

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

for the fiscal year ended January 31, 2018, or

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 001-6991.



WALMART INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

71-0415188

(IRS Employer Identification No.)

**702 S.W. 8th Street
Bentonville, Arkansas**

(Address of principal executive offices)

72716

(Zip Code)

Registrant's telephone number, including area code: (479) 273-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

**Common Stock, par value \$0.10 per share
1.900% Notes Due 2022
2.550% Notes Due 2026**

**New York Stock Exchange
New York Stock Exchange
New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of July 31, 2017, the aggregate market value of the voting common stock of the registrant held by non-affiliates of the registrant, based on the closing sale price of those shares on the New York Stock Exchange reported on July 31, 2017, was \$114,770,199,895. For the purposes of this disclosure only, the registrant has assumed that its directors, executive officers (as defined in Rule 3b-7 under the Exchange Act) and the beneficial owners of 5% or more of the registrant's outstanding common stock are the affiliates of the registrant.

The registrant had 2,950,696,818 shares of common stock outstanding as of March 28, 2018 .

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Parts Into Which Incorporated</u>
Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held May 30, 2018 (the "Proxy Statement")	Part III

Walmart Inc.
Form 10-K
For the Fiscal Year Ended January 31, 2018

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WALMART INC.
(formerly "WAL-MART STORES, INC.")
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED JANUARY 31, 2018

On February 1, 2018, the legal name of our corporation became "Walmart Inc.," changing from "Wal-Mart Stores, Inc." All references in this Annual Report on Form 10-K, the information incorporated into this Annual Report on Form 10-K by reference to information in the Proxy Statement of Walmart Inc. for its Annual Shareholders' Meeting to be held on May 30, 2018 and in the exhibits to this Annual Report on Form 10-K to "Walmart Inc.," "Wal-Mart Stores, Inc.," "Walmart," "the Company," "our Company," "we," "us" and "our" are to the Delaware corporation named "Wal-Mart Stores, Inc." prior to February 1, 2018 and named "Walmart Inc." commencing on February 1, 2018 and, except where expressly noted otherwise or the context otherwise requires, that corporation's consolidated subsidiaries.

PART I

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K and other reports, statements, and information that Walmart Inc. (which individually or together with its subsidiaries, as the context otherwise requires, is referred to as "we," "Walmart" or the "Company") has filed with or furnished to the Securities and Exchange Commission ("SEC") or may file with or furnish to the SEC in the future, and prior or future public announcements and presentations that we or our management have made or may make, include or may include, or incorporate or may incorporate by reference, statements that may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Act"), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Act.

Nature of Forward-Looking Statements

Such forward-looking statements are not statements of historical facts, but instead express our estimates or expectations for our consolidated, or one of our segment's, economic performance or results of operations for future periods or as of future dates or events or developments that may occur in the future or discuss our plans, objectives or goals. These forward-looking statements relate to:

- the growth of our business or change in our competitive position in the future or in or over particular periods;
- the amount, number, growth or increase, in or over certain periods, of or in certain financial items or measures or operating measures, including our earnings per share, including as adjusted for certain items, net sales, comparable store and club sales, our Walmart U.S. operating segment's eCommerce sales, liabilities, expenses of certain categories, expense leverage, returns, capital and operating investments or expenditures of particular types, new store openings and investments in particular formats;
- investments and capital expenditures we will make and how certain of those investments and capital expenditures are expected to be financed;
- our plans to increase investments in eCommerce, technology, store remodels and other customer initiatives, such as online grocery locations;
- volatility in currency exchange rates and fuel prices affecting our or one of our segments' results of operations;
- the Company continuing to provide returns to shareholders through share repurchases and dividends, the use of share repurchase authorization over a certain period or the source of funding of a certain portion of our share repurchases;
- our sources of liquidity, including our cash, continuing to be adequate or sufficient to fund and finance our operations, expansion activities, dividends and share repurchases, to meet our cash needs and to fund our domestic operations without repatriating earnings we hold outside of the United States;
- our intention to reinvest the earnings we hold outside of the United States in our foreign operations and certain laws, other limitations and potential taxes on anticipated future repatriations of such earnings not materially affecting our liquidity, financial condition or results of operations;
- the insignificance of ineffective hedges and reclassification of amounts related to our derivatives;
- our effective tax rate for certain periods and the realization of certain net deferred tax assets and the effects of resolutions of tax-related matters;
- the effect of adverse decisions in, or settlement of, litigation or other proceedings to which we are subject; or
- the effect on the Company's results of operations or financial condition of the Company's adoption of certain new, or amendments to existing, accounting standards.

Our forward-looking statements may also include statements of our strategies, plans and objectives for our operations, including areas of future focus in our operations, and the assumptions underlying any of the forward-looking statements we make. The forward-looking statements we make can typically be identified by the use therein of words and phrases such as "aim," "anticipate," "believe," "could be," "could increase," "could occur," "could result," "continue," "estimate," "expansion," "expect," "expectation," "expected to be," "focus," "forecast," "goal," "grow," "guidance," "intend," "invest," "is expected,"

"may continue," "may fluctuate," "may grow," "may impact," "may result," "objective," "plan," "priority," "project," "strategy," "to be," "we'll," "we will," "will add," "will allow," "will be," "will benefit," "will change," "will come in at," "will continue," "will decrease," "will grow," "will have," "will impact," "will include," "will increase," "will open," "will remain," "will result," "will stay," "will strengthen," "would be," "would decrease" and "would increase," variations of such words or phrases, other phrases commencing with the word "will" or similar words and phrases denoting anticipated or expected occurrences or results. The forward-looking statements include statements made in [Part I, Item 3](#), "Legal Proceedings" in this Annual Report on Form 10-K as to our belief that the possible loss or range of any possible loss that may be incurred in connection with certain legal proceedings will not be material to our financial condition, results of operations, or liquidity.

Risks Factors and Uncertainties Affecting Our Business

Our business operations are subject to numerous risks, factors and uncertainties, domestically and internationally, outside of our control. One, or a combination, of these risks, factors and uncertainties could materially affect any of those matters as to which we have made forward-looking statements and cause our actual results or an actual event or occurrence to differ materially from those results or an event or occurrence described in a forward-looking statement. These risks, factors and uncertainties, which may be global in their effect or affect only some of the markets in which we operate and which may affect us on a consolidated basis or affect only some of our reportable segments, include, but are not limited to:

Economic Factors

- economic, geo-political, capital markets and business conditions, trends and events around the world and in the markets in which Walmart operates;
- currency exchange rate fluctuations;
- changes in market rates of interest;
- changes in market levels of wages;
- changes in the size of various markets, including eCommerce markets;
- unemployment levels;
- inflation or deflation, generally and in certain product categories;
- transportation, energy and utility costs;
- commodity prices, including the prices of oil and natural gas;
- consumer confidence, disposable income, credit availability, spending levels, shopping patterns, debt levels, and demand for certain merchandise;
- trends in consumer shopping habits around the world and in the markets in which Walmart operates;
- consumer enrollment in health and drug insurance programs and such programs' reimbursement rates and drug formularies; and
- initiatives of competitors, competitors' entry into and expansion in Walmart's markets, and competitive pressures;

Operating Factors

- the amount of Walmart's net sales and operating expenses denominated in U.S. dollar and various foreign currencies;
- the financial performance of Walmart and each of its segments, including the amounts of Walmart's cash flow during various periods;
- Walmart's need to repatriate earnings held outside of the U.S. and changes in U.S. and international tax regulations;
- customer traffic and average ticket in Walmart's stores and clubs and on its eCommerce platforms;
- the mix of merchandise Walmart sells and its customers purchase;
- the availability of goods from suppliers and the cost of goods acquired from suppliers;
- the effectiveness of the implementation and operation of Walmart's strategies, plans, programs and initiatives;
- Walmart's ability to successfully integrate acquired businesses, including within the eCommerce space;
- the amount of shrinkage Walmart experiences;
- consumer acceptance of and response to Walmart's stores and clubs, digital platforms, programs, merchandise offerings and delivery methods;
- Walmart's gross profit margins, including pharmacy margins and margins of other product categories;
- the selling prices of gasoline and diesel fuel;
- disruption of seasonal buying patterns in Walmart's markets;
- Walmart's expenditures for Foreign Corrupt Practices Act ("FCPA") and other compliance-related matters including the adequacy of our accrual for the FCPA matter;
- disruptions in Walmart's supply chain;
- cybersecurity events affecting Walmart and related costs and impact of any disruption in business;
- Walmart's labor costs, including healthcare and other benefit costs;
- Walmart's casualty and accident-related costs and insurance costs;
- the size of and turnover in Walmart's workforce and the number of associates at various pay levels within that workforce;
- the availability of necessary personnel to staff Walmart's stores, clubs and other facilities;

- unexpected changes in Walmart's objectives and plans;
- developments in, and the outcome of, legal and regulatory proceedings and investigations to which Walmart is a party or is subject, and the liabilities, obligations and expenses, if any, that Walmart may incur in connection therewith;
- changes in the credit ratings assigned to the Company's commercial paper and debt securities by credit rating agencies;
- Walmart's effective tax rate; and
- unanticipated changes in accounting judgments and estimates;

Regulatory and Other Factors

- changes in existing tax, labor and other laws and changes in tax rates, including the enactment of laws and the adoption and interpretation of administrative rules and regulations;
- adoption or creation of new, and modification of existing, governmental policies, programs and initiatives in the markets in which Walmart operates and elsewhere and actions with respect to such policies, programs and initiatives;
- the possibility of the imposition of new taxes on imports and new tariffs and trade restrictions and changes in tariff rates and trade restrictions;
- changes in currency control laws;
- changes in the level of public assistance payments;
- the timing of federal income tax refunds;
- natural disasters, public health emergencies, civil disturbances, and terrorist attacks; and
- changes in generally accepted accounting principles in the United States.

We typically earn a disproportionate part of our annual operating income in the fourth quarter as a result of seasonal buying patterns, which patterns are difficult to forecast with certainty and can be affected by many factors.

Other Risk Factors: No Duty to Update

The above list of factors that may affect the estimates and expectations discussed in or implied or contemplated by forward-looking statements we make or made on our behalf is not exclusive. We are subject to other risks discussed under the caption "Item 1A. Risk Factors," and that we may discuss in Management's Discussions and Analysis of Financial Condition and Results of Operations and in risks that may be discussed under "Part II, Item 1A. Risk Factors" and "Part I, Item 2. Management's Discussions and Analysis of Financial Condition and Results of Operations" appearing in our Quarterly Reports on Form 10-Q or may otherwise be disclosed in our Quarterly Reports on Form 10-Q and other reports filed with the SEC. Investors and other readers are urged to consider all of these risks, uncertainties and other factors carefully in evaluating our forward-looking statements.

The forward-looking statements that we make or are made by others on our behalf are based on our knowledge of our business and our operating environment and assumptions that we believe to be or will believe to be reasonable when such forward-looking statements were or are made. As a consequence of the factors described above, the other risks, uncertainties and factors we disclose below and in the other reports as mentioned above, other risks not known to us at this time, changes in facts, assumptions not being realized or other circumstances, our actual results may differ materially from those discussed in or implied or contemplated by our forward-looking statements. Consequently, this cautionary statement qualifies all forward-looking statements we make or that are made on our behalf, including those made herein and incorporated by reference herein. We cannot assure you that the results or developments expected or anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business, our operations or our operating results in the manner or to the extent we expect. We caution readers not to place undue reliance on such forward-looking statements, which speak only as of their dates. We undertake no obligation to revise or update any of the forward-looking statements to reflect subsequent events or circumstances except to the extent required by applicable law.

ITEM 1. BUSINESS

General

Walmart Inc. ("Walmart," the "Company" or "we") helps people around the world save money and live better – anytime and anywhere – in retail stores and through eCommerce. Through innovation, we are striving to create a customer-centric experience that seamlessly integrates our eCommerce and retail stores in an omni-channel offering that saves time for our customers. Each week, we serve nearly 270 million customers who visit our more than 11,700 stores and numerous eCommerce websites under 65 banners in 28 countries.

Our strategy is to lead on price, invest to differentiate on access, be competitive on assortment and deliver a great experience. Leading on price is designed to earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"). EDLP is our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity. Price leadership is core to who we are. Everyday low cost ("EDLC") is our commitment to control expenses so those cost savings can be passed along to our customers. Our omni-channel presence provides customers access to our broad assortment anytime and anywhere. We strive to give our customers and members a great digital and physical shopping experience.

Our operations comprise three reportable segments: Walmart U.S., Walmart International and Sam's Club. Our fiscal year ends on January 31 for our United States ("U.S.") and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar year basis. Our discussion is as of and for the fiscal years ended January 31, 2018 ("fiscal 2018"), January 31, 2017 ("fiscal 2017") and January 31, 2016 ("fiscal 2016"). During fiscal 2018, we generated total revenues of \$500.3 billion, which was primarily comprised of net sales of \$495.8 billion.

We maintain our principal offices at 702 S.W. 8th Street, Bentonville, Arkansas 72716, USA. Our common stock trades on the New York Stock Exchange under the symbol "WMT."

The Development of Our Company

Although Walmart was incorporated in Delaware in October 1969, the businesses conducted by our founders began in 1945 when Sam M. Walton opened a franchise Ben Franklin variety store in Newport, Arkansas. In 1946, his brother, James L. Walton, opened a similar store in Versailles, Missouri. Until 1962, our founders' business was devoted entirely to the operation of variety stores. In that year, the first Wal-Mart Discount City, which was a discount store, opened in Rogers, Arkansas. In 1983, we opened our first Sam's Club, and in 1988, we opened our first supercenter. In 1998, we opened our first Neighborhood Market.

In 1991, we began our first international initiative when we entered into a joint venture in Mexico. Since then, our international presence has expanded and, as of January 31, 2018, our Walmart International segment conducted business in 27 countries.

In 2000, we began our first eCommerce initiative by creating walmart.com. That same year, we also created samsclub.com. Since then, our digital presence has continued to grow. In 2007, walmart.com launched its Site to Store service, enabling customers to make a purchase online and pick up merchandise in stores. In 2016, we acquired jet.com in the U.S. and formed a strategic alliance with JD.com in China. Subsequent to the jet.com purchase, we have acquired several other U.S. eCommerce entities. In 2017, walmart.com launched free two-day shipping on more than 2 million items and we created Store N° 8, a tech incubator with a focus to drive commerce forward. These eCommerce efforts have led to omni-channel offerings in many markets, including over 1,100 "Online Grocery" pickup locations in the U.S.

