paulo, Brazil (“WMT Brasilia”). Accordingly, WMT Brasilia was the majority owner of stores operating as Walmart Brazil.

18. Brazil Intermediary was a TPI hired by two Brazilian construction companies to obtain permits for two Walmart Brazil stores.

19. China Subsidiary was Walmart's wholly-owned subsidiary in China.

Background

20. As detailed below, from in or around July 2000 until in or around April 2011, certain Walmart personnel responsible for implementing and maintaining the Company's internal accounting controls related to anti-corruption were aware of certain failures involving these controls, including relating to potentially improper payments to government officials in certain Walmart foreign subsidiaries, but nevertheless failed to implement sufficient anti-corruption related internal accounting controls that, among other things, ensured: (a) that sufficient anti-corruption-related due diligence was conducted on all TPIs who interacted with foreign officials; (b) that sufficient anti-corruption related internal accounting controls relating to payments to TPIs existed; (c) that proof was required that TPIs had performed services before Walmart paid them; (d) that TPIs had written contracts that included anti-corruption clauses; (e) that donations ostensibly made to foreign government agencies were not converted to personal use by foreign officials; and (f) that policies covering gifts, travel, and entertainment sufficiently addressed giving things of value to foreign officials and were implemented. Despite these issues being raised to some Walmart personnel responsible for implementing and maintaining the Company's internal accounting controls related to anti-corruption, as explained below, sufficient changes were not made to Walmart's internal accounting controls related to anti-corruption until in or around April 2011. Consequently, as explained below, these failures allowed Walmart foreign subsidiaries in Mexico, India, Brazil, and China to hire certain TPIs without establishing sufficient controls to prevent those TPIs from making improper payments to government officials in order to obtain store permits and licenses.

Warnings to Senior Walmart Executives About Anti-Corruption Risks and Control Failures

21. In or around December 2003, Walmart developed an anti-corruption policy and procedures guide, followed by an implementation work plan in or around March 2004. Walmart did not adopt the anti-corruption policy until in or around March 2005.

22. On or about December 12, 2008, Walmart issued an updated Global Anti-Corruption Policy (the "2008 Policy"). Under the 2008 Policy, TPIs included "all agents, consultants, shareholders or any other representatives acting on behalf of [Walmart] or its Affiliated Companies." For every TPI to be retained or renewed, a due diligence review was required to include, at minimum, the following: (1) a "Business Unit review," including, among other things, the "business case for retaining the Intermediary and the proposed fee structure"; (2) approved anti-corruption language in the TPI contract; (3) an FCPA certification by the TPI; (4) an independent due diligence review; and (5) approval in writing of the due diligence review of the TPI by the foreign subsidiary's compliance officer, in consultation with a Walmart compliance officer, who was required to conduct a final legal review of the TPI to ensure all due diligence requirements had been met. However, the 2008 Policy was not sufficiently implemented, so certain of Walmart's foreign subsidiaries did not follow all of the requirements set forth therein, and Walmart failed to ensure compliance with the 2008 Policy.

23. On or about April 6, 2009, Walmart International announced the creation of a Walmart International Compliance Office that revised the existing anti-corruption standard. The concept for the new standard was "Freedom within a Framework." Instead of taking a centralized approach to ensuring that sufficient anti-corruption related internal accounting controls were implemented throughout Walmart's foreign subsidiaries, the new anti-corruption standard allowed individual markets to design and implement their own program as long as it met certain global standards.

24. In or around late 2010, Walmart issued a new “Global Anti-Corruption Policy” (the “Draft 2010 Policy”). Although the Draft 2010 Policy set forth the Company’s anti-corruption requirements in greater detail than previous policies, the Draft 2010 Policy still required Walmart’s foreign subsidiaries to implement their own local anti-corruption policies. The Draft 2010 Policy left it to the foreign subsidiaries’ business units and legal teams to conduct TPI risk assessments and determine “the appropriate level of due diligence required.” The Draft 2010 Policy was never implemented.

25. From in or around July 2000 until in or around April 2011, Walmart’s anti-corruption related internal accounting controls were insufficient in Mexico, India, Brazil, and China, and, in a number of instances as detailed below, those insufficiencies were reported to certain senior Walmart employees and executives. These failures in controls allowed Walmart’s foreign subsidiaries in Mexico, India, Brazil, and China to hire TPIs without ensuring that those TPIs did not make improper payments to government officials in order to obtain store permits and licenses. The failures in internal accounting controls related to anti-corruption allowed the foreign subsidiaries in Mexico, India, Brazil, and China to open stores faster than they would have with sufficient internal accounting controls related to anti-corruption. Consequently, Walmart earned additional profits through these subsidiaries by opening certain of its stores faster.

26. In or around April 2011, Walmart recognized that the existing anti-corruption compliance program was not sufficient and hired an international law firm and an international consulting firm to conduct a global compliance review for the purpose of reviewing and testing Walmart’s anti-corruption compliance program in various foreign subsidiaries around the world, including subsidiaries in Mexico, India, Brazil, and China. Despite Walmart’s remediation

beginning in or around April 2011, India continued to have certain internal control failures that resulted in hiring certain TPIs without ensuring those TPIs did not make improper payments to government officials until in or around November 2011, as described below.

Mexico

27. Walmart began operating in Mexico in or around 1991. Walmart grew in Mexico by acquiring other companies and by opening its own stores through Mexico Subsidiary. Before Mexico Subsidiary opened a store in Mexico, it had to obtain many licenses and permits from government departments and agencies. The employees of the government agencies that approved permits and licenses were “foreign official[s]” as that term is defined in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1). In or around September 2005, over a year after he was separated from the Mexico Subsidiary in or around August 2004, Mexico Subsidiary Attorney told a senior attorney at Walmart International and an outside attorney hired by Walmart that when he worked at Mexico Subsidiary, he directed TPIs to make improper payments to government officials. Mexico Subsidiary did not have sufficient internal accounting controls related to anti-corruption to ensure that TPIs did not make improper payments to government officials or that donations made to municipalities and other local governmental entities were proper and that the goods donated were not being converted to personal use. Although Walmart learned that both TPIs and donations posed serious corruption risks, Walmart did not implement internal accounting controls related to anti-corruption sufficient to provide reasonable assurances that Mexico Subsidiary did not make improper payments to government officials through either method until in or around April 2011.