Information About Our Segments

The Company is engaged in the operation of retail, wholesale and other units, as well as eCommerce websites, located throughout the U.S., Africa, Argentina, Brazil, Canada, Central America, Chile, China, India, Japan, Mexico and the United Kingdom. The Company's operations are conducted in three reportable segments: Walmart U.S., Walmart International and Sam's Club. The Company defines its segments as those operations whose results the chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. The Company sells similar individual products and services in each of its segments. It is impractical to segregate and identify revenues for each of these individual products and services.

Walmart U.S. is our largest segment and operates retail stores in all 50 states in the U.S., Washington D.C. and Puerto Rico, with three primary store formats, as well as eCommerce. Walmart U.S. generated approximately 64% of our net sales in fiscal 2018, and of our three segments, Walmart U.S. is the largest and has historically had the highest gross profit as a percentage of net sales ("gross profit rate"). In addition, Walmart U.S. has historically contributed the greatest amount to the Company's net sales and operating income.

Walmart International consists of operations in 27 countries outside of the U.S. and is divided into three major categories: retail, wholesale and other. These categories consist of many formats, including: supercenters, supermarkets, hypermarkets, warehouse clubs (including Sam's Clubs) and cash & carry, as well as eCommerce. Walmart International generated

approximately 24% of our fiscal 2018 net sales. The overall gross profit rate for Walmart International is lower than that of Walmart U.S. primarily because of its merchandise mix. Walmart International is our second largest segment.

Sam's Club consists of membership-only warehouse clubs and operates in 44 states in the U.S. and in Puerto Rico, as well as eCommerce. Sam's Club accounted for approximately 12% of our fiscal 2018 net sales. As a membership-only warehouse club, membership income is a significant component of the segment's operating income. Sam's Club operates with a lower gross profit rate and lower operating expenses as a percentage of net sales than our other segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, we revise the measurement of each segment's operating income, including any corporate overhead allocations, as determined by the information regularly reviewed by our CODM. When the measurement of a segment changes, previous period amounts and balances are reclassified to be comparable to the current period's presentation.

Walmart U.S. Segment

The Walmart U.S. segment is a mass merchandiser of consumer products, operating under the "Walmart," "Wal-Mart" and "Walmart Neighborhood Market" brands, as well as walmart.com and other eCommerce brands. The Walmart U.S. segment had net sales of \$318.5 billion, \$307.8 billion and \$298.4 billion for fiscal 2018, 2017 and 2016, respectively. During the most recent fiscal year, no single unit accounted for as much as 1% of total Company consolidated net sales.

Physical. Walmart U.S. operates retail stores in the U.S., including in all 50 states, Washington D.C. and Puerto Rico, with supercenters in 49 states, Washington D.C. and Puerto Rico, discount stores in 41 states and Puerto Rico and Neighborhood Markets and other small store formats in 36 states, Washington D.C. and Puerto Rico. The following table provides square footage details on each of our formats as of January 31, 2018:

	Minimum Square Feet	Maximum Square Feet	Average Square Feet
Supercenters (general merchandise and grocery)	69,000	260,000	178,000
Discount stores (general merchandise and limited grocery)	30,000	206,000	105,000
Neighborhood Markets ⁽¹⁾ (grocery)	28,000	65,000	42,000

(1) Excludes other small formats.

The following table provides the retail unit count and retail square feet by format for the fiscal years shown:

Fiscal Year	Supercenters				Square Feet ⁽²⁾	Discount Stores				Square Feet ⁽²⁾
	Opened	Closed	Conversions ⁽¹⁾	Total ⁽²⁾		Opened	Closed	Conversions ⁽¹⁾	Total ⁽²⁾	
Balance forward				3,158	570,409				561	59,098
2014	72	—	58	3,288	589,858	4	—	(57)	508	53,496
2015	79	—	40	3,407	607,415	2	—	(40)	470	49,327
2016	55	(16)	19	3,465	616,428	—	(9)	(19)	442	45,991
2017	38	(2)	21	3,522	625,930	—	(6)	(21)	415	43,347
2018	30	—	9	3,561	632,479	—	(6)	(9)	400	41,926
Fiscal Year	Neighborhood Markets and Other Small Formats					Total Segment				Square Feet ⁽²⁾
	Opened	Closed	Conversions ⁽¹⁾	Total ⁽²⁾	Square Feet ⁽²⁾	Opened ⁽³⁾	Closed	Total ⁽²⁾		
Balance forward				286	11,226			4,005	640,733	
2014	122	—	(1)	407	15,778		198	—	4,203	659,132
2015	235	(3)	—	639	23,370		316	(3)	4,516	680,112
2016	161	(133)	—	667	27,228		216	(158)	4,574	689,647
2017	73	(5)	—	735	30,012		111	(13)	4,672	699,289
2018	85	(20)	—	800	30,111		115	(26)	4,761	704,516

(1) Conversions of discount stores or Neighborhood Markets to supercenters.

(2) "Total" and "Square Feet" columns are as of January 31 for the years shown. Retail square feet are reported in thousands.

(3) Total opened, net of conversions of discount stores or Neighborhood Markets to supercenters.

Digital. Walmart U.S. provides its customers access to a broad assortment of merchandise, including products not found in our physical stores, and services online through our eCommerce family of brands' websites and third party retail partnership channels, as well as through related mobile commerce and voice-activated commerce applications. Our eCommerce family of brands includes walmart.com, jet.com, hayneedle.com, shoes.com, moosejaw.com, modcloth.com and bonobos.com. Walmart.com offers access to nearly 75 million SKUs, including those carried on Marketplace, a feature of the website that permits third parties to sell merchandise on walmart.com. Walmart.com is also integrated with our physical stores through

services like "Walmart Pickup," "Pickup Today" and in over 1,100 "Online Grocery" pickup locations to provide an omni-channel offering to our customers. Walmart U.S. also offers access to digital content and services including Vudu.

Merchandise. Walmart U.S. does business in three strategic merchandise units, listed below, across several store formats including supercenters, discount stores, Neighborhood Markets and other small store formats, as well as on our eCommerce websites.

- Grocery consists of a full line of grocery items, including meat, produce, natural & organics, deli & bakery, dairy, frozen foods, alcoholic and nonalcoholic beverages, floral and dry grocery, as well as consumables such as health and beauty aids, baby products, household chemicals, paper goods and pet supplies;
- Health and wellness includes pharmacy, optical services, clinical services, and over-the-counter drugs and other medical products;
- General merchandise includes:
 - Entertainment (e.g., electronics, cameras and supplies, photo processing services, wireless, movies, music, video games and books);
 - Hardlines (e.g., stationery, automotive, hardware and paint, sporting goods, outdoor living and horticulture);
 - Apparel (e.g., apparel for women, girls, men, boys and infants, as well as shoes, jewelry and accessories); and
 - Home/Seasonal (e.g., home furnishings, housewares and small appliances, bedding, home decor, toys, fabrics and crafts and seasonal merchandise).

Walmart U.S. also offers fuel and financial services and related products, including money orders, prepaid cards, wire transfers, money transfers, check cashing and bill payment. These services total less than 1% of annual net sales.

Brand name merchandise represents a significant portion of the merchandise sold in Walmart U.S. We also market lines of merchandise under our private-label store brands, including: "Adventure Force," "AutoDrive," "BlackWeb," "Equate," "Everstart," "Faded Glory," "George," "Great Value," "Holiday Time," "Hyper Tough," "Kid Connection," "Mainstays," "Marketside," "My Life As," "No Boundaries," "Ol' Roy," "Onn," "Ozark Trail," "Parent's Choice," "Prima Della," "Pure Balance," "Sam's Choice," "Special Kitty," "Spring Valley," "Terra & Sky," "Time and Tru," "Way to Celebrate" and "Wonder Nation." The Company also markets lines of merchandise under licensed brands, some of which include: "Better Homes & Gardens," "Farberware," "Russell" and "SwissTech."

The percentage of strategic merchandise unit net sales for Walmart U.S., including online sales, was as follows for fiscal 2018, 2017 and 2016 :

STRATEGIC MERCHANDISE UNITS	Fiscal Years Ended January 31,		
	2018	2017	2016
Grocery	56%	56%	56%
Health and wellness	11%	11%	11%
General merchandise	33%	33%	33%
Total	100%	100%	100%

Periodically, revisions are made to the categorization of the components comprising our strategic merchandise units. When revisions are made, the previous periods' presentation is adjusted to maintain comparability.

Operations. Many supercenters, discount stores and Neighborhood Markets are open 24 hours each day. A variety of payment methods are accepted at our stores and through our eCommerce websites and mobile commerce applications.

Seasonal Aspects of Operations. Walmart U.S.'s business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as different weather patterns. Historically, its highest sales volume and segment operating income have occurred in the fiscal quarter ending January 31.

Competition. Walmart U.S. competes with both physical retailers operating discount, department, retail and wholesale grocers, drug, dollar, variety and specialty stores, supermarkets, hypermarkets and supercenter-type stores, and digital retailers, as well as catalog businesses. We also compete with others for desirable sites for new or relocated retail units.

Our ability to develop, open and operate units at the right locations and to deliver a customer-centric omni-channel experience largely determines our competitive position within the retail industry. We employ many programs designed to meet competitive pressures within our industry. These programs include the following:

- EDLP: our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity;
- EDLC: everyday low cost is our commitment to control expenses so our cost savings can be passed along to our customers;

- Rollbacks: our commitment to pass cost savings on to the customer by lowering prices on selected goods;
- Savings Catcher, Save Even More and Ad Match: strategies to meet or be below a competitor's advertised price;
- Walmart Pickup: customer places order online and picks it up for free from a store. The merchandise is fulfilled through our distribution facilities;
- Pickup Today: customer places order online and picks it up at a store within four hours for free. The order is fulfilled through existing store inventory;
- Online Grocery: customer places grocery order online and has it delivered to home or picks it up at one of our participating stores or remote locations; and
- Money Back Guarantee: our commitment to ensure the quality and freshness of the fruits and vegetables in our stores by offering our customers a 100 percent money-back guarantee if they are not satisfied.

We offer a broad assortment of merchandise that provides one-stop shopping, in-stock levels that give our customers confidence that we will have the products they need and operating hours that allow customers to shop at their convenience. In addition, our eCommerce capabilities, including omni-channel transactions that involve both an eCommerce platform and a physical format, are important factors in our competition with other retailers.

Distribution. For fiscal 2018, approximately 78% of Walmart U.S.'s purchases of store merchandise were shipped through our 157 distribution facilities, which are located strategically throughout the U.S. The remaining merchandise we purchased was shipped directly from suppliers. General merchandise and dry grocery merchandise is transported primarily through the segment's private truck fleet; however, we contract with common carriers to transport the majority of our perishable grocery merchandise.

We ship merchandise purchased by customers on our eCommerce platforms by a number of methods from multiple locations including from our 30 dedicated eCommerce fulfillment centers.

The following table provides further details of our distribution facilities, including return facilities and dedicated eCommerce fulfillment centers, as of January 31, 2018:

	Owned and Operated	Owned and Third Party Operated	Leased and Operated	Third Party Owned and Operated	Total
Walmart U.S. distribution facilities	103	2	23	29	157

Walmart International Segment

The Walmart International segment consists of operations in 27 countries outside of the U.S. and includes numerous formats divided into three major categories: retail, wholesale and other. These categories, including eCommerce, consist of many formats, including: supercenters, supermarkets, hypermarkets, warehouse clubs (including Sam's Clubs) and cash & carry. The segment's net sales for fiscal 2018, 2017 and 2016, were \$118.1 billion, \$116.1 billion and \$123.4 billion, respectively, which have been impacted by currency exchange rate fluctuations. During the most recent fiscal year, no single unit accounted for as much as 1% of total Company net sales.

Physical. Walmart International includes physical stores operated by: our wholly-owned subsidiaries operating in Argentina, Brazil, Canada, Chile, China, India, Japan and the United Kingdom; and our majority-owned subsidiaries operating in Africa (which includes Botswana, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda and Zambia), Central America (which includes Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and Mexico.

Generally, retail units range in size from 8,900 square feet to 186,000 square feet. Our wholesale stores generally range in size from 35,000 square feet to 185,000 square feet. Other, which includes drugstores and convenience stores operating under various banners in Brazil, Mexico and the United Kingdom, range in size up to 2,400 square feet. Also, on a limited basis, Walmart International operates financial institutions that provide consumer credit.

The following table provides the retail unit count ⁽¹⁾ and retail square feet ⁽²⁾ for the fiscal years shown:

Fiscal Year	Africa		Argentina		Brazil		Canada		Central America		Chile	
	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet
Balance forward	377	19,775	94	7,531	558	32,494	379	48,354	642	9,873	329	12,671
2014	379	20,513	104	8,062	556	32,501	389	49,914	661	10,427	380	13,697
2015	396	21,223	105	8,119	557	33,028	394	50,927	690	11,094	404	14,762
2016	408	21,869	108	8,280	499	30,675	400	51,784	709	11,410	395	15,407
2017	412	22,542	107	8,264	498	30,642	410	53,088	731	11,770	363	15,260
2018	424	23,134	106	8,305	465	29,824	410	53,082	778	12,448	378	15,990

Fiscal Year	China		India		Japan		Mexico ⁽³⁾		United Kingdom		Total Segment	
	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet	Unit Count	Square Feet
Balance forward	393	65,801	20	1,083	438	24,448	1,988	88,833	565	34,810	5,783	345,673
2014	405	67,205	20	1,083	438	24,489	2,199	94,900	576	35,416	6,107	358,207
2015	411	68,269	20	1,083	431	24,429	2,290	98,419	592	36,277	6,290	367,630
2016	432	71,724	21	1,146	346	22,551	2,360	100,308	621	37,044	6,299	372,198
2017	439	73,172	20	1,091	341	21,921	2,411	101,681	631	37,338	6,363	376,769
2018	443	73,615	20	1,091	336	21,181	2,358	97,024	642	37,587	6,360	373,281

(1) "Unit Count" includes retail stores, wholesale clubs and other, which includes drugstores and convenience stores. Walmart International unit counts, with the exception of Canada, are stated as of December 31, to correspond with the fiscal year end of the related geographic market. Canada unit counts and square footage are stated as of January 31. For the balance forward, all country balances are stated as of the end of fiscal year 2013.