28. From at least in or around 1999 to in or around 2004, Mexico Subsidiary obtained certain real estate permits and licenses required to open and operate stores by using TPIs. On or

about September 21, 2005, Mexico Subsidiary Attorney, who was responsible for obtaining real estate licenses and permits for Mexico Subsidiary, contacted Walmart and said that when he worked at Mexico Subsidiary he had overseen a scheme for several prior years in which TPIs made improper payments to government officials to obtain permits and licenses for Mexico Subsidiary. He also said that Mexico Subsidiary had paid approximately \$6,000,000 to TPIs, some of which was paid in improper payments to government officials and that in some cases, Mexico Subsidiary Attorney made the payments himself. In most cases, however, Mexico Subsidiary Attorney explained that Mexico Subsidiary made improper payments to government officials through TPIs called “gestores,” who were attorneys and ostensibly provided legal services but in reality did nothing for Mexico Subsidiary other than make improper payments. Although Mexico Subsidiary was permitted to use only law firms that were authorized to represent it and had 11 such law firms, Mexico Subsidiary Attorney said that he used the gestores, who were not authorized to work for Mexico Subsidiary, to obtain permits and licenses. Unlike the authorized law firms, the gestores did not have contracts with Mexico Subsidiary, were not subject to any anti-corruption due diligence, did not include anti-corruption clauses in their contracts, and did not send Mexico Subsidiary detailed bills or other documents showing the work they had done. Mexico Subsidiary Attorney stated that several Mexico Subsidiary executives, including Mexico Subsidiary Executive #1 and Senior Mexico Subsidiary Attorney, knew about and approved of the scheme, but that he was the only employee of Mexico Subsidiary who had any contact with the gestores.

29. In or around October 2005, Mexico Subsidiary Attorney explained that the gestores scheme worked as follows:

- a. Mexico Subsidiary would determine which government officials

needed to receive an improper payment to obtain a permit or license. Mexico Subsidiary Attorney would then tell one of the gestores which official to make an improper payment to.

b. The gestor would send Mexico Subsidiary Attorney an invoice with a false justification for the payment, which was usually identified as legal services.

c. Mexico Subsidiary recorded the gestores' payments in each store's budget as line items for "external services" or "contract services."

d. Most of the gestores' invoices included a numeric or alphabetic code developed by Mexico Subsidiary Attorney and another Mexico Subsidiary employee specifying why Mexico Subsidiary had made an improper payment to the official. The codes, referred to as "clave" codes, indicated the improper advantage that Mexico Subsidiary received in exchange for the improper payment, including: (1) avoiding a requirement; (2) influence, control, or knowledge of privileged information known by the government official; and (3) payments to eliminate fines. Mexico Subsidiary Attorney said that the meanings of the codes were known only to the gestores, himself, Mexico Subsidiary Executive #1, and two other Mexico Subsidiary executives.

e. After Mexico Subsidiary Attorney received the invoice from the gestor, it paid the gestor with a manual check. The gestores kept between 6 to 8 percent of the payment and used the rest of the money to make an improper payment to the government official.

f. The government official then issued the permit or license for

Mexico Subsidiary.

30. Walmart employees knew of the corruption risks associated with obtaining permits and licenses in Mexico since at least in or around 2004, but did not address those risks by implementing sufficient internal accounting controls related to anti-corruption. For example:

a. In or around October 2005, Mexico Subsidiary Attorney stated that in or about early 2002, Mexico Subsidiary Attorney told Mexico Subsidiary Executive #1 several times that Mexico Subsidiary had made improper payments through gestores to obtain licenses and permits and that Mexico Subsidiary Executive #1 approved Mexico Subsidiary's continuing the scheme.

b. In or around November or December 2004, Mexico Subsidiary's audit team prepared a draft report evaluating Mexico Subsidiary's internal accounting controls related to anti-corruption. The draft report said the gestores payments and donations made by Mexico Subsidiary to local entities were "unusual." The draft report noted internal accounting controls related to anti-corruption concerns. For instance, it noted two related problems with Mexico Subsidiary using manual checks to pay external vendors. First, it found that Mexico Subsidiary's use of manual checks to pay outside vendors made it difficult to identify why payments were made. Second, it said that internal accounting controls applicable to manual checks did not require sufficient descriptions. In preparing the final version of the internal audit report, senior Mexico Subsidiary employees in Mexico Subsidiary's audit team removed the statement that the payments to gestores were "unusual."

31. After Walmart employees working in the United States learned of the allegations

from Mexico Subsidiary Attorney in or around 2005, Walmart sought advice from outside counsel in Mexico and in the United States. Outside counsel in Mexico interviewed Mexico Subsidiary Attorney multiple times, and sent memoranda reflecting those interviews to Walmart. Walmart Senior Attorney #1, Walmart Senior Attorney #2, the same senior attorney at Walmart International, and other Walmart executives received those reports. Outside counsel in the United States reviewed the allegations and drafted an investigative plan.

32. Instead of hiring outside counsel to conduct an investigation, Walmart used its own employees from IAS and its Corporate Security Group, who were not implicated in the allegations, to perform a limited preliminary inquiry to determine whether the allegations were credible and whether a full investigation was necessary. The investigators obtained evidence corroborating some of Mexico Subsidiary Attorney's allegations.

33. In addition, one Mexico Subsidiary employee told the investigators that, when Mexico Subsidiary had problems obtaining licenses, it would determine how much it had to pay and would give a check payable to the municipality to a government official, who would then give Mexico Subsidiary a receipt. The same employee said that although he was not sure whether improper payments were made to government officials, Mexico Subsidiary used gestores "smooth out the road" so that "there would not be any bumps during the request for a license" and conceded that it was unusual that Mexico Subsidiary paid the gestores when most of the payments were supported by only one invoice and that no records showed what work the gestores did, with whom the gestores met, or how many hours the gestores worked.

34. In or around December 2005, Corporate Security and IAS prepared investigation reports. The Corporate Security report identified potential violations of laws. Also, the Corporate Security report and IAS report recommended several investigative next steps. Walmart did not

follow the recommendations.

35. Instead, in or about December 2005 or January 2006, Walmart Senior Attorney #1 and another Walmart executive tasked a senior officer of Mexico Subsidiary and Senior Mexico Subsidiary Attorney, who Mexico Subsidiary Attorney had alleged knew about the improper payments scheme, with leading the remainder of the investigation.

36. In or around early 2006, as part of Walmart's investigation into Mexico Subsidiary Attorney's allegations of improper payments, Walmart Senior Attorney #1 conducted a limited interview of Mexico Subsidiary Executive #1, who had by then been promoted to a senior position at Walmart.

37. On or about May 9, 2006, Senior Mexico Subsidiary Attorney wrote his final report about the gestores investigation. The report stated that no evidence existed to substantiate that Mexico Subsidiary made unlawful payments to government officials.

38. Between in or around late 2004 and in or around 2010, as discussed below, Walmart employees learned about other corruption risks associated with obtaining permits and licenses and learned of allegations of a risk of improper payments to obtain permits and licenses in Mexico, but Walmart did not address those risks by implementing sufficient anti-corruption related internal accounting controls or take remedial actions until in or around April 2011.

39. Although Mexico Subsidiary's use of real estate gestores stopped after Mexico Subsidiary Attorney was separated from the Company in or around August 2004 and before Walmart's 2005 investigation into the gestores allegations, its use of donations to municipalities and other local governmental entities, already identified as a corruption risk, increased as discussed below.

40. From in or around 2006 until in or around 2011, Mexico Subsidiary had a practice

of donating goods and services to municipalities and other local governmental entities. Some of the goods donated, such as cars, which were valued at approximately \$11,000 to \$17,000, and computers, were capable of being converted to personal use. Walmart did not begin to implement sufficient internal accounting controls related to anti-corruption, including those to ensure that these donations were proper and that the goods donated were not being converted to personal use until in or around April 2011.

41. On or about November 19, 2009, Mexico Subsidiary informed Walmart International that local government officials in Mexico had closed certain Mexico Subsidiary stores in an attempt to get Mexico Subsidiary to make improper payments to government officials. Walmart did not investigate this issue or implement sufficient internal accounting controls related to anti-corruption to provide reasonable assurances that Mexico Subsidiary did not make improper payments until in or around April 2011.

India

42. In or around late 2005, Walmart began to explore long-term business opportunities in India and quickly learned that, similar to its operations in Mexico, it would face corruption risks in India obtaining licenses and permits. Walmart also learned of specific corruption risks with India JV Partner. The internal accounting controls related to anti-corruption that Walmart implemented in India, however, were insufficient to mitigate the risk of corruption.

43. Before Walmart began operating in India, it hired a consulting firm to assess potential business risks there. The report stated that Walmart would “be targeted by corrupt individuals and organizations seeking bribes or kickbacks in exchange for favorable business relationships or the easing of bureaucratic restrictions.” The report also said that corruption would likely cause Walmart “delays in the processing of permits, licenses and other paperwork.” The

consulting firm advised that Walmart could mitigate its corruption risk with “[s]trict adherence” to the FCPA and by establishing “strong internal controls and management oversight.”

44. After Walmart learned of potential corruption concerns related to India JV Partner, in or around late 2006, one Walmart employee was concerned with the willingness of an employee of India JV Partner to follow the FCPA and told a Walmart executive in an email message that the India JV Partner employee had given him a “wink and a nod” when the employee “brought up transparency and clean transactions relative to the FCPA” and the India JV Partner employee admitted that “speed payments” were used in the past by the India JV Partner.

45. Between in or around 2008 and in or around early 2011, Walmart’s audit team in India conducted at least six reviews of India Wholesale Business. All of those reviews identified weaknesses in anti-corruption related internal accounting controls that required remediation and were sent to Walmart executives in the United States and to IAS.

46. Between in or around 2008 and in or around early 2011, one or more Walmart senior employees in the United States knew or had reason to know that at India Wholesale Business: certain India Wholesale Business vendors operated without contracts; certain India Wholesale Business third party contracts lacked standard FCPA provisions; certain India Wholesale Business employees had failed to sign anti-corruption certifications and there was no procedure for obtaining those certifications; certain India Wholesale Business disbursements lacked supporting documents; certain India Wholesale Business employees had not completed FCPA training; and there was no formal third party due diligence process at India Wholesale Business.

47. On or about July 23, 2011, senior Walmart and Walmart International executives

received an anonymous whistleblower allegation stating that an employee of India Wholesale Business and India Retail Employee #1 were involved in a scheme to make improper payments to government officials in order to obtain store operating permits and licenses, and that a senior legal employee of India Wholesale Business knew about the scheme. A senior Walmart International executive forwarded the whistleblower email to Walmart International's human resources department and stated, "[s]eems there are some specifics here that we can check out." Over the next two months, some Walmart and Walmart International executives received two additional emails from the same whistleblower following up on the initial email, but Walmart never investigated the allegations.