(2) "Square Feet" columns are reported in thousands.

(3) All periods presented exclude units and square feet for the Vips restaurant business. The Company completed the sale of the Vips restaurant business in fiscal 2015.

Unit counts ⁽¹⁾ as of January 31, 2018 for Walmart International are summarized by major category for each geographic market as follows:

Geographic Market	Retail	Wholesale	Other ⁽²⁾	Total
Africa ⁽³⁾	335	89	—	424
Argentina	106	—	—	106
Brazil	380	70	15	465
Canada	410	—	—	410
Central America ⁽⁴⁾	778	—	—	778
Chile	373	5	—	378
China	424	19	—	443
India	—	20	—	20
Japan	336	—	—	336
Mexico	2,186	162	10	2,358
United Kingdom	617	—	25	642
Total	5,945	365	50	6,360

(1) Walmart International unit counts, with the exception of Canada, are stated as of December 31, 2017, to correspond with the balance sheet date of the related geographic market. Canada unit counts are stated as of January 31, 2018.

(2) Other includes drug stores and convenience stores.

(3) Africa unit counts by country are Botswana (11), Ghana (2), Kenya (1), Lesotho (3), Malawi (2), Mozambique (5), Namibia (4), Nigeria (5), South Africa (382), Swaziland (1), Tanzania (1), Uganda (1) and Zambia (6).

(4) Central America unit counts by country are Costa Rica (247), El Salvador (95), Guatemala (238), Honduras (103) and Nicaragua (95).

Digital. Walmart International operates eCommerce websites in numerous countries. Customers have access through our eCommerce websites and, in countries where available, mobile commerce applications to a broad assortment of merchandise and services, both of which vary by country. Our omni-channel offerings include capabilities like "Click & Collect" in the United Kingdom and our grocery pick-up and delivery business in several other markets.

Merchandise. The merchandising strategy for Walmart International is similar to that of our operations in the U.S. in terms of the breadth and scope of merchandise offered for sale. While brand name merchandise accounts for a majority of our sales, we have both leveraged U.S. private brands and developed market specific private brands to serve our customers with high quality, lower priced items. Along with the private brands we market globally, such as "Equate," "George," "Great Value," "Holiday Time," "Mainstays," "O! Roy" and "Parent's Choice," our international markets have developed market specific brands including "Aurrera," "Cambridge," "Chosen by You" and "Extra Special." In addition, we have developed relationships with

regional and local suppliers in each market to ensure reliable sources of quality merchandise that is equal to national brands at low prices.

Operations. The hours of operation for operating units in Walmart International vary by country and by individual markets within countries, depending upon local and national ordinances governing hours of operation. Operating units in each country accept a variety of payment methods.

Seasonal Aspects of Operations. Walmart International's business is seasonal to a certain extent. Historically, the segment's highest sales volume and operating income have occurred in the fourth quarter of our fiscal year. The seasonality of the business varies by country due to different national and religious holidays, festivals and customs, as well as different weather patterns.

Competition. Walmart International competes with both physical retailers who operate department, drug, discount, variety and specialty stores, supermarkets, hypermarkets and supercenter-type stores, wholesale clubs, home-improvement stores, specialty electronics stores, cash & carry operations and convenience stores, and digital retailers, as well as catalog businesses. We also operate, on a limited basis, consumer credit operations. We compete with others for desirable sites for new or relocated units. Our ability to develop, open and operate units at the right locations and to deliver a customer-centric experience that seamlessly integrates digital and physical shopping determines, to a large extent, our competitive position in the markets in which Walmart International operates. We believe price leadership is a critical part of our business model and we continue to focus on moving our markets towards an EDLP approach. Additionally, our ability to operate food departments effectively has a significant impact on our competitive position in the markets where we operate. In the markets in which we have eCommerce websites or mobile commerce applications, those websites and applications help differentiate us from our competitors and help us compete with other retailers for customers and their purchases, both in our digital and physical retail operations.

Distribution. We utilize a total of 188 distribution facilities located in Argentina, Brazil, Canada, Central America, Chile, China, Japan, Mexico, South Africa and the United Kingdom. Through these facilities, we process and distribute both imported and domestic products to the operating units of the Walmart International segment. During fiscal 2018, approximately 83% of Walmart International's purchases passed through these distribution facilities. Suppliers ship the balance of Walmart International's purchases directly to our stores in the various markets in which we operate. The following table provides further details of our international distribution facilities, including 17 dedicated eCommerce fulfillment centers, as of December 31, 2017, with the exception of distribution facilities in Canada, which are stated as of January 31, 2018 :

	Owned and Operated	Owned and Third Party Operated	Leased and Operated	Third Party Owned and Operated	Total
International distribution facilities	43	12	87	46	188

We ship merchandise purchased by customers on our eCommerce websites and through our mobile commerce applications by a number of methods from multiple locations including from our dedicated eCommerce fulfillment centers.

Sam's Club Segment

The Sam's Club segment operates membership-only warehouse clubs, as well as samsclub.com, in the U.S. and had net sales of \$59.2 billion, \$57.4 billion and \$56.8 billion for fiscal 2018, 2017 and 2016, respectively. During the most recent fiscal year, no single club location accounted for as much as 1% of total Company net sales.

Membership. Beginning in the year ending January 31, 2019 ("fiscal 2019"), Sam's Club simplified the membership program. The following two options are available to members:

	Membership Type	
	Plus	Club
Annual Membership Fee	\$100	\$45
Number of Add-on Memberships (\$40 each)	Up to 16	Up to 8
Eligible for Cash Rewards	Yes	No
Eligible for Free Shipping	Yes	No

All memberships include a spouse/household card at no additional cost. Plus Members are eligible for Cash Rewards, which is a benefit that provides \$10 for every \$500 in qualifying Sam's Club purchases up to a \$500 cash reward annually. The amount earned can be used for purchases, membership fees or redeemed for cash. Plus Members are also eligible for Free Shipping on the vast majority of merchandise available online, with no minimum order size. Free Shipping is yet another example of creating a new Sam's Club for our members.

Physical. As a membership-only warehouse club, Sam's Club facility sizes generally range between 94,000 and 168,000 square feet, with an average size of approximately 134,000 square feet.

The following table provides the retail unit count and retail square feet for the fiscal years shown :

Fiscal Year	Opened	Closed	Total ⁽¹⁾	Square Feet ⁽¹⁾
Balance forward			620	82,653
2014	12	—	632	84,382
2015	16	(1)	647	86,510
2016	8	—	655	87,552
2017	9	(4)	660	88,376
2018	4	(67)	597	80,068

(1) "Total" and "Square Feet" columns are as of January 31 for the fiscal years shown. Retail square feet are reported in thousands.

Digital. Sam's Club provides its members access to a broad assortment of merchandise, including products not found in our clubs, and services online at samsclub.com and through our mobile commerce applications. Samsclub.com experiences on average 20.4 million unique visitors a month and offers access to approximately 59,000 SKUs providing the member the option of delivery direct-to-home or to the club through services such as "Club Pickup." Digital retail supports our physical clubs with capabilities like "Scan and Go," a mobile checkout and payment solution, which allows members to bypass the checkout line.

Merchandise. Sam's Club offers merchandise in the following five merchandise categories:

- Grocery and consumables includes dairy, meat, bakery, deli, produce, dry, chilled or frozen packaged foods, alcoholic and nonalcoholic beverages, floral, snack foods, candy, other grocery items, health and beauty aids, paper goods, laundry and home care, baby care, pet supplies and other consumable items;
- Fuel and other categories consists of gasoline stations, tobacco, tools and power equipment, and tire and battery centers;
- Home and apparel includes home improvement, outdoor living, grills, gardening, furniture, apparel, jewelry, housewares, toys, seasonal items, mattresses and small appliances;
- Technology, office and entertainment includes electronics, wireless, software, video games, movies, books, music, office supplies, office furniture, photo processing and third-party gift cards; and
- Health and wellness includes pharmacy, optical and hearing services and over-the-counter drugs.

The Member's Mark brand continues to expand assortment and deliver member value. In fiscal 2018, Member's Mark sales exceeded \$10 billion, driven by growth in grocery, seasonal items and apparel. The percentage of net sales for Sam's Club, including eCommerce sales, by merchandise category, was as follows for fiscal 2018, 2017 and 2016 :

MERCHANDISE CATEGORY	Fiscal Years Ended January 31,		
	2018	2017	2016
Grocery and consumables	58%	59%	59%
Fuel and other categories	21%	20%	20%
Home and apparel	9%	9%	9%
Technology, office and entertainment	6%	6%	7%
Health and wellness	6%	6%	5%
Total	100%	100%	100%

Operations. Operating hours for Sam's Clubs are generally Monday through Friday from 10:00 a.m. to 8:30 p.m., Saturday from 9:00 a.m. to 8:30 p.m. and Sunday from 10:00 a.m. to 6:00 p.m. Additionally, all club locations offer Plus Members the ability to shop before the regular operating hours Monday through Saturday, starting at 7:00 a.m. A variety of payment methods are accepted at our clubs and online, including the co-branded Sam's Club "Cash Back" MasterCard.

Seasonal Aspects of Operations. Sam's Club's business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as different weather patterns. Historically, its highest sales volume and segment operating income have occurred in the fiscal quarter ending January 31.

Competition. Sam's Club competes with other membership-only warehouse clubs, the largest of which is Costco, as well as with discount retailers, retail and wholesale grocers, general merchandise wholesalers and distributors, gasoline stations as well as digital retailers and catalog businesses. At Sam's Club, we provide value at members-only prices, a quality merchandise assortment, and bulk sizing to serve both our Plus and Club members. Our eCommerce website and mobile commerce

applications have increasingly become important factors in our ability to compete with other membership-only warehouse clubs.

Distribution. During fiscal 2018, approximately 68% of Sam's Club's non-fuel purchases were shipped from Sam's Club's 22 dedicated distribution facilities located strategically throughout the U.S., or from some of the Walmart U.S. segment's distribution facilities, which service the Sam's Club segment for certain items. Suppliers shipped the balance of the Sam's Club segment's purchases directly to Sam's Club locations. The following table provides further details of our dedicated distribution facilities, including two dedicated eCommerce fulfillment centers and two dedicated import facilities, as of January 31, 2018:

	Owned and Operated	Owned and Third Party Operated	Leased and Operated	Third Party Owned and Operated	Total
Sam's Club distribution facilities	3	3	3	13	22

The principal focus of Sam's Club's distribution operations is on cross-docking merchandise, while stored inventory is minimized. Cross-docking is a distribution process under which shipments are directly transferred from inbound to outbound trailers. Shipments typically spend less than 24 hours in a cross-dock facility, and sometimes less than an hour.

Sam's Club uses a combination of our private truck fleet, as well as common carriers, to transport non-perishable merchandise from distribution facilities to clubs. The segment contracts with common carriers to transport perishable grocery merchandise from distribution facilities to clubs.

Sam's Club ships merchandise purchased by members on samsclub.com and through its mobile commerce applications by a number of methods from its dedicated eCommerce fulfillment centers and other distribution centers.

Other Segment Information

Certain financial information relating to our segments is included in [Part II, Item 7](#) under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in [Note 15](#) to our Consolidated Financial Statements. [Note 15](#) also includes information regarding total revenues and long-lived assets aggregated by our U.S. and non-U.S. operations.

Intellectual Property

We regard our trademarks, service marks, copyrights, patents, domain names, trade dress, trade secrets, proprietary technologies, and similar intellectual property as important to our success, and with respect to our associates, customers and others, we rely on trademark, copyright, and patent law, trade-secret protection, and confidentiality and/or license agreements to protect our proprietary rights. We have registered, or applied for the registration of, a number of U.S. and international domain names, trademarks, service marks and copyrights. Additionally, we have filed U.S. and international patent applications covering certain of our proprietary technology. We have licensed in the past, and expect that we may license in the future, certain of our proprietary rights to third parties.

Suppliers and Supply Chain

As a retailer and warehouse club operator, we utilize a global supply chain that includes over 100,000 suppliers located around the world, including in the United States, from whom we purchase the merchandise that we sell in our stores, clubs and online. In many instances, we purchase merchandise from producers located near the stores and clubs in which such merchandise will be sold, particularly products in the "fresh" category. Our purchases may represent a significant percentage of a number of our suppliers' annual sales, and the volume of product we acquire from many suppliers allows us to obtain favorable pricing from such suppliers. Our suppliers are subject to standards of conduct, including requirements that they comply with local labor laws, local worker safety laws and other applicable laws. Our ability to acquire from our suppliers the assortment and volume of products we wish to offer to our customer, to receive those products within the required time through our supply chain and to distribute those products to our stores and clubs determines, in part, our in-stock levels in our stores and clubs and the attractiveness of our merchandise assortment we offer to our customers and members.

Employees

As of the end of fiscal 2018, Walmart Inc. and our subsidiaries employed approximately 2.3 million employees ("associates") worldwide, with 1.5 million associates in the U.S. and 0.8 million associates internationally. Similar to other retailers, the Company has a large number of part-time, hourly or non-exempt associates. We believe our relationships with our associates are good and are continuing to improve. A large number of associates turn over each year, although Walmart U.S. turnover has been improving in fiscal 2018 as a result of our focus on increasing wages and providing improved tools, technology and training to associates.

Certain information relating to retirement-related benefits we provide to our associates is included in [Note 12](#) to our Consolidated Financial Statements.

In addition to retirement-related benefits, in the U.S., we offer a broad range of Company-paid benefits to our associates. These include a store discount card or Sam's Club membership, bonuses based on Company performance, matching a portion of purchases of our stock by associates through our Associate Stock Purchase Plan and life insurance. In addition to the health-care benefits for eligible full-time and part-time associates in the U.S., as announced in January 2018, we expanded maternity leave and implemented a new paid parental leave program to all full-time associates. We also introduced a \$5,000 benefit to assist eligible associates with adoption.

Similarly, in the operations outside the U.S., we provide a variety of associate benefits that vary based on customary local practices and statutory requirements.

Executive Officers of the Registrant

The following chart names the executive officers of the Company as of the date of the filing of this Annual Report on Form 10-K with the SEC, each of whom is elected by and serves at the pleasure of the Board of Directors. The business experience shown for each officer has been his or her principal occupation for at least the past five years, unless otherwise noted.