48. Despite the audit reports discussing control deficiencies and the whistleblower report alleging improper payments to government officials, Walmart did not implement and maintain a system of sufficient internal accounting controls related to anti-corruption to address anti-corruption concerns in India. Because of Walmart's failure to implement sufficient internal accounting controls related to anti-corruption, from in or about 2009 through in or about at least 2011, India Wholesale Business and India Retail Business were able to retain TPIs that made improper payments to government officials in order to obtain store operating permits and licenses during that period. These improper payments were then recorded in the joint venture's books and records with vague descriptions like "misc fees," "miscellaneous," "professional fees," "incidental," and "government fee."

49. On or about September 28, 2011, a TPI wrote to India Retail Employee #2 regarding a store as follows: "For settling Trade Non Food License we have to pay Rs. 1800000/- [approx. \$36,800] as agreed and committed by yourself and [India Retail Employee #1] on 19-09- 2011. I am receiving daily several calls for payment in case if we fail to pay then

there would be a major problem which I am sorry to say we would not be in a position to protect.”

50. On or about November 24, 2011, the General Counsel for India Retail Business executed a vendor services agreement with a TPI that lacked standard anti-corruption provisions and audit rights provisions. Those provisions were removed by an employee of the joint venture prior to the execution of the contract. Audit reports prepared by IAS in or around November 2008 and in or around March 2011 and circulated to certain employees at Walmart in the United States had noted the omission of key provisions of Walmart’s anti-corruption standards from its standard contracts in India.

Brazil

51. Walmart International executives became aware of corruption risks in Brazil as early as in or around July 2000. However, Walmart did not implement due diligence procedures for third parties at Walmart Brazil, undertake risk-based assessments or reviews, or implement an anti-corruption policy or anti-corruption related controls until in or around 2008.

52. On or about November 13, 2008, a Walmart Brazil Business Practices audit report was sent to certain executives of Walmart International. That report did not find instances of non-compliance, but identified weaknesses in anti-corruption related internal accounting controls that required remediation.

53. In or around December 2008, Walmart issued the 2008 Policy, which included enhancements to its global anti-corruption policy and procedures guide. The 2008 Policy provided, among other things, that TPIs could not be retained without a due diligence review. The 2008 Policy also outlined specific rules for record-keeping regarding TPIs. In or around mid-2008, Walmart International disseminated these enhancements to Walmart Brazil.

54. Between in or around 2010 and in or around early 2011, Walmart International employees continued to receive internal audit reports and memoranda noting weaknesses in anti-corruption related internal accounting controls at Walmart Brazil that required remediation, some of which were identified in the 2008 Walmart Brazil internal audit report.

55. From in or around 2008 through in or around early 2011, one or more Walmart senior employees in the United States knew or had reason to know that at Walmart Brazil: certain anti-corruption related internal controls were not in place sufficient to ensure that all of Walmart Brazil's service contracts were properly kept and stored to enable Walmart Brazil to ensure its books, records, and accounts were accurate and fairly reflected its disbursement transactions; and a formal third party due diligence process was not implemented at Walmart Brazil as required.

56. As a result of Walmart's failure to implement sufficient internal accounting controls related to anti-corruption at Walmart Brazil despite repeated findings in the internal audit reports that such anti-corruption related internal accounting controls were lacking, Walmart Brazil continued to retain and renew contracts with TPIs without conducting the required due diligence, and improper payments were paid by certain of these TPIs. Specifically, between in or around 2008 and in or around April 2012, Walmart Brazil engaged and paid a TPI construction company ("Brazil Construction Company") a total of approximately \$52 million to build eight Walmart stores in Brazil. Walmart Brazil did not conduct any due diligence on Brazil Construction Company prior to hiring it in 2008. Later, in or around late 2009, Brazil Construction Company failed a preliminary round of vendor due diligence. It failed another round of due diligence in or around April 2012. In or around April 2012, the Walmart Brazil Ethics and Compliance department informed the Construction and Indirect Sourcing

Departments at Walmart Brazil that the construction company had failed due diligence “due to cases of corruption” and that no further contracts were to be signed with the company. No further contracts were signed by Walmart Brazil with Brazil Construction Company. In or around late 2009, the Walmart Brazil Ethics and Compliance Department had no mechanism in place to ensure that third parties who failed preliminary due diligence were suspended pending final due diligence, and in or around late 2009 Walmart Brazil did not ensure that the Brazil Construction Company was no longer used or paid. In or around 2009, without the knowledge of Walmart Brazil employees, the Brazil Construction Company made improper payments to government officials in connection with the construction of two stores in Brazil.

57. From in or around December 2009 through in or around 2010, as construction neared completion on a Walmart Brazil store, Walmart Brazil directed Brazil Construction Company to retain Brazil Intermediary as a TPI to obtain operational licenses and permits needed to open the store on a compressed timeline. But rather than hiring Brazil Intermediary directly, Walmart Brazil instead amended the contracts with Brazil Construction Company to include a description of Brazil Intermediary’s work and the cost associated with that work. All of this occurred despite red flags indicating that Brazil Intermediary was a government employee and was an individual, not a business with a registered corporate form.

58. Walmart Brazil hired Brazil Intermediary indirectly through Brazil Construction Company, and through the construction company that worked on the second store, because Walmart Brazil employees, including a Walmart Brazil executive, knew they could not hire Brazil Intermediary directly because of several red flags. A Walmart Brazil Government Affairs employee informed a Walmart Brazil Ethics and Compliance employee that he believed Brazil Intermediary was a government official and that Walmart Brazil itself was not allowed to hire

civil servants. Further, a member of Walmart Brazil's construction department believed that Walmart Brazil could not hire Brazil Intermediary directly because Brazil Intermediary used to be a government official and did not have a company.