<u>Name</u>	<u>Business Experience</u>	<u>Current Position Held Since</u>	<u>Age</u>
Daniel J. Bartlett	Executive Vice President, Corporate Affairs, effective June 2013. From November 2007 to June 2013, he served as the Chief Executive Officer and President of U.S. Operations at Hill & Knowlton, Inc., a public relations company.	2013	46
M. Brett Biggs	Executive Vice President and Chief Financial Officer, effective January 1, 2016. From January 2014 to December 2015, he served as Executive Vice President and Chief Financial Officer of Walmart International. From January 2013 to January 2014, he was Executive Vice President and Chief Financial Officer of Walmart U.S.	2016	49
Jacqueline P. Canney	Executive Vice President, Global People, effective August 3, 2015. From September 2003 to July 2015, she served as the Managing Director of Global Human Resources at Accenture plc., a global management consulting, technology services and outsourcing company.	2015	50
David M. Chojnowski	Senior Vice President and Controller effective January 1, 2017. From October 2014 to January 2017, he served as Vice President and Controller, Walmart U.S. From January 2013 to October 2014, he served as Vice President, Finance Transformation, of Walmart International.	2017	48
Gregory Foran	Executive Vice President, President and Chief Executive Officer, Walmart U.S. effective August 2014. From May 2014 to August 2014, he served as President and Chief Executive Officer for the Walmart Asia region. From March 2012 to May 2014, he served as President and Chief Executive Officer of Walmart China.	2014	56
John Furner	Executive Vice President, President and Chief Executive Officer, Sam's Club, effective February 1, 2017. From October 2015 to January 2017, he served as Executive Vice President and Chief Merchandising Officer of Sam's Club. From January 2013 to October 2015, he served as Senior Vice President and Chief Merchandising Officer of Walmart China.	2017	43
Marc Lore	Executive Vice President, President and Chief Executive Officer, U.S. eCommerce, effective September 2016. From April 2014 to September 2016, he served as President and Chief Executive Officer of Jet.com, Inc. From January 2005 to July 2013, he served as Chief Executive Officer of Quidsi, Inc., an eCommerce retailer that became a wholly-owned subsidiary of Amazon.com, Inc. in April 2011.	2016	46
Judith McKenna	Executive Vice President, President and Chief Executive Officer, Walmart International, effective February 1, 2018. From February 2015 to January 2018, she served as Executive Vice President and Chief Operating Officer of Walmart U.S. Prior to that position, she served as Executive Vice President and Chief Development Officer for Walmart U.S. from April 2014 to February 2015; as Executive Vice President, Strategy and Development, for Walmart International, from April 2013 to April 2014; and as Chief Operating Officer of Asda Group Limited, the Company's subsidiary in the United Kingdom, from July 2011 to April 2013.	2018	51
C. Douglas McMillon	President and Chief Executive Officer, effective February 1, 2014. From February 2009 to January 2014, he served as Executive Vice President, President and Chief Executive Officer, Walmart International.	2014	51

New Executive Officer

Effective April 2, 2018, Rachel Brand, age 44, will join the Company as Executive Vice President, Global Governance and Corporate Secretary. From May 2017 to February 2018, she served as Associate Attorney General in the United States Department of Justice. From January 2017 to May 2017, she was an Associate Professor of Law at George Mason University Antonin Scalia Law School. Prior to that position, she served as a Board Member on the Privacy and Civil Liberties Oversight Board of the U.S. government from August 2012 to February 2017.

Our Website and Availability of SEC Reports and Other Information

Our corporate website is located at www.stock.walmart.com. We file with or furnish to the SEC Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those reports, proxy statements and annual reports to shareholders, and, from time to time, other documents. The reports and other documents filed with or furnished to the SEC are available to investors on or through our corporate website free of charge as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers, such as the Company, that file electronically with the SEC. The address of that website is www.sec.gov. In addition, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings, our Code of Ethics for our CEO and Senior Financial Officers and our Statement of Ethics can be found on our website at www.stock.walmart.com. These documents are available in print to any shareholder who requests a copy by writing or calling our Investor Relations Department, which is located at our principal offices.

A description of any substantive amendment or waiver of Walmart's Code of Ethics for the CEO and Senior Financial Officers or our Statement of Ethics for our chief executive officer, our chief financial officer and our controller, who is our principal accounting officer, will be disclosed on our website at www.stock.walmart.com under the Corporate Governance section. Any such description will be located on our website for a period of 12 months following the amendment or waiver.

ITEM 1A. RISK FACTORS

The risks described below could materially and adversely affect our business, results of operations, financial condition and liquidity. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally.

Strategic Risks

General or macro-economic factors, both domestically and internationally, may materially adversely affect our financial performance.

General economic conditions and other economic factors, globally or in one or more of the markets we serve, may adversely affect our financial performance. Higher interest rates, lower or higher prices of petroleum products, including crude oil, natural gas, gasoline, and diesel fuel, higher costs for electricity and other energy, weakness in the housing market, inflation, deflation, increased costs of essential services, such as medical care and utilities, higher levels of unemployment, decreases in consumer disposable income, unavailability of consumer credit, higher consumer debt levels, changes in consumer spending and shopping patterns, fluctuations in currency exchange rates, higher tax rates, imposition of new taxes or other changes in tax laws, changes in healthcare laws, other regulatory changes, the imposition of measures that create barriers to or increase the costs associated with international trade, overall economic slowdown and other economic factors in the U.S. or in any of the other markets in which we operate could adversely affect consumer demand for the products we sell in the U.S. or such other markets, change the mix of products we sell to one with a lower average gross margin, cause a slowdown in discretionary purchases of goods, adversely affect our net sales and result in slower inventory turnover and greater markdowns of inventory, or otherwise materially adversely affect our operations and operating results.

In addition, the economic factors listed above, any other economic factors or circumstances resulting in higher transportation, labor, insurance or healthcare costs or commodity prices, and other economic factors in the U.S. and other countries in which we operate can increase our cost of sales and operating, selling, general and administrative expenses and otherwise materially adversely affect our operations and operating results.

The economic factors that affect our operations may also adversely affect the operations of our suppliers, which can result in an increase in the cost to us of the goods we sell to our customers or, in more extreme cases, in certain suppliers not producing goods in the volume typically available to us for sale.

We face strong competition from other retailers and wholesale club operators (whether through physical retail, digital retail or the integration of both), which could materially adversely affect our financial performance.

Each of our segments competes for customers, employees, store and club sites, digital prominence, products and services and in other important aspects of its business with many other local, regional, national and global physical and digital retailers, wholesale club operators and retail intermediaries.

Our Walmart U.S. segment competes with both physical retailers operating discount, department, retail and wholesale grocers, drug, dollar, variety and specialty stores, supermarkets, hypermarkets and supercenter-type stores, and digital retailers, as well as catalog businesses. Our Sam's Club segment competes with other wholesale club operators, as well as discount retailers, retail and wholesale grocers, general merchandise wholesalers and distributors, gasoline stations, as well as digital retailers and catalog businesses.

Our Walmart International segment competes with both physical retailers who operate department, drug, discount, variety and specialty stores, supermarkets, hypermarkets and supercenter-type stores, wholesale clubs, home-improvement stores, specialty electronics stores, cash & carry operations and convenience stores, and digital retailers, as well as catalog businesses.

We compete in a variety of ways, including the prices at which we sell our merchandise, merchandise selection and availability, services offered to customers, location, store hours, in-store amenities, the shopping convenience and overall shopping experience we offer, the attractiveness and ease of use of our digital platforms, cost and speed of and options for delivery to customers of merchandise purchased through our digital platforms or through the omni-channel integration of our physical and digital retail operations.

A failure to respond effectively to competitive pressures and changes in the retail markets or delays or failure in execution of our strategy could materially adversely affect our financial performance. See "[Item 1. Business](#)," above for additional discussion of the competitive situation of each of our reportable segments.

Certain segments of the retail industry are undergoing consolidation, which could result in increased competition and significantly alter the dynamics of the retail marketplace. Such consolidation, or other business combinations or alliances, may result in competitors with greatly improved financial resources, improved access to merchandise, greater market penetration than they previously enjoyed and other improvements in their competitive positions. Such business combinations or alliances could result in the provision of a wider variety of products and services at competitive prices by such consolidated or aligned companies, which could adversely affect our financial performance.

We may not timely identify or effectively respond to consumer trends or preferences, which could negatively affect our relationship with our customers, demand for the products and services we sell, our market share and the growth of our business.

It is difficult to predict consistently and successfully the products and services our customers will demand and changes in their shopping patterns. The success of our business depends in part on how accurately we predict consumer demand, availability of merchandise, the related impact on the demand for existing products and the competitive environment, whether for customers purchasing products at our stores and clubs, through our digital platforms or through the combination of both. Price transparency, assortment of products, customer experience, convenience and the speed and cost of shipping are of primary importance to customers and continue to increase in importance, particularly as a result of digital tools and social media available to consumers and the choices available to consumers for purchasing products. Our failure to adequately or effectively respond to changing consumer tastes, preferences and shopping patterns, or any other failure on our part to timely identify or effectively respond to changing consumer tastes, preferences and shopping patterns could negatively affect our relationship with our customers, the demand for the products we sell, our market share and the growth of our business.

Failure to grow our eCommerce business through the omni-channel integration of physical and digital retail or otherwise, and the cost of our increasing eCommerce investments, may materially adversely affect our market position, net sales and financial performance.

The retail business is rapidly evolving and consumers are increasingly embracing shopping online and through mobile commerce applications. As a result, the portion of total consumer expenditures with retailers and wholesale clubs occurring through digital platforms is increasing and the pace of this increase could accelerate.

Our strategy, which includes investments in eCommerce, technology, store remodels and other customer initiatives may not adequately or effectively allow us to grow our eCommerce business, increase comparable store sales, maintain or grow our overall market position or otherwise offset the impact on the growth of our business of a moderated pace of new store and club openings. The success of this strategy will depend in large measure on our ability to build and deliver a seamless omni-channel shopping experience and is further subject to the risks we face as outlined in this [Item 1A](#). As a result, our market position, net sales and financial performance could be adversely affected. In addition, a greater concentration of eCommerce sales could result in a reduction in the amount of traffic in our stores and clubs, which would, in turn, reduce the opportunities for cross-store or cross-club sales of merchandise that such traffic creates and could reduce our sales within our stores and clubs and materially adversely affect the financial performance of the physical retail side of our operations.

Furthermore, the cost of certain eCommerce and technology investments, including any operating losses incurred by acquired eCommerce businesses will adversely impact our financial performance in the short-term and may adversely impact our financial performance over the longer term.

The performance of strategic alliances to support the expansion of our Walmart International segment could materially adversely affect our financial performance.

Our Walmart International segment may enter into strategic alliances in the countries in which we have existing operations or in other markets to expand our digital retail operations, physical retail operations or both. Any strategic alliance may not generate the level of eCommerce or other sales we anticipate when entering into that alliance or may otherwise adversely impact our

business and competitive position relative to the results we could have achieved in the absence of such alliance. In addition, any investment we make in connection with a strategic alliance could materially adversely affect our financial performance.

Operational Risks

Natural disasters, changes in climate, and geo-political events could materially adversely affect our financial performance.

The occurrence of one or more natural disasters, such as hurricanes, tropical storms, floods, fires, earthquakes, tsunamis, cyclones, typhoons, weather conditions such as major or extended winter storms, droughts and tornadoes, whether as a result of climate change or otherwise, severe changes in climate and geo-political events, such as war, civil unrest or terrorist attacks in a country in which we operate or in which our suppliers are located could adversely affect our operations and financial performance.

Such events could result in physical damage to, or the complete loss of, one or more of our properties, the closure of one or more stores, clubs and distribution facilities, the lack of an adequate work force in a market, the inability of customers and associates to reach or have transportation to our stores and clubs affected by such events, the evacuation of the populace from areas in which our stores, clubs and distribution facilities are located, the unavailability of our digital platforms to our customers, changes in the purchasing patterns of consumers and in consumers' disposable income, the temporary or long-term disruption in the supply of products from some local and overseas suppliers, the disruption in the transport of goods from overseas, the disruption or delay in the delivery of goods to our distribution facilities or stores within a country in which we are operating, the reduction in the availability of products in our stores, the disruption of utility services to our stores and our facilities, and disruption in our communications with our stores.

We bear the risk of losses incurred as a result of physical damage to, or destruction of, any stores, clubs and distribution facilities, loss or spoilage of inventory and business interruption caused by such events. These events and their impacts could otherwise disrupt and adversely affect our operations in the areas in which they occur and could materially adversely affect our financial performance.

Risks associated with the suppliers from whom our products are sourced could materially adversely affect our financial performance.

The products we sell are sourced from a wide variety of domestic and international suppliers. Global sourcing of many of the products we sell is an important factor in our financial performance. We expect all of our suppliers to comply with applicable laws, including labor, safety and environmental laws, and to otherwise meet our required supplier standards of conduct. Our ability to find qualified suppliers who uphold our standards, and to access products in a timely and efficient manner, is a significant challenge, especially with respect to suppliers located and goods sourced outside the U.S.

Political and economic instability in the countries in which our foreign suppliers and their manufacturers are located, the financial instability of suppliers, suppliers' failure to meet certain of our supplier standards (including our responsible sourcing standards), labor problems experienced by our suppliers and their manufacturers, the availability of raw materials to suppliers, merchandise safety and quality issues, disruption in the transportation of merchandise from the suppliers and manufacturers to our stores, clubs, and other facilities, including as a result of labor slowdowns at any port at which a material amount of merchandise we purchase enters into the U.S., currency exchange rates, transport availability and cost, transport security, inflation and other factors relating to the suppliers and the countries in which they are located are beyond our control.

In addition, the U.S.'s foreign trade policies, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. These and other factors affecting our suppliers and our access to products could adversely affect our financial performance.

If the products we sell are not safe or otherwise fail to meet our customers' expectations, we could lose customers, incur liability for any injuries suffered by customers using or consuming a product we sell or otherwise experience material adverse effects to our brand, reputation and financial performance.

Our customers count on us to provide them with safe products. Concerns regarding the safety of food and non-food products that we source from our suppliers or that we prepare and then sell could cause customers to avoid purchasing certain products from us, or to seek alternative sources of supply for all of their food and non-food needs, even if the basis for the concern is outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish. As such, any issue regarding the safety of any food or non-food items we sell, regardless of the cause, could adversely affect our brand, reputation and financial performance.

We rely extensively on information systems to process transactions, summarize results and manage our business. Disruptions in our systems could harm our ability to conduct our operations.

Given the number of individual transactions we have each year, it is crucial that we maintain uninterrupted operation of our business-critical information systems. Our information systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security breaches (through cyber-attacks from cyber-attackers and sophisticated organizations), catastrophic events such as fires, tornadoes, earthquakes and hurricanes, and usage errors by our associates or contractors. Our information systems are essential to our business operations, including the processing of transactions, management of our associates, facilities, logistics, inventories, physical stores and clubs and our online operations. Our information systems are not fully redundant and if our systems are damaged, breached or cease to function properly, we may have to make a significant investment to repair or replace them, and we may suffer interruptions in our business operations in the interim. Any interruption to our information systems may have a material adverse effect on our business or results of operations. In addition, we are constantly updating our information technology processes and systems. The risk of system disruption is increased when significant system changes are undertaken. If we fail to timely integrate and update our information systems and processes, we may fail to realize the cost savings anticipated to be derived from these initiatives.

If the technology-based systems that give our customers the ability to shop with us online do not function effectively, our operating results, as well as our ability to grow our eCommerce business globally, could be materially adversely affected.

Many of our customers shop with us using our digital platforms, which are a part of our omni-channel sales strategy. Increasingly, customers are using computers, tablets, and smart phones to shop online and through digital platforms with us and with our competitors and to do comparison shopping. We use social media and electronic mail to interact with our customers and as a means to enhance their shopping experience. As a part of our omni-channel sales strategy, in addition to home delivery, we offer "Walmart Pickup," "Pickup Today" and "Club Pickup" and, in a growing number of locations, "Online Grocery" programs under which many products available for purchase online can be picked up by the customer at a local Walmart store or Sam's Club, which provides additional customer traffic at such stores and clubs. Omni-channel retailing is a rapidly evolving part of the retail industry and of our operations in the U.S. (whether through organic growth or eCommerce acquisitions) and in a number of markets in which our Walmart International segment operates.

We must anticipate and meet our customers' changing expectations while adjusting for technology investments and developments in our competitors' operations through focusing on the building and delivery of a seamless shopping experience across all channels by each operating segment. Any failure on our part to provide attractive, user-friendly secure digital platforms that offer a wide assortment of merchandise at competitive prices and with low cost and rapid delivery options and that continually meet the changing expectations of online shoppers and developments in online and digital platform merchandising and related technology could place us at a competitive disadvantage, result in the loss of eCommerce and other sales, harm our reputation with customers, have a material adverse impact on the growth of our eCommerce business globally and have a material adverse impact on our business and results of operations.

Our digital platforms, which are increasingly important to our business and continue to grow in complexity and scope, and the computer and operating systems on which they run, including those applications and systems in our acquired eCommerce businesses, may be subject to cyber-attacks. Those attacks could involve attempts to gain access to one of our eCommerce websites or mobile commerce applications to obtain and make unauthorized use of customers' or members' payment information and related risks discussed below. Such attacks, if successful, can also create denials of service or otherwise disable, degrade or sabotage one or more of our digital platforms and otherwise significantly disrupt our customers' and members' shopping experience. If we are unable to maintain the security of our digital platforms and keep them operating within acceptable parameters, we could suffer loss of sales, reductions in traffic, reputational damage and deterioration of our competitive position and incur liability for any damage to customers whose personal information is unlawfully obtained and used, any of which events could have a material adverse impact on our business and results of operations and impede the execution of our strategy for the growth of our business.

Any failure to maintain the security of the information relating to our company, customers, members, associates and vendors, whether as a result of cybersecurity attacks on our information systems or otherwise, could damage our reputation, result in litigation or other legal actions against us, cause us to incur substantial additional costs, and materially adversely affect our business and operating results.

As do most retailers, we receive and store in our digital information systems certain personal information about our customers and members, and we receive and store personal information concerning our associates and vendors. Some of that information is stored digitally in connection with our digital platforms. We also utilize third-party service providers for a variety of reasons, including, without limitation, for encryption and authentication technology, content delivery to customers and members, back-office support, and other functions. Such providers may have access to information we hold about our customers, members, associates or vendors. In addition, our eCommerce operations depend upon the secure transmission of confidential information over public networks, including information permitting cashless payments.

Cyber threats are rapidly evolving and those threats and the means for obtaining access to information in digital and other storage media are becoming increasingly sophisticated. Cyber threats and cyber-attackers can be sponsored by countries or sophisticated criminal organizations or be the work of single "hackers" or small groups of "hackers." Each year, cyber-attackers make numerous attempts to access the information stored in our information systems. As cyber threats evolve, change and become more difficult to detect and successfully defend against, one or more cyber-attacks might defeat our or a third-party service provider's security measures in the future and obtain the personal information of customers, members, associates and vendors.

Associate error or malfeasance, faulty password management or other irregularities may also result in a defeat of our or our third-party service providers' security measures and a breach of our or their information systems. Moreover, hardware, software or applications we use may have inherent defects of design, manufacture or operations or could be inadvertently or intentionally implemented or used in a manner that could compromise information security. We or our third-party service providers may not discover any security breach and loss of information for a significant period of time after the security breach occurs.

Any breach of our security measures or any breach, error or malfeasance of those of our third-party service providers and loss of our confidential information, or any failure by us to comply with applicable privacy and information security laws and regulations, could cause us to incur significant costs to protect any customers, members, associates and vendors whose personal data was compromised and to restore their confidence in us and to make changes to our information systems and administrative processes to address security issues and compliance with applicable laws and regulations.

In addition, such events could be widely publicized and could materially adversely affect our reputation with our customers, members, associates, vendors and shareholders, could harm our competitive position particularly with respect to our eCommerce operations, and could result in a material reduction in our net sales in our eCommerce operations, as well as in our stores thereby materially adversely affecting our operations, net sales, results of operations, financial condition, cash flows and liquidity. Such events could also result in the release to the public of confidential information about our operations and financial condition and performance and could result in litigation or other legal actions against us or the imposition of penalties, fines, fees or liabilities, which may not be covered by our insurance policies. Moreover, a security breach could require us to devote significant management resources to address the problems created by the security breach and to expend significant additional resources to upgrade further the security measures we employ to guard personal information against cyber-attacks and other attempts to access such information and could result in a disruption of our operations, particularly our digital retail operations.

We accept payments using a variety of methods, including cash, checks, credit and debit cards, our private label credit cards and gift cards, and we may offer new payment options over time, which may have information security risk implications. As a retailer accepting debit and credit cards for payment, we are subject to various industry data protection standards and protocols, such as payment network security operating guidelines and the Payment Card Industry Data Security Standard. We cannot be certain that the security measures we maintain to protect all of our information technology systems are able to prevent, contain or detect any cyber-attacks, cyber terrorism, or security breaches from known cyber-attacks or malware that may be developed in the future. To the extent that any cyber-attack or incursion in our or one of our third-party service provider's information systems results in the loss, damage or misappropriation of information, we may be materially adversely affected by claims from customers, financial institutions, regulatory authorities, payment card networks and others. In certain circumstances, payment card association rules and obligations to which we are subject under our contracts with payment card processors make us liable to payment card issuers if information in connection with payment cards and payment card transactions that we hold is compromised, which liabilities could be substantial. In addition, the cost of complying with stricter and more complex data privacy, data collection and information security laws and standards could be significant to us.

Changes in the results of our retail pharmacy business could adversely affect our overall results of operations, cash flows and liquidity.

Walmart has retail pharmacy operations in our Walmart U.S. and Sam's Club segments and a large majority of the retail pharmacy net sales are generated by filling prescriptions for which we receive payment through established contractual relationships with third-party payers and payment administrators, such as private insurers, governmental agencies and pharmacy benefit managers ("PBMs").

Our retail pharmacy operations are subject to numerous risks, including: reductions in the third-party reimbursement rates for drugs; changes in our payer mix (i.e., shifts in the relative distribution of our pharmacy customers across drug insurance plans and programs toward plans and programs with less favorable reimbursement terms); changes in third party payer drug formularies (i.e., the schedule of prescription drugs approved for reimbursement or which otherwise receive preferential coverage treatment); growth in, and our participation in or exclusion from, exclusive and preferred pharmacy network arrangements operated by PBMs and/or any insurance plan or program; increases in the prices we pay for brand name and generic prescription drugs we sell; increases in the administrative burdens associated with seeking third-party reimbursement; changes in the frequency with which new brand name pharmaceuticals become available to consumers; introduction of lower cost generic drugs as substitutes for existing brand name drugs for which there was no prior generic drug competition; changes in drug mix (i.e., the relative distribution of drugs customers purchase at our pharmacies between brands and generics); changes

in the health insurance market generally; changes in the scope of or the elimination of Medicare Part D or Medicaid drug programs; increased competition from other retail pharmacy operations; further consolidation among third party payers, PBMs or purchasers of drugs; overall economic conditions and the ability of our pharmacy customers to pay for drugs prescribed for them to the extent the costs are not reimbursed by a third party; failure to meet any performance or incentive thresholds to which our level of third party reimbursement may be subject; and changes in the regulatory environment for the retail pharmacy industry and the pharmaceutical industry, including as a result of restrictions on the further implementation of or the repeal of the Patient Protection and Affordable Care Act or the enactment and implementation of a law replacing such act, and other changes in laws, rules and regulations that affect our retail pharmacy business.

If the supply of certain pharmaceuticals provided by one or more of our vendors were to be disrupted for any reason, our pharmacy operations could be severely affected until at least such time as we could obtain a new supplier for such pharmaceuticals. Any such disruption could cause reputational damage and result in a significant number of our pharmacy customers transferring their prescriptions to other pharmacies.

One or a combination of such factors may adversely affect the volumes of brand name and generic pharmaceuticals we sell, our cost of sales associated with our retail pharmacy operations, and the net sales and gross margin of those operations, result in the loss of cross-store or cross-club selling opportunities and, in turn, adversely affect our overall net sales, other results of operations, cash flows and liquidity.

Our failure to attract and retain qualified associates, increases in wage and benefit costs, changes in laws and other labor issues could materially adversely affect our financial performance.

Our ability to continue to conduct and expand our operations depends on our ability to attract and retain a large and growing number of qualified associates globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant at our existing stores, clubs and distribution centers, while controlling our associate wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. If we are unable to locate, to attract or to retain qualified personnel, the quality of service we provide to our customers may decrease and our financial performance may be adversely affected.

In addition, if our costs of labor or related costs increase for other reasons or if new or revised labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase our labor costs, our financial performance could be materially adversely affected.

Financial Risks

Fluctuations in foreign exchange rates may materially adversely affect our financial performance and our reported results of operations.

Our operations in countries other than the U.S. are conducted primarily in the local currencies of those countries. Our consolidated financial statements are denominated in U.S. dollars, and to prepare those financial statements we must translate the amounts of the assets, liabilities, net sales, other revenues and expenses of our operations outside of the U.S. from local currencies into U.S. dollars using exchange rates for the current period. In recent years, fluctuations in currency exchange rates that were unfavorable to us coupled with such translations have had a material adverse effect on our reported results of operations.

As a result of such translations, fluctuations in currency exchange rates from period-to-period that are unfavorable to us may also result in our consolidated financial statements reflecting significant adverse period-over-period changes in our financial performance or reflecting a period-over-period improvement in our financial performance that is not as robust as it would be without such fluctuations in the currency exchange rates. Such unfavorable currency exchange rate fluctuations will adversely affect the reported performance of our Walmart International operating segment and have a corresponding adverse effect on our reported consolidated results of operations.

We may pay for products we purchase for sale in our stores and clubs around the world with a currency other than the local currency of the country in which the goods will be sold. When we must acquire the currency to pay for such products and the exchange rates for the payment currency fluctuate in a manner unfavorable to us, our cost of sales may increase and we may be unable or unwilling to change the prices at which we sell those goods to address that increase in our costs, with a corresponding adverse effect on our gross profit. Consequently, fluctuations in currency exchange rates may adversely affect our results of operations.

Failure to meet market expectations for our financial performance could adversely affect the market price and volatility of our stock.

We believe that the price of our stock generally reflects high market expectations for our future operating results. Any failure to meet or delay in meeting these expectations, including our comparable store and club sales growth rates, eCommerce growth

rates, gross margin, or earnings and earnings per share could cause the market price of our stock to decline, as could changes in our dividend or stock repurchase programs or policies. Additionally, failure of Walmart's performance to match that of other retailers may have a negative effect on the price of our stock.

Legal, Tax, Regulatory, Compliance, Reputational and Other Risks

Our operations subject us to legislative, judicial, accounting, legal, regulatory, tax, political and economic risks and conditions specific to the countries or regions in which we operate, which could materially adversely affect our business or financial performance.

In addition to our U.S. operations, we operate our retail business principally through wholly-owned subsidiaries in Argentina, Brazil, Canada, Chile, China, India, Japan and the United Kingdom and our majority-owned subsidiaries in Africa, Central America and Mexico.

In fiscal 2018, our Walmart U.S. and Sam's Club operating segments generated approximately 76% of our consolidated net sales. The Federal Government has created the potential for significant changes in trade policies, including tariffs and government regulations affecting trade between the U.S. and other countries where we source many of the products we sell in our stores and clubs. Potential changes which have been discussed include the renegotiation or termination of trade agreements and the imposition of higher tariffs on imports into the U.S. A significant portion of the general merchandise we sell in our U.S. stores and clubs is manufactured in other countries. Any such actions could increase the cost to us of such merchandise (whether imported directly or indirectly) and cause increases in the prices at which we sell such merchandise to our customers, which could materially adversely affect the financial performance of our U.S. operations and our business.

During fiscal 2018, our Walmart International operations generated approximately 24% of our consolidated net sales. Walmart International's operations in various countries also sources goods and services from other countries. Our future operating results in these countries could be negatively affected by a variety of factors, most of which are beyond our control. These factors include political conditions, including political instability, local and global economic conditions, legal and regulatory constraints, local product safety and environmental laws, tax regulations, local labor laws, anti-money laundering laws and regulations, trade policies, currency regulations, and other matters in any of the countries or regions in which we operate, now or in the future.