59. In or around 2009, Brazil Intermediary made improper payments to government inspectors in connection with the construction of a Walmart Brazil store in Brazil. According to a former employee of Brazil Construction Company that worked on the first store, the former employee, without the knowledge or awareness of Walmart Brazil, gave Brazil Intermediary cash in connection with obtaining construction licenses. The former employee did so despite Brazil Intermediary's claim to him (also made without the knowledge or awareness of Walmart Brazil) that some of the money was for "people I have to pay," which the former employee stated he understood to mean improper payments to government inspectors. Brazil Intermediary's ability to obtain licenses and permits quickly earned Brazil Intermediary the nickname "sorceress" or "genie" within Walmart Brazil, which an employee described as having an ability to sort things out like "magic."

China

60. Walmart proposed training China Subsidiary's management about the FCPA in or around the first quarter of 2003. That training was not held. On or around October 2003, the International Division of IAS issued an FCPA Compliance Review report for China Subsidiary which included a finding that China Subsidiary employees had provided gifts with an average dollar value of less than \$20 to government officials to build and maintain relationships with government officials and help obtain approvals for business licenses.

61. That same year, Walmart's Audit Committee and other executives, including at least one Walmart executive who had later learned of the gestores allegations in Mexico in 2005,

received a summary of the audit. Nonetheless, Walmart did not provide FCPA training to China Subsidiary personnel until years later and as a result, the problems relating to the provision of small gifts to government officials were repeatedly noted in subsequent internal audit reports distributed to certain Walmart executives, including at least one executive who learned of the gestures allegations in Mexico in 2005, in the United States until in or around early 2011.

62. On or about October 18, 2006, China Subsidiary's audit team issued a China Subsidiary Business Practices Review report which identified certain FCPA awareness and training deficiencies. In addition to the reports described above, the China Subsidiary internal audit team conducted regular Business Practices audits between in or around 2003 and in or around 2011. The China Subsidiary internal audit team flagged numerous weaknesses in internal accounting controls related to anti-corruption at China Subsidiary, sometimes repeatedly, but many of these weaknesses were not addressed. In fact, from in or around April 2007 until in or around January 2010, Walmart and China Subsidiary failed to address nearly all of the anti-corruption related internal controls audit findings. Walmart did not begin to significantly enhance internal accounting controls related to anti-corruption at China Subsidiary until in or around April 2011.

63. Between in or around 2007 and in or around 2010, one or more Walmart senior employees in the United States knew or had reason to know that at China Subsidiary: certain third party contracts with China Subsidiary lacked required anti-corruption provisions and some also lacked documentation of required third party due diligence, approvals, and required FCPA certifications; certain payments were made by China Subsidiary without required documentation or approvals; the majority of China Subsidiary department heads surveyed were unaware of the purpose of the FCPA and were not provided with any formal training on the FCPA or Walmart's

anti-corruption policy.

ATTACHMENT B
CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal accounting controls, compliance code, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, et seq., and other applicable anti-corruption laws, Walmart Inc. (the “Company”) agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal accounting controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to continue to maintain and enhance existing internal accounting controls, compliance code, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls related to anti-corruption designed to ensure that the Company makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that includes policies and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws including the following elements to the extent they are not already part of the Company’s existing internal accounting controls related to anti-corruption, anti-corruption compliance code, policies, and procedures:

High-Level Commitment

1. The Company will continue to ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

Policies and Procedures

2. The Company will continue to develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law

counterparts (collectively, the “anti-corruption laws,”), which policy shall be memorialized in a written compliance code.

3. The Company will continue to develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company’s compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall continue to apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, “agents and business partners”). The Company shall continue to notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the Company. Such policies and procedures shall address:

- a. gifts;
- b. hospitality, entertainment, and expenses;
- c. customer travel;
- d. political contributions;
- e. charitable donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

4. The Company will continue to ensure that it has a system of financial and accounting procedures, including a system of internal accounting controls related to anti-corruption, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should continue to be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Periodic Risk-Based Review

5. The Company will continue to develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall continue to review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

7. The Company will continue to assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption compliance code, policies, and procedures. Such corporate official(s) shall continue to have the authority to report directly to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

8. The Company will continue to implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall continue to include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will continue to maintain an effective system for providing

guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

Internal Reporting and Investigation

10. The Company will continue to maintain an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will continue to maintain an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

Enforcement and Discipline

12. The Company will continue to implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will continue to institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees. Such procedures should continue to be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall continue to implement procedures to ensure that where

misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal accounting controls related to anti-corruption, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

Third-Party Relationships

14. The Company will continue to institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

- a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
- b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws and of the Company's anti-corruption compliance code, policies, and procedures; and
- c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, the Company will continue to include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the

representations and undertakings related to such matters.

Mergers and Acquisitions

16. The Company will continue to have policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. The Company will continue to ensure that the Company's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

- a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption laws and the Company's compliance code, policies, and procedures regarding anti-corruption laws; and
- b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

Monitoring and Testing

18. The Company will continue to conduct periodic reviews and testing of its anti-corruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT C
INDEPENDENT COMPLIANCE MONITOR

The duties and authority of the Independent Compliance Monitor (the “Monitor”), and the obligations of Walmart Inc. (“Walmart” or the “Company”), on behalf of itself and its subsidiaries and affiliates, with respect to the Monitor and the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney’s Office for the Eastern District of Virginia (the “Fraud Section and the Office”), are as described below:

1. The Company retained the Monitor prior to the date on which the Company’s Non-Prosecution Agreement is executed (the “Agreement Date”) for the purposes of preparing a written work plan, as described below. The Monitorship, as described below, shall extend for a period of not less than two years from the Agreement Date (the “Term of the Monitorship”), unless the Fraud Section and the Office determine, upon a showing by the Company, that early termination is in the interests of justice. Subject to certain conditions specified below that would, in the sole discretion of the Fraud Section and the Office, allow for an extension of the Term of the Monitorship, the Monitor shall be retained until the criteria in Paragraphs 21-22 below are satisfied or the Agreement expires, whichever occurs first.

Monitor’s Mandate

2. The Monitor’s responsibility is to assess the Company’s compliance with the terms of the Agreement, consistent with the Corporate Compliance Program described in Attachment B for the Key Risk Areas in the Monitor Countries and the Home Office as set forth below, so as to specifically address and reduce the risk of any recurrence of the Company’s misconduct. Collectively, the Monitor’s responsibility and the scope of the duties to be performed by the Monitor, as outlined in this paragraph and as set forth in more detail below, make up the “Monitor’s Mandate” and are referred to as such throughout this

document. During the Term of the Monitorship, the Monitor will assess, in the manner set forth below, the anti-corruption-related internal accounting controls related to anti-corruption, record-keeping, and financial reporting policies and procedures of the Company as they relate to permits and licensing, real estate development and construction (not to include the Company's real estate strategic planning process), donations (not to include corporate-level donations or activity by the Walmart Foundation), and third-party intermediaries (collectively, the "Key Risk Areas"). The Monitor's assessment regarding anti-corruption controls in the Key Risk Areas shall solely extend to four countries in which Walmart operates selected based on the Monitor's review of the Company's fiscal year 2018 international risk assessment (collectively, the "Monitor Countries") and to the Company's Home Office in Bentonville, Arkansas (the "Home Office"). The Monitor will, as set forth in more detail below: (a) review anti-corruption policies and procedures and interview relevant anti-corruption compliance personnel and senior management; and (b) conduct on-site visits and walkthroughs of all anti-corruption processes and analyze financial and other data relevant to the assessment of anti-corruption programs and controls. In addition, the Monitor will assess the commitment of the Board of Directors and senior management to the corporate anti-corruption compliance program described in Attachment B of the Agreement and the Company's implementation of the corporate-anti-corruption compliance program for the Key Risk Areas in the Monitor Countries and the Home Office.

Company's Obligations

3. Consistent with the principles set forth in paragraph 2, the Company shall cooperate fully with the Monitor, and the Monitor shall have the authority to take such reasonable steps as, in his or her view, may be necessary to achieve the goals of the Monitor's

Mandate and be fully informed about the Company's anti-corruption compliance program as it relates to the Monitor's Mandate, in accordance with the principles set forth herein and applicable law. To that end, the Company shall: facilitate the Monitor's access to the Company's non-privileged documents and resources consistent with the Monitor's Mandate; not limit such access, except as provided in Paragraphs 5-6; and provide guidance on applicable local law (such as relevant data protection and labor laws). The Company shall provide the Monitor with access to all non-privileged information, documents, records, facilities, and employees, as reasonably requested by the Monitor, that fall within the scope of the Monitor's Mandate under the Agreement. The Company shall use its best efforts to provide the Monitor with access to the Company's former employees who were involved in the development or implementation of the Company's current anti-corruption compliance program and its current third-party vendors, agents, and consultants.

4. Any disclosure by the Company to the Monitor concerning corrupt payments, false books and records, and internal accounting control failures shall not relieve the Company of any otherwise applicable obligation to truthfully disclose such matters to the Department, pursuant to the Agreement.

Withholding Access

5. The parties agree that no attorney-client relationship shall be formed between the Company and the Monitor. In the event that the Company seeks to withhold from the Monitor access to information, documents, records, facilities, or current or former employees of the Company that may be outside the Monitor's Mandate, may be subject to a claim of attorney-client privilege or to the attorney work-product doctrine, or where the Company reasonably believes production would otherwise be inconsistent with applicable law, the Company shall

work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor.

6. If the matter cannot be resolved, at the request of the Monitor, the Company shall promptly provide written notice to the Monitor and the Fraud Section and the Office. Such notice shall include a general description of the nature of the information, documents, records, facilities, or current or former employees that are being withheld, as well as the basis for withholding access. The Fraud Section and the Office may then consider whether to make a further request for access to such information, documents, records, facilities, or employees.

Monitor's Coordination with the Company and Review Methodology

7. In carrying out the Mandate, to the extent appropriate under the circumstances, the Monitor should coordinate with Company personnel, including in-house counsel, compliance personnel, and internal auditors, on an ongoing basis. The Monitor shall rely on the product of the Company's processes, such as the results of studies, reviews, sampling and testing methodologies, audits, and analyses conducted by or on behalf of the Company, as well as the Company's internal resources (e.g., legal, compliance, anti-corruption financial controls, and internal audit), which can assist the Monitor in carrying out the Monitor's Mandate through increased efficiency and Company-specific expertise.

8. The Monitor's reviews shall use a risk-based approach, within the Key Risk Areas and Monitor Countries. The Monitor shall not conduct a comprehensive review of all business lines, all business activities, or all countries.

9. In undertaking the reviews to carry out the Monitor's Mandate, the Monitor shall formulate conclusions regarding the anti-corruption controls for each of the Key Risk Areas, based on, among other things: (a) inspecting relevant documents regarding the Company's current design of anti-corruption policies and procedures; (b) conducting on-site walkthroughs

of selected anti-corruption systems and procedures of the Company at sample sites within the Monitor Countries, including internal accounting controls related to anti-corruption, record-keeping, and internal audit procedures that relate to the Key Risk Areas to understand that the anti-corruption related internal accounting controls are functioning as designed; (c) meetings with relevant current and, where appropriate, former directors, officers, employees, business partners, agents, and other persons relating to the Monitor's Mandate at mutually convenient times and places to gain an understanding of their knowledge of the anti-corruption controls; and (d) reviewing the testing performed by the Company's anti-corruption compliance and internal audit functions to assess the effectiveness of the Company's anti-corruption compliance program that is included within the Monitor's Mandate.

Monitor's Written Work Plan

10. After consultation with the Company and the Fraud Section and the Office, the Monitor prepared a written work plan within thirty calendar days of being engaged. Any disputes between the Company and the Monitor with respect to the written work plan were decided by the Fraud Section and the Office in its sole discretion.