Our business and results of operations in the UK may be negatively affected by fluctuations in currency exchange rates, increases in food costs, changes in trade policies, or changes in labor, immigration, tax or other laws resulting from the UK's anticipated exit from the European Union.

Brazilian federal, state and local laws are complex and subject to varying interpretations. Although the Company believes it complies with those laws, the Company's subsidiaries in Brazil are party to a large number of labor claims and non-income tax assessments, which have arisen during the normal course of business in Brazil. These matters are subject to inherent uncertainties and if decided adversely to the Company, could materially adversely affect our financial performance.

The economies of some of the countries in which we have operations have in the past suffered from high rates of inflation and currency devaluations, which, if they occurred again, could adversely affect our financial performance. Other factors which may impact our international operations include foreign trade, monetary and fiscal policies of the U.S. and of other countries, laws, regulations and other activities of foreign governments, agencies and similar organizations, and risks associated with having numerous facilities located in countries which have historically been less stable than the U.S. Additional risks inherent in our international operations generally include, among others, the costs and difficulties of managing international operations, adverse tax consequences and greater difficulty in enforcing intellectual property rights in countries other than the U.S. The various risks inherent in doing business in the U.S. generally also exist when doing business outside of the U.S., and may be exaggerated by the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, laws and regulations.

In foreign countries in which we have operations, a risk exists that our associates, contractors or agents could, in contravention of our policies, engage in business practices prohibited by U.S. laws and regulations applicable to us, such as the Foreign Corrupt Practices Act ("FCPA"), or the laws and regulations of other countries, such as the UK Bribery Act. We maintain a global policy prohibiting such business practices and have in place a global anti-corruption compliance program designed to ensure compliance with these laws and regulations. Nevertheless, we remain subject to the risk that one or more of our associates, contractors or agents, including those based in or from countries where practices that violate such U.S. laws and regulations or the laws and regulations of other countries may be customary, will engage in business practices that are prohibited by our policies, circumvent our compliance programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our internal policies, could adversely affect our business or financial performance and our reputation.

We are subject to income taxes and other taxes in both the U.S. and the foreign jurisdictions in which we currently operate or have historically operated. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. Our income taxes could be materially adversely affected by earnings being

lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in worldwide tax laws, regulations, or accounting principles.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Tax Act") was enacted and contains significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduces the U.S. statutory tax rate from 35 percent to 21 percent and creates new taxes focused on foreign-sourced earnings and related-party payments. In addition, the Company was subject to a one-time transition tax in fiscal 2018 on accumulated foreign subsidiary earnings not previously subject to U.S. income tax. The Securities and Exchange Commission (SEC) staff issued Staff Accounting Bulletin No. 118 ("SAB 118") on December 22, 2017, which allows companies to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, the Company made reasonable estimates of the effects and recorded provisional amounts in our financial statements as of January 31, 2018, in accordance with SAB 118. As the Company collects and prepares necessary data, and interprets the Tax Act and any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, the Company may make adjustments to the provisional amounts during fiscal 2019. Those adjustments may materially impact our provision for income taxes and effective tax rate in the period in which the adjustments are made and could impact our net income and our earnings per share, as well as our consolidated cash flows and liquidity.

We are subject to regular review and audit by both domestic and foreign tax authorities as well as subject to the prospective and retrospective effects of changing tax regulations and legislation. Although we believe our tax estimates are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in our consolidated financial statements and may materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made.

We operate in complex regulated environments in the United States and in the other countries in which we operate and could be adversely affected by changes to existing legal requirements including the related interpretations and enforcement practices, new legal requirements and/or any failure to comply with applicable regulations. Our pharmacy operations in the United States are subject to numerous federal, state and local regulations including licensing and other requirements for pharmacies and reimbursement arrangements. The regulations to which we are subject include, but are not limited to: federal and state registration and regulation of pharmacies; dispensing and sale of controlled substances and products containing pseudoephedrine; applicable governmental payer regulations including Medicare and Medicaid; data privacy and security laws and regulations including the Health Insurance Portability and Accountability Act, the Affordable Care Act or any successor thereto; laws and regulations relating to the protection of the environment and health and safety matters, including those governing exposure to, and the management and disposal of, hazardous substances; regulations regarding food and drug safety including those of the U.S. Food and Drug Administration (the "FDA") and the Drug Enforcement Administration (the "DEA"), trade regulations including those of the U.S. Federal Trade Commission, and consumer protection and safety regulations including those of the Consumer Product Safety Commission, as well as state regulatory authorities, governing the availability, sale, advertisement and promotion of products we sell and the financial services we offer; anti-kickback laws; false claims laws; and federal and state laws governing health care fraud and abuse and the practice of the professions of pharmacy, optical care and nurse practitioner services.

For example, in the United States the DEA and various other regulatory authorities regulate the distribution and dispensing of pharmaceuticals and controlled substances. We are required to hold valid DEA and state-level licenses, meet various security and operating standards and comply with the federal and various state controlled substance acts and related regulations governing the sale, dispensing, disposal, holding and distribution of controlled substances. The DEA, FDA and state regulatory authorities have broad enforcement powers, including the ability to seize or recall products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations. We are also governed by foreign, national and state laws of general applicability, including laws regulating matters of working conditions, health and safety and equal employment opportunity and other labor and employment matters, as well as employee benefit, competition, anti-money laundering, antitrust matters and health and wellness related regulations for our pharmacy operations outside of the United States. Changes in laws, regulations and policies and the related interpretations and enforcement practices may alter the landscape in which we do business and may significantly affect our cost of doing business.

The impact of new laws, regulations and policies and the related interpretations and enforcement practices generally cannot be predicted, and changes in applicable laws, regulations and policies and the related interpretations and enforcement practices may require extensive system and operational changes, be difficult to implement, increase our operating costs and require significant capital expenditures. Untimely compliance or noncompliance with applicable laws and regulations could result in the imposition of civil and criminal penalties that could adversely affect the continued operation of our businesses, including: suspension of payments from government programs; loss of required government certifications; loss of authorizations to participate in or exclusion from government programs, including the Medicare and Medicaid programs in the United States; loss of licenses; and significant fines or monetary damages and/or penalties. Any failure to comply with applicable regulatory requirements in the United States or in any of the countries in which we operate could result in significant legal and financial

exposure, damage our reputation, and have a material adverse effect on our business operations, financial condition and results of operations.

We are subject to certain legal proceedings that may materially adversely affect our results of operations, financial condition and liquidity.

We are involved in a number of legal proceedings, which include consumer, employment, tort and other litigation. In particular, we are currently a defendant in a number of cases containing class-action allegations in which the plaintiffs have brought claims under federal and state wage and hour laws, as well as a number of cases containing class-action allegations in which the plaintiffs have brought claims under federal and state consumer laws.

In addition, ASDA Stores, Ltd. ("ASDA"), a wholly-owned subsidiary of the Company, has been named as a defendant in over 10,000 "equal value" claims pending in the Manchester Employment Tribunal (the "Employment Tribunal") in the United Kingdom. The claimants, who are current and former ASDA store employees, allege that the work performed by female employees in ASDA's retail stores is of equal value in terms of, among other things, the demands of their jobs to that of male employees working in ASDA's warehouses and distribution facilities, and that the disparity in pay between these different job positions is not objectively justified. The claimants are seeking differential back pay based on higher wage rates in the warehouses and distribution facilities and higher wage rates on a prospective basis. At present, we cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise from these proceedings.

In December 2017, the United States Judicial Panel on Multidistrict Litigation consolidated numerous lawsuits filed against a wide array of defendants by various plaintiffs, including counties, cities, healthcare providers, Native American tribes, individuals, and third-party payors, asserting claims generally concerning the impacts of widespread opioid abuse. The consolidated multidistrict litigation is entitled *In re National Prescription Opiate Litigation (MDL No. 2804)*, and is pending in the U.S. District Court for the Northern District of Ohio. The Company is named as a defendant in some of the cases included in this multidistrict litigation, including cases filed by several counties in West Virginia; by healthcare providers in Mississippi, Alabama, Texas, and Florida; and by the St. Croix Chippewa Indians of Wisconsin. Similar cases that name the Company have been filed in state courts by various counties and municipalities; by health care providers; and by various Native American Tribes. At present, we cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise from such claims.

We discuss these cases and other litigation to which we are party below under the caption "[Item 3. Legal Proceedings](#)" and in [Note 10](#) in the "[Notes to our Consolidated Financial Statements](#)," which are part of this Annual Report on Form 10-K.

We could be subject to liability, penalties and other sanctions and other adverse consequences arising out of our on-going FCPA matter.

The Audit Committee of our Board of Directors has been conducting an internal investigation into, among other things, alleged violations of the FCPA and other alleged crimes or misconduct in connection with certain of our foreign subsidiaries, including Wal-Mart de México, S.A.B. de C.V. ("Walmex"), and whether prior allegations of such violations and/or misconduct were appropriately handled by the Company. We have also been conducting a voluntary global review of our policies, practices and internal controls for anti-corruption compliance and are engaged in strengthening our global anti-corruption compliance programs. Since the implementation of the global review and enhanced anti-corruption compliance programs, the Audit Committee and we have identified or been made aware of additional allegations regarding potential violations of the FCPA.

Inquiries or investigations regarding allegations of potential FCPA violations have been commenced in a number of foreign markets in which we operate, including, but not limited to, Brazil, China and India. In November 2011, we voluntarily disclosed our investigative activity to the U.S. Department of Justice (the "DOJ") and the SEC. We have been cooperating with those agencies and discussions have been ongoing with them regarding the resolution of these matters. These discussions have progressed to a point that we can now reasonably estimate a probable loss and have recorded an aggregate accrual of \$283 million with respect to these matters (the "Accrual").

A number of federal and local government agencies in Mexico have also initiated investigations of these matters. Furthermore, lawsuits relating to the matters under investigation have been filed by several of our shareholders against us, certain of our current and former directors and officers and certain of Walmex's current and former officers.

We could be exposed to a variety of negative consequences as a result of these matters. One or more enforcement actions could be instituted in respect of the matters that are the subject of some or all of the on-going government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders, debarment or other relief, criminal convictions and/or penalties. The shareholder lawsuits may result in judgments against us and our current and former directors and officers named in those proceedings. We also expect that there will be ongoing media and governmental interest regarding these matters, including additional news articles on these matters that could impact the perception of our role as a corporate citizen among certain audiences. Moreover, we have incurred and expect to continue to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in

connection with the government investigations, in defending the shareholder lawsuits and in conducting our review and investigations.

While we have made an Accrual for these matters, because the discussions are continuing, there can be no assurance as to the timing or the terms of the final resolution of these matters. Although we do not presently believe that these matters will have a material adverse effect on our business, given the inherent uncertainties in such situations, we can provide no assurance that these matters will not be material to our business in the future.

ITEM 1B. **UNRESOLVED STAFF COMMENTS**

None.

ITEM 2. PROPERTIES**United States**

The Walmart U.S. and Sam's Club segments comprise the Company's operations in the U.S. As of January 31, 2018, unit counts for Walmart U.S. and Sam's Club are summarized by format for each state and territory as follows:

State or Territory	Walmart U.S.			Sam's Club	Grand Total
	Supercenters	Discount Stores	Neighborhood Markets and other small formats	Clubs	
Alabama	101	1	30	13	145
Alaska	7	2	—	—	9
Arizona	83	2	31	12	128
Arkansas	76	6	37	9	128
California	141	74	76	29	320
Colorado	70	4	18	17	109
Connecticut	12	21	1	1	35
Delaware	6	3	—	1	10
Florida	231	9	94	46	380
Georgia	154	2	35	24	215
Hawaii	—	10	—	2	12
Idaho	23	—	3	1	27
Illinois	139	17	11	25	192
Indiana	97	7	11	13	128
Iowa	58	2	—	9	69
Kansas	58	2	16	9	85
Kentucky	79	8	11	9	107
Louisiana	89	2	34	14	139
Maine	19	3	—	3	25
Maryland	30	18	2	11	61
Massachusetts	27	22	3	—	52
Michigan	91	3	9	23	126
Minnesota	65	4	1	12	82
Mississippi	65	3	10	7	85
Missouri	112	9	18	19	158
Montana	14	—	—	2	16
Nebraska	35	—	7	5	47
Nevada	30	2	11	7	50
New Hampshire	19	8	—	2	29
New Jersey	29	34	—	7	70
New Mexico	35	2	9	7	53
New York	80	18	7	12	117
North Carolina	144	6	45	22	217
North Dakota	14	—	—	3	17
Ohio	139	6	—	27	172
Oklahoma	81	8	34	13	136
Oregon	28	7	10	—	45
Pennsylvania	116	21	3	24	164
Puerto Rico	13	5	17	7	42
Rhode Island	5	4	—	—	9
South Carolina	84	—	27	13	124
South Dakota	15	—	—	2	17
Tennessee	117	2	21	14	154
Texas	389	20	111	81	601
Utah	41	—	12	8	61
Vermont	3	3	—	—	6
Virginia	109	6	24	15	154

Washington	52	10	6	—	68
Washington D.C.	3	—	2	—	5
West Virginia	38	—	1	5	44
Wisconsin	83	4	2	10	99
Wyoming	12	—	—	2	14
U.S. total	3,561	400	800	597	5,358

International

The Walmart International segment comprises the Company's operations outside of the U.S. Unit counts as of January 31, 2018 ⁽¹⁾ for Walmart International are summarized by major category for each geographic market as follows:

Geographic Market	Retail	Wholesale	Other ⁽²⁾	Total
Africa ⁽³⁾	335	89	—	424
Argentina	106	—	—	106
Brazil	380	70	15	465
Canada	410	—	—	410
Central America ⁽⁴⁾	778	—	—	778
Chile	373	5	—	378
China	424	19	—	443
India	—	20	—	20
Japan	336	—	—	336
Mexico	2,186	162	10	2,358
United Kingdom	617	—	25	642
International total	5,945	365	50	6,360

- (1) Walmart International unit counts, with the exception of Canada, are stated as of December 31, 2017, to correspond with the balance sheet date of the related geographic market. Canada unit counts are stated as of January 31, 2018.
- (2) Other includes drug stores and convenience stores.
- (3) Africa unit counts by country are Botswana (11), Ghana (2), Kenya (1), Lesotho (3), Malawi (2), Mozambique (5), Namibia (4), Nigeria (5), South Africa (382), Swaziland (1), Tanzania (1), Uganda (1) and Zambia (6).
- (4) Central America unit counts by country are Costa Rica (247), El Salvador (95), Guatemala (238), Honduras (103) and Nicaragua (95).