11. The written work plan identifies with reasonable specificity the activities the Monitor plans to undertake in execution of the Monitor's Mandate, including a written request for documents. The Monitor's work plan for the review includes such steps as are reasonably necessary to conduct an effective review in accordance with the Monitor's Mandate, including by developing an understanding, to the extent the Monitor deems appropriate, of the facts and circumstances surrounding any violations that may have occurred before the date of the Agreement. In developing such understanding the Monitor relied on available information and documents provided by the Company. The Monitor did not and shall not conduct his or her

own inquiry into the historical events that gave rise to the Agreement.

Initial Review

12. The Initial Review shall commence no later than thirty calendar days from the Agreement Date (unless otherwise agreed by the Company, the Monitor, and the Fraud Section and the Office). The Monitor shall complete the Initial Review within two hundred ten calendar days of the Agreement Date and shall issue a written report (the "Initial Report") within thirty calendar days thereafter, setting forth the Monitor's assessment and, if necessary, making recommendations reasonably designed to improve the effectiveness of the Company's program for ensuring compliance with anti-corruption laws. The Monitor should consult with the Company concerning his or her findings and recommendations on an ongoing basis and should consider the Company's comments and input to the extent the Monitor deems appropriate. The Initial Report need not recite or describe comprehensively the Company's history or compliance policies, procedures and practices, but rather may focus on those areas with respect to which the Monitor wishes to make recommendations, if any, for improvement or which the Monitor otherwise concludes merit particular attention. Before finalizing each report, the Monitor may choose to share a draft of his or her report with the Company. The Monitor shall provide the final report to the Audit Committee of the Board of Directors (the "Audit Committee") and contemporaneously transmit copies to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, at 1400 New York Avenue N.W., Bond Building, Eleventh Floor, Washington, D.C. 20005 and Chief of the Financial Crimes and Public Corruption Unit, United States Attorney's Office for the Eastern District of Virginia, Justin W. Williams United States Attorney's Building, 2100 Jamieson Avenue, Alexandria, VA 22314. After consultation with the Company, the Monitor may extend the time period for issuance of

the Initial Report for a brief period of time with prior written approval of the Fraud Section and the Office.

13. Within one hundred eighty calendar days of receipt of the Initial Report, the Company shall adopt and implement all recommendations in the report unless, within sixty calendar days of receiving the Initial Report, the Company notifies in writing the Monitor and the Fraud Section and the Office of any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, outside the scope of the Monitor's Mandate, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the one hundred eighty calendar days of receiving the Initial Report but shall propose in writing to the Monitor and the Fraud Section and the Office an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within forty-five calendar days after the Company serves the written notice.

14. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult the Fraud Section and the Office. The Fraud Section and the Office may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendations.

15. With respect to any recommendation that the Monitor determines cannot reasonably be implemented within one hundred eighty calendar days after receiving the Initial Report, the Monitor may extend the time period for implementation with prior written approval

of the Fraud Section and the Office.

Follow-Up Review and Assessment

16. Beginning no later than one hundred eighty calendar days after the issuance of the Initial Report, the Monitor will conduct a Follow-Up Review and Assessment to determine if the Monitor's recommendations, if any, have been implemented effectively. The Monitor shall rely on the Company's internal audit function in conducting the Follow-Up Review and Assessment. The testing will address Monitor Countries and will include document review, interviews, and transaction testing.

17. The Monitor shall observe the Company's validation processes and activities performed by the Company's Internal Audit group so as to inform his or her own assessment of the satisfactory completion and implementation of the Monitor's recommendations from the Initial Report. In the event that Internal Audit's validation processes and activities do not confirm the satisfactory completion and implementation of the Monitor's recommendations from the Initial Report, the Monitor may direct Internal Audit to expand or adjust the scope and plan for any of its processes and activities.

18. Following the Follow-Up Review and Assessment and no later than twenty-one months after the Agreement Date, the Monitor shall submit a follow-up report (the "Follow-Up Report") to the Fraud Section and the Office and to the Audit Committee discussing the outcome of the Follow-Up Review and Assessment and whether the recommendations have been implemented effectively.

Certification of Compliance and Termination of the Monitorship

19. Within thirty calendar days of the Monitor submitting the Follow-Up Report and no later than twenty-two months after the Agreement Date, if the Monitor believes that the

Company's anti-corruption compliance program is reasonably designed and implemented to detect and prevent violations of the anti-corruption laws and is functioning effectively as it relates to the Key Risk Areas in the Monitor Countries, the Monitor shall submit to the Fraud Section and the Office a written report (the "Certification Report") certifying the Company's compliance with its anti-corruption compliance obligations under the Agreement and setting forth an overview of the Company's remediation efforts to date, including the implementation status of the Monitor's recommendations and an assessment of the sustainability of the Company's remediation efforts. The Certification Report also should recommend the scope of the Company's future self-reporting on its enhanced anti-corruption compliance obligations. Within thirty calendar days of the Monitor submitting the Certification Report, the Company shall certify in writing to the Fraud Section and the Office, with a copy to the Monitor, that the Company has adopted and implemented all of the Monitor's recommendations in the Initial Report and the Follow-Up Report. The Monitor or the Company may extend the time period for issuance of the Certification Report or the Company's certification, respectively, with prior written approval of the Fraud Section and the Office.

20. At such time as the Fraud Section and the Office approves the Certification Report and the Company's certification, the Monitorship shall be terminated and the Company will be permitted to self-report to the Fraud Section and the Office on its enhanced anti-corruption compliance obligations for up to one year after the Term of the Monitorship, but in no event longer than thirty-six months following the Agreement Date. The Fraud Section and the Office shall be required to make this determination within thirty calendar days of receiving Walmart's certification but no later than twenty-four months following the Agreement Date. The Fraud Section and the Office, however, reserves the right to terminate the Monitorship

absent certification by the Monitor, upon a showing by the Company that termination is, nevertheless, in the interests of justice.

21. Nothing in the above paragraphs prohibits the Monitor from making a recommendation to the Fraud Section and the Office at any point during the Term of the Monitorship, including before issuing the Certification Report, that the Fraud Section and the Office should terminate the Monitorship before the end of the twenty-four-month term based on his assessment of the Company's anti-corruption compliance program as it relates to the Key Risk Areas in the Monitor Countries. Upon such recommendation by the Monitor, the Fraud Section and the Office shall determine in its sole discretion whether the Monitorship shall be terminated early.

22. If permitted to self-report to the Fraud Section and the Office, the Company shall thereafter submit to the Fraud Section and the Office a written report sixty calendar days prior to the end of the Agreement setting forth a complete description of its remediation efforts to date, its proposals to improve the Company's internal accounting controls, policies, and procedures for ensuring compliance with the anti-corruption laws, and the proposed scope of the subsequent reviews, as these items relate to the Key Risk Areas. The report shall be transmitted to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, N.W., Bond Building, Eleventh Floor, Washington, D.C. 20005 and Chief of the Financial Crimes and Public Corruption Unit, United States Attorney's Office for the Eastern District of Virginia, Justin W. Williams United States Attorney's Building, 2100 Jamieson Avenue, Alexandria, VA 22314. The Company may extend the time period for issuance of the self-report with prior written approval of the Fraud Section and the Office.

Extension of the Term of the Monitorship

23. If, however, at the conclusion of the thirty calendar-day period following the receipt of Walmart's certification but no later than twenty-four months following the Agreement Date, the Fraud Section and the Office concludes that the Company has not by that time successfully satisfied its anti-corruption compliance obligations under the Agreement, the Term of the Monitorship shall be extended for up to one year only as it relates to the area or areas within the scope of the Monitor's Mandate that the Fraud Section and the Office determines have not been adequately remediated by the Company in response to the Monitor's recommendations.

24. Under such circumstances, the Monitor shall commence a follow-up review no later than sixty calendar days after the Fraud Section and the Office concludes that the Company has not successfully satisfied its anti-corruption compliance obligations under the Agreement (unless otherwise agreed by the Company, the Monitor, and the Fraud Section and the Office). The Monitor shall issue a written follow-up report within one hundred eighty calendar days of commencing the follow-up review in the same fashion as set forth in Paragraph 12 with respect to the Initial Review. A determination to terminate the Monitorship shall then be made in accordance with Paragraphs 21-22.

Monitor's Discovery of Potential or Actual Misconduct

25. (a) Except as set forth below in sub-paragraphs (b), (c) and (d), should the Monitor discover during the course of his or her engagement that:

- improper payments or anything else of value may have been offered, promised, made, or authorized by any entity or person within the Company or any entity or person working, directly or indirectly, for or on behalf of the Company; or

- the Company may have maintained false books, records or accounts; (collectively, “Potential Misconduct”), the Monitor shall immediately report the Potential Misconduct to the Company’s General Counsel, Global Chief Ethics & Compliance Officer, and/or the Audit Committee for further action, unless the Potential Misconduct was already so disclosed. The Monitor also may report Potential Misconduct to the Fraud Section and the Office at any time, and shall report Potential Misconduct to the Fraud Section and the Office when it requests the information.

(b) In some instances, the Monitor should immediately report Potential Misconduct to the Fraud Section and the Office first and, after consultation with the Fraud Section and the Office, to the Company. The presence of any of the following factors militates in favor of reporting Potential Misconduct to the Fraud Section and the Office first and then to the Company, namely, where the Potential Misconduct: (1) poses a risk to public health or safety or the environment; (2) involves senior management of the Company; (3) involves obstruction of justice; or (4) otherwise poses a substantial risk of harm.

(c) If the Monitor believes that any Potential Misconduct actually occurred or may constitute a criminal or regulatory violation (“Actual Misconduct”), the Monitor shall immediately report the Actual Misconduct to the Fraud Section and the Office. When the Monitor discovers Actual Misconduct, the Monitor shall disclose the Actual Misconduct first to the Fraud Section and the Office. Then, after consultation with the Fraud Section and the Office, the Monitor shall disclose the Actual Misconduct to the General Counsel, Global Chief Ethics & Compliance Officer, and/or the Audit Committee of the Board of Directors.

(d) The Monitor shall address in his or her reports the appropriateness of the Company’s response to disclosed Potential Misconduct or Actual Misconduct, whether

previously disclosed to the Fraud Section and the Office or not. Further, if the Company or any entity or person working directly or indirectly for or on behalf of the Company withholds information necessary for the performance of the Monitor's responsibilities and the Monitor believes that such withholding is without just cause, the Monitor shall also immediately disclose that fact to the Fraud Section and the Office and address the Company's failure to disclose the necessary information in his or her reports.

(e) The Company nor anyone acting on its behalf shall take any action to retaliate against the Monitor for any such disclosures or for any other reason.

Meetings During Pendency of Monitorship

26. The Monitor shall meet with the Fraud Section and the Office within thirty calendar days after providing each report to the Fraud Section and the Office to discuss the report, to be followed by a meeting between the Fraud Section and the Office, the Monitor, and the Company.

27. At least annually, and more frequently if appropriate, representatives from the Company and the Fraud Section and the Office will meet together to discuss the Monitorship and any suggestions, comments, or improvements the Company may wish to discuss with or propose to the Fraud Section and the Office, including with respect to the scope or costs of the Monitorship.

Contemplated Confidentiality of Monitor's Reports

28. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation or impede pending or potential government investigations and thus undermine the objectives of the Monitorship. For these reasons, among others, the reports and the contents

thereof are intended to remain and shall remain non-public, except: as otherwise agreed to by the parties in writing, or to the extent that the Fraud Section and the Office determines in its sole discretion that disclosure would be in furtherance of the Fraud Section and the Office's discharge of its duties and responsibilities, or as otherwise required by law.