Owned and Leased Properties

The following table provides further details of our retail units and distribution facilities, including return facilities, as of January 31, 2018 :

	Owned and Operated	Owned and Third Party Operated	Leased and Operated	Third Party Owned and Operated	Total
U.S. properties					
Walmart U.S. retail units	4,066	—	695	—	4,761
Sam's Club retail units	512	—	85	—	597
Total U.S. retail units	4,578	—	780	—	5,358
Walmart U.S. distribution facilities	103	2	23	29	157
Sam's Club distribution facilities	3	3	3	13	22
Total U.S. distribution facilities	106	5	26	42	179
Total U.S. properties	4,684	5	806	42	5,537
International properties					
Africa	39	—	385	—	424
Argentina	66	—	40	—	106
Brazil	209	—	256	—	465
Canada	124	—	286	—	410
Central America	304	—	474	—	778
Chile	228	—	150	—	378
China	3	—	440	—	443
India	2	—	18	—	20
Japan	56	—	280	—	336
Mexico	669	—	1,689	—	2,358
United Kingdom	442	—	200	—	642
Total International retail units	2,142	—	4,218	—	6,360
International distribution facilities	43	12	87	46	188
Total International properties	2,185	12	4,305	46	6,548
Total retail units	6,720	—	4,998	—	11,718
Total distribution facilities	149	17	113	88	367
Total properties	6,869	17	5,111	88	12,085

We own office facilities in Bentonville, Arkansas, that serve as our principal office and own and lease office facilities throughout the U.S. and internationally for operations as well as for field and market management. The land on which our

stores are located is either owned or leased by the Company. We use independent contractors to construct our buildings. All store leases provide for annual rentals, some of which escalate during the original lease or provide for additional rent based on sales volume. Substantially all of the Company's store and club leases have renewal options, some of which include rent escalation clauses.

For further information on our distribution centers, see the caption "Distribution" provided for each of our segments under "[Item 1. Business](#)."

ITEM 3. LEGAL PROCEEDINGS

I. SUPPLEMENTAL INFORMATION: We discuss certain legal proceedings in [Note 10](#) to our Consolidated Financial Statements, entitled "Contingencies," which is included in [Part II, Item 8](#), Financial Statements and Supplementary Data of this Annual Report on Form 10-K. We refer you to that discussion for important information concerning those legal proceedings, including the basis for such actions and, where known, the relief sought. We provide the following additional information concerning those legal proceedings, including the name of the lawsuit, the court in which the lawsuit is pending, and the date on which the petition commencing the lawsuit was filed.

ASDA Equal Value Claims: Ms S Brierley & Others v ASDA Stores Ltd (2406372/2008 & Others - Manchester Employment Tribunal); ASDA Stores Ltd v Brierley & Ors (A2/2016/0973 - United Kingdom Court of Appeal); ASDA Stores Ltd v Ms S Brierley & Others (UKEAT/0059/16/DM - United Kingdom Employment Appeal Tribunal); ASDA Stores Ltd v Ms S Brierley & Others (UKEAT/0009/16/JOJ - United Kingdom Employment Appeal Tribunal).

National Prescription Opiate Litigation: *In re National Prescription Opiate Litigation (MDL No. 2804)*; *Lac Courte Oreilles Band of Lake Superior Chippewa Indians v. McKesson Corp., et al.*, WI Circuit Court, Sawyer County, 3/16/18; *ApolloMD Bus. Servs., LLC v. Attain Med, Inc., et al.*, GA State Ct., Fulton Cty., 3/8/2018; *Center Point, Inc. v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 3/6/2018; *Cty. of Greenville v. Rite Aid of S.C., Inc., et al.*, SC Ct. of Common Pleas, 13th Judicial Dist., 3/5/2018; *Big Sandy Rancheria of W. Mono Indians v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 3/2/2018; *Consolidated Tribal Health Project, Inc. v. McKesson Corp.*, et al., CA Superior Ct., San Francisco County, 3/2/2018; *Robinson Rancheria v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 3/2/2018; *Round Valley Indian Tribes; Round Valley Indian Health Center, Inc. v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 3/2/2018; *Hopland Band of Pomo Indians v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 2/21/2018; *Redwood Valley or Little River Band of Pomo Indians of Redwood Valley Rancheria v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 2/21/2018; *Scotts Valley Band of Pomo Indians v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 2/21/2018; *Big Valley Band of Pomo Indians of the Big Valley Rancheria v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 2/13/2018; *Guidiville Rancheria of Cal. v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 2/13/2018; *Odyssey House La., Inc. v. Morris & Dickson Co., et al.*, LA Civil Dist. Ct., New Orleans Parish, 2/6/2018; *Coyote Valley Band of Pomo Indians v. McKesson Corp., et al.*, CA Superior Ct., San Francisco County, 1/29/2018; *Cty. Comm'n of Mingo Cty. v. Purdue Pharma, L.P., et al.*, WV Circuit Ct., Mingo County, 1/18/2018; *Brooke Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Hancock Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Harrison Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Lewis Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Marshall Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Ohio Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Tyler Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017; *Wetzel Cty. Comm'n v. Purdue Pharma L.P., et al.*, WV Circuit Ct., Marshall County, 12/13/2017.

II. CERTAIN OTHER PROCEEDINGS: The Company is a defendant in several lawsuits in which the complaints closely track the allegations set forth in a news story that appeared in *The New York Times* (the "Times") on April 21, 2012. One of these is a securities lawsuit that was filed on May 7, 2012, in the United States District Court for the Middle District of Tennessee, and subsequently transferred to the Western District of Arkansas, in which the plaintiff alleges various violations of the U.S. Foreign Corrupt Practices Act (the "FCPA") beginning in 2005, and asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, relating to certain prior disclosures of the Company. The plaintiff seeks to represent a class of shareholders who purchased or acquired stock of the Company between December 8, 2011, and April 20, 2012, and seeks damages and other relief based on allegations that the defendants' conduct affected the value of such stock. On September 20, 2016, the court granted plaintiff's motion for class certification. On October 6, 2016, the defendants filed a petition to appeal the class certification ruling to the U.S. Court of Appeals for the Eighth Circuit. On November 7, 2016, the U.S. Court of Appeals for the Eighth Circuit denied the Company's petition.

In addition, a number of derivative complaints have been filed in Delaware and Arkansas, also tracking the allegations of the *Times* story, and naming various current and former directors and certain former officers as additional defendants. The plaintiffs in the derivative suits (in which the Company is a nominal defendant) allege, among other things, that the defendants who are or were directors or officers of the Company breached their fiduciary duties in connection with their oversight of FCPA compliance. All of the derivative suits have been combined into two consolidated proceedings, one of which was consolidated

in the United States District Court for the Western District of Arkansas and the other in the Delaware Court of Chancery. On March 31, 2015, the Western District of Arkansas granted the defendants' motion to dismiss the consolidated derivative proceedings in that court. On April 15, 2015, plaintiffs filed their notice of appeal with the United States Court of Appeals for the Eighth Circuit. On July 22, 2016, the United States Court of Appeals for the Eighth Circuit affirmed the dismissal of the consolidated derivative proceedings in Arkansas. There was no appeal from that ruling. On May 13, 2016, the Delaware Court of Chancery granted the defendants' motion to dismiss the consolidated derivative proceedings in that court. On June 10, 2016, plaintiffs in the Delaware consolidated derivative proceedings filed their notice of appeal to the Delaware Supreme Court. On January 25, 2018, the Delaware Supreme Court affirmed the dismissal of the consolidated derivative proceedings in Delaware.

Management does not believe any possible loss or the range of any possible loss that may be incurred in connection with these proceedings will be material to the Company's financial condition or results of operations.

Securities Class Action: *City of Pontiac General Employees Retirement System v. Wal-Mart Stores, Inc.*, USDC, Western Dist. of AR; 5/7/12.

Derivative Lawsuits: *In re Wal-Mart Stores, Inc. Delaware Derivative Litigation*, Delaware Ct. of Chancery, 4/25/12; Delaware Supreme Court, Dover, DE; 6/10/16.

III. ENVIRONMENTAL MATTERS: Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters. The following matters are disclosed in accordance with that requirement. For the matters listed below, management does not believe any possible loss or the range of any possible loss that may be incurred in connection with each matter, individually or in the aggregate, will be material to the Company's financial condition or results of operations.

On January 25, 2018, the Environmental Prosecutor of the State of Chiapas (Procuraduría Ambiental del Estado de Chiapas) in Mexico imposed a fine of \$163,000 for the absence of an Environmental Impact Authorization License related to the store Mi Bodega Las Rosas. The Company plans to challenge the fine before an administrative court.

In May 2017, WMS Supermercados do Brasil Ltda ("Walmart Brazil") self-reported to the relevant municipal environmental agency, and proposed a remediation plan for, an oil contamination in the soil and underground water at the Walmart and Sam's Club store location in Barueri, São Paulo (Tamboré), which contamination had been confirmed by an internal investigation in April 2017. Walmart Brazil is cooperating with the agency, including seeking authorization to start a remediation plan.

In April 2017, the California Air Resources Board ("ARB") notified the Company that it had taken the position that retailers are required to use unclaimed deposits collected on sales of small containers of automotive refrigerant to fund certain consumer education programs. The ARB alleged that the Company had improperly retained approximately \$4.2 million in unclaimed deposits and has sought reimbursement. The Company has denied any wrongdoing.

In November and December 2016, the Environmental and Natural History Ministry of Chiapas, Mexico ("Ministry") notified a subsidiary of the Company, Arrendadora de Centros Comerciales, S. de R.L. de C.V. ("Arrendadora"), that it was proposing aggregated penalties approximating \$430,000 in respect to four stores which the Ministry believed may have been constructed without first obtaining a required environmental impact license. Arrendadora has challenged the penalties before an administrative court and the trials are in process. The Ministry had previously proposed penalties of approximately \$640,000 related to this matter in 2014, but Arrendadora was released by an administrative court from payment of such penalties on the basis that the Ministry had failed to comply with legal formalities in connection with their imposition.

On April 6, 2015, representatives for the Brazilian Institute of the Environment alleged that Walmart Brazil had failed to file required reports documenting the number of tires imported, sold and recycled. The agency proposed a penalty of approximately \$857,000, which may be doubled and excludes additional amounts in respect of inflation and interest, and prohibited Walmart Brazil from selling or importing tires until the matter is resolved. In October 2015, Walmart Brazil filed its defense with the agency against the imposition of this penalty.

In April 2013, a subsidiary of the Company, Corporacion de Compañías Agroindustriales, operating in Costa Rica, became aware that the Municipality of Curridabat is seeking a penalty of approximately \$380,000 in connection with the construction of a retaining wall seventeen years ago for a perishables distribution center that is situated along a protected river bank. The subsidiary obtained permits from the Municipality and the Secretaria Técnica Nacional Ambiental at the time of construction, but the Municipality now alleges that the wall is non-conforming.

In January 2011, the Environmental Department of Porto Alegre Municipality formally notified Walmart Brazil of soil inspection reports indicating soil contamination due to leakage of oil from power generating equipment at nine store locations in Brazil. Walmart Brazil is cooperating with the agency as well as the District Attorney's Office for the State of Rio Grande do Sul and has filed a mitigation plan to address the situation.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Common Stock

Walmart's common stock is listed for trading on the New York Stock Exchange, which is the primary market for Walmart's common stock. The common stock trades under the symbol "WMT."

Market Price of Common Stock

The high market price and low market price per share for the Company's common stock for each fiscal quarter in fiscal 2018 and 2017 were as follows:

	2018		2017	
	High	Low	High	Low
1st Quarter	\$ 75.77	\$ 66.04	\$ 70.08	\$ 62.35
2nd Quarter	80.47	73.13	74.35	62.72
3rd Quarter	89.11	77.50	75.19	67.07
4th Quarter	109.98	87.00	72.48	65.28

The high market price and low market price per share for the Company's common stock for the first fiscal quarter of fiscal 2019, were as follows:

	2019	
	High	Low
1st Quarter ⁽¹⁾	\$ 106.56	\$ 85.28

(1) Through March 28, 2018.

Holders of Record of Common Stock

As of March 28, 2018, there were 229,858 holders of record of Walmart's common stock.

Dividends Payable Per Share

For fiscal 2019, dividends will be paid based on the following schedule:

April 2, 2018	\$ 0.52
June 4, 2018	0.52
September 4, 2018	0.52
January 2, 2019	0.52

Dividends Paid Per Share

For fiscal 2018, dividends were paid based on the following schedule:

April 3, 2017	\$ 0.51
June 5, 2017	0.51
September 5, 2017	0.51
January 2, 2018	0.51

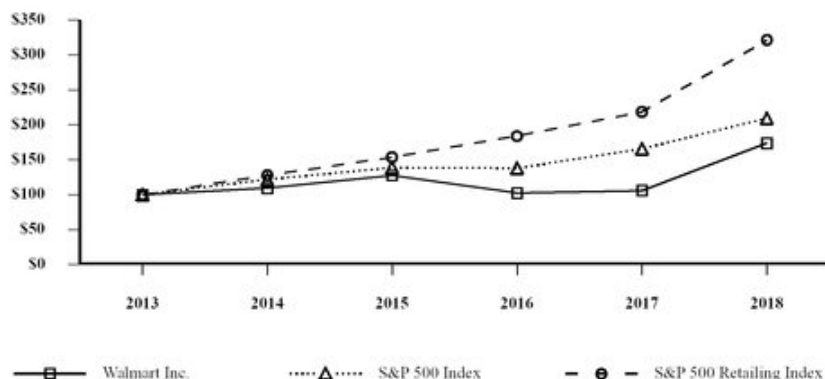
For fiscal 2017, dividends were paid based on the following schedule:

April 4, 2016	\$ 0.50
June 6, 2016	0.50
September 6, 2016	0.50
January 3, 2017	0.50

Stock Performance Chart

This graph compares the cumulative total shareholder return on Walmart's common stock during the five fiscal years ending with fiscal 2018 to the cumulative total returns on the S&P 500 Retailing Index and the S&P 500 Index. The comparison assumes \$100 was invested on February 1, 2013, in shares of our common stock and in each of the indices shown and assumes that all of the dividends were reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Walmart Inc., the S&P 500 Index
and S&P 500 Retailing Index
(Fiscal Years Ending January 31)



*Assumes \$100 Invested on February 1, 2013
 Assumes Dividends Reinvested
 Fiscal Year Ending January 31, 2018

	Fiscal Years Ended January 31,					
	2013	2014	2015	2016	2017	2018
Walmart Inc.	\$ 100.00	\$ 109.39	\$ 127.58	\$ 102.39	\$ 105.97	\$ 173.61
S&P 500 Index	100.00	121.52	138.80	137.88	165.51	209.22
S&P 500 Retailing Index	100.00	127.72	153.64	184.32	218.76	321.37

Issuer Purchases of Equity Securities

From time to time, we repurchase shares of our common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during the fiscal year prior to November 20, 2017 were made under the plan in effect at the beginning of fiscal 2018. On October 9, 2017, the Board of Directors approved a new \$20.0 billion share repurchase program which, beginning on November 20, 2017, replaced the previous share repurchase program. As of January 31, 2018, authorization for \$18.8 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

Share repurchase activity under our share repurchase programs, on a trade date basis, for each month in the quarter ended January 31, 2018, was as follows:

Fiscal Period	Total Number of Shares Repurchased	Average Price Paid per Share (in dollars)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾ (in billions)
November 1-30, 2017	6,816,775	\$ 93.00	6,816,775	\$ 19.8
December 1-31, 2017	5,594,137	97.92	5,594,137	19.2
January 1-31, 2018	4,170,041	102.37	4,170,041	18.8
Total	16,580,953		16,580,953	

(1) Represents the approximate dollar value of shares that could have been purchased under the current plan at the end of the month. The approximate dollar value of shares that could still have been purchased under the plan in effect at the beginning of fiscal 2018, as of November 17, 2017, when such plan was replaced, was \$2.2 billion.

ITEM 6. SELECTED FINANCIAL DATA**Five-Year Financial Summary**

Walmart Inc.

As of and for the Fiscal Years Ended January 31,*(Amounts in millions, except per share and unit count data)*

	2018	2017	2016	2015	2014
Operating results					
Total revenues	\$ 500,343	\$ 485,873	\$ 482,130	\$ 485,651	\$ 476,294
Percentage change in total revenues from previous fiscal year	3.0%	0.8%	(0.7)%	2.0%	1.6 %
Net sales	\$ 495,761	\$ 481,317	\$ 478,614	\$ 482,229	\$ 473,076
Percentage change in net sales from previous fiscal year	3.0%	0.6%	(0.7)%	1.9%	1.6 %
Increase (decrease) in calendar comparable sales ⁽¹⁾ in the U.S.	2.2%	1.4%	0.3 %	0.5%	(0.5)%
Walmart U.S.	2.1%	1.6%	1.0 %	0.6%	(0.6)%
Sam's Club	2.8%	0.5%	(3.2)%	0.0%	0.3 %
Gross profit margin	24.7%	24.9%	24.6 %	24.3%	24.3 %
Operating, selling, general and administrative expenses, as a percentage of net sales	21.5%	21.2%	20.3 %	19.4%	19.3 %
Operating income	\$ 20,437	\$ 22,764	\$ 24,105	\$ 27,147	\$ 26,872
Income from continuing operations attributable to Walmart	9,862	13,643	14,694	16,182	15,918
Diluted income per common share from continuing operations attributable to Walmart	\$ 3.28	\$ 4.38	\$ 4.57	\$ 4.99	\$ 4.85
Dividends declared per common share	2.04	2.00	1.96	1.92	1.88
Financial position					
Inventories	\$ 43,783	\$ 43,046	\$ 44,469	\$ 45,141	\$ 44,858
Property, equipment, capital lease and financing obligation assets, net	114,818	114,178	116,516	116,655	117,907
Total assets	204,522	198,825	199,581	203,490	204,541
Long-term debt and long-term capital lease and financing obligations (excluding amounts due within one year)	36,825	42,018	44,030	43,495	44,368
Total Walmart shareholders' equity	77,869	77,798	80,546	81,394	76,255
Unit counts ⁽²⁾					
Walmart U.S. segment	4,761	4,672	4,574	4,516	4,203
Walmart International segment	6,360	6,363	6,299	6,290	6,107
Sam's Club segment	597	660	655	647	632
Total units	<u>11,718</u>	<u>11,695</u>	<u>11,528</u>	<u>11,453</u>	<u>10,942</u>

(1) Comparable sales include sales from stores and clubs open for the previous 12 months, including remodels, relocations and expansions, as well as eCommerce sales and sales from eCommerce acquisitions when such acquisitions have been owned for 12 months. Comparable sales include fuel.

(2) Unit counts related to discontinued operations have been removed from all relevant periods.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Walmart Inc. ("Walmart," the "Company" or "we") is engaged in retail and wholesale operations in various formats around the world. Through our operations, we help people around the world save money and live better – anytime and anywhere – in retail stores and through eCommerce. Through innovation, we are striving to create a customer-centric experience that seamlessly integrates digital and physical shopping into an omni-channel offering that saves time for our customers. Physical retail encompasses our brick and mortar presence in each of the markets in which we operate. Digital retail, or eCommerce, is comprised of our eCommerce websites, mobile commerce applications and transactions involving both an eCommerce platform and a physical format, which we refer to as omni-channel. Each week, we serve nearly 270 million customers who visit our more than 11,700 stores and numerous eCommerce websites under 65 banners in 28 countries. Our strategy is to lead on price, invest to differentiate on access, be competitive on assortment and deliver a great experience. By leading on price we earn the trust of our customers every day by providing a broad assortment of quality merchandise and services at everyday low prices ("EDLP"). EDLP is our pricing philosophy under which we price items at a low price every day so our customers trust that our prices will not change under frequent promotional activity. Price leadership is core to who we are. Everyday low cost ("EDLC") is our commitment to control expenses so our cost savings can be passed along to our customers. Our physical and digital presence, in which we are investing to integrate into a seamless omni-channel, provides customers convenient access to our broad assortment anytime and anywhere. We strive to give our customers and members a great shopping experience through whichever shopping method they prefer.

Our operations consist of three reportable segments: Walmart U.S., Walmart International and Sam's Club.

- Walmart U.S. is our largest segment with three primary store formats and eCommerce, as well as an omni-channel offering. Of our three reportable segments, Walmart U.S. has historically had the highest gross profit as a percentage of net sales ("gross profit rate"). In addition, it has historically contributed the greatest amount to the Company's net sales and operating income.
- Walmart International consists of our operations outside of the U.S. and includes retail, wholesale and other businesses. These categories, including eCommerce, consist of many formats, including: supercenters, supermarkets, hypermarkets, warehouse clubs (including Sam's Clubs) and cash & carry. Overall gross profit rate for Walmart International is lower than that of Walmart U.S. primarily because of its merchandise mix. Walmart International is our second largest segment and has grown in recent years by adding retail, wholesale and other units, and expanding eCommerce.
- Sam's Club consists of membership-only warehouse clubs as well as eCommerce through samsclub.com. As a membership-only warehouse club, membership income is a significant component of the segment's operating income. Sam's Club operates with a lower gross profit rate and lower operating expenses as a percentage of net sales than our other segments.

Each of our segments contributes to the Company's operating results differently. Each, however, has generally maintained a consistent contribution rate to the Company's net sales and operating income in recent years other than minor changes to the contribution rate for the Walmart International segment due to fluctuations in currency exchange rates.

Our fiscal year ends on January 31 for our U.S. and Canadian operations. We consolidate all other operations generally using a one-month lag and on a calendar year basis. Our business is seasonal to a certain extent due to calendar events and national and religious holidays, as well as weather patterns. Generally, our highest sales volume and operating income have occurred in the fiscal quarter ending January 31 .

This discussion, which presents our results for the fiscal years ended January 31, 2018 ("fiscal 2018 "), January 31, 2017 ("fiscal 2017 ") and January 31, 2016 ("fiscal 2016 ") should be read in conjunction with our Consolidated Financial Statements and the accompanying notes. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period and the primary factors that accounted for those changes. We also discuss certain performance metrics that management uses to assess the Company's performance. Additionally, the discussion provides information about the financial results of the three segments of our business to provide a better understanding of how each of those segments and its results of operations affect the financial condition and results of operations of the Company as a whole.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss segment operating income, comparable store and club sales and other measures. Management measures the results of the Company's segments using each segment's operating income, including certain corporate overhead allocations, as well as other measures. From time to time, we revise the measurement of each segment's operating income, including certain corporate overhead allocations, and other measures as determined by the information regularly reviewed by our chief operating decision maker. When we do so, the previous period amounts and balances are reclassified to conform to the current period's presentation.

Comparable store and club sales, or comparable sales, is a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, including eCommerce sales, for a particular period from the corresponding period in the previous year. Walmart's definition of comparable sales includes sales from stores and clubs open for the previous 12 months, including remodels, relocations, expansions and conversions, as well as eCommerce sales. We measure the eCommerce sales impact by including all sales initiated online or through mobile applications, including omni-channel transactions which are fulfilled through our stores and clubs. Sales of a store that has changed in format are excluded from comparable sales when the conversion of that store is accompanied by a relocation or expansion that results in a change in the store's retail square feet of more than five percent. Additionally, sales related to eCommerce acquisitions are excluded until such acquisitions have been owned for 12 months. Comparable sales are also referred to as "same-store" sales by others within the retail industry. The method of calculating comparable sales varies across the retail industry. As a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other companies.

In discussing our operating results, we use the term "currency exchange rates" to refer to the currency exchange rates we use to convert the operating results for all countries where the functional currency is not the U.S. dollar into U.S. dollars for financial reporting purposes. We calculate the effect of changes in currency exchange rates from the prior period to the current period as the difference between current period activity translated using the current period's currency exchange rates, and current period activity translated using the comparable prior year period's currency exchange rates. Throughout our discussion, we refer to the results of this calculation as the impact of currency exchange rate fluctuations. Volatility in currency exchange rates may impact the results, including net sales and operating income, of the Company and the Walmart International segment in the future.

The Retail Industry

We operate in the highly competitive retail industry in all of the markets we serve. We face strong sales competition from other discount, department, drug, dollar, variety and specialty stores, warehouse clubs and supermarkets, as well as eCommerce businesses. Many of these competitors are national, regional or international chains or have a national or international online presence. We compete with a number of companies for prime retail site locations, as well as in attracting and retaining quality employees ("associates"). We, along with other retail companies, are influenced by a number of factors including, but not limited to: catastrophic events, weather, competitive pressures, consumer disposable income, consumer debt levels and buying patterns, consumer credit availability, cost of goods, currency exchange rate fluctuations, customer preferences, deflation, inflation, fuel and energy prices, general economic conditions, insurance costs, interest rates, labor costs, tax rates, cybersecurity attacks and unemployment. Further information on the factors that can affect our operating results and on certain risks to our Company and an investment in its securities can be found herein under "[Item 1A. Risk Factors](#)," and under "[Cautionary Statement Regarding Forward-Looking Statements](#)."

Company Performance Metrics

We are committed to helping customers save money and live better through everyday low prices, supported by everyday low costs. At times, we adjust our business strategies to maintain and strengthen our competitive positions in the countries in which we operate. Our financial framework is defined as:

- strong, efficient growth;
- operating discipline; and
- strategic capital allocation.

As we execute on this financial framework, we believe our returns on capital will improve over time.

Strong, Efficient Growth

Our objective of prioritizing strong, efficient growth means we will focus on increasing comparable sales and eCommerce sales growth while slowing the rate of growth of new stores and clubs. At times, we make strategic investments which are focused on the long-term growth of the Company, which may not benefit comparable sales in the near term.

Comparable sales is a metric which indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, including eCommerce sales, for a particular period over the corresponding period in the previous year. The retail industry generally reports comparable sales using the retail calendar (also known as the 4-5-4 calendar). To be consistent with the retail industry, we provide comparable sales using the retail calendar in our quarterly earnings releases. However, when we discuss our comparable sales below, we are referring to our calendar comparable sales calculated using our fiscal calendar. As our fiscal calendar differs from the retail calendar, our fiscal calendar comparable sales also differ from the retail calendar comparable sales provided in our quarterly earnings releases.

Calendar comparable sales, as well as the impact of fuel, for fiscal 2018 and 2017, were as follows:

	Fiscal Years Ended January 31,			
	2018	2017	2018	2017
	With Fuel		Fuel Impact	
Walmart U.S.	2.1%	1.6%	0.1%	0.0%
Sam's Club	2.8%	0.5%	1.0%	(0.9)%
Total U.S.	2.2%	1.4%	0.2%	(0.1)%

Comparable sales in the U.S., including fuel, increased 2.2% and 1.4% in fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. The fiscal 2018 total U.S. comparable sales were positively impacted by continued traffic improvement, higher eCommerce sales and the impact of higher fuel sales. eCommerce sales positively impacted comparable sales approximately 0.7% for both Walmart U.S. and Sam's Club for fiscal 2018. The fiscal 2017 total U.S. comparable sales were positively impacted by continued traffic improvement and higher eCommerce sales at the Walmart U.S. segment, partially offset by the negative impact of lower fuel sales primarily due to lower fuel prices at the Sam's Club segment. eCommerce sales positively impacted comparable sales approximately 0.4% and 0.7% for Walmart U.S. and Sam's Club, respectively, for fiscal 2017.

In the past, when we were focused on adding new stores and clubs in the U.S., we did so with an understanding that additional stores and clubs may take sales away from existing units. We reduced the number of new store and club openings in fiscal 2018 and the negative impact on comparable sales as a result of these openings was not significant. We expect this trend to continue in the future as well. In fiscal 2017, we estimate the negative impact on comparable sales as a result of opening new stores and clubs was approximately 0.7%. Our estimate was calculated primarily by comparing the sales trends of the impacted stores and clubs, which are identified based on their proximity to the new stores and clubs, to those of nearby non-impacted stores and clubs, in each case, as measured after the new stores and clubs are opened.

Operating Discipline

We operate with discipline by managing expenses and optimizing the efficiency of how we work. We measure operating discipline through expense leverage, which we define as net sales growing at a faster rate than operating expenses.

	Fiscal Years Ended January 31,	
	2018	2017
<i>(Amounts in millions, except unit counts)</i>		
Net sales	\$ 495,761	\$ 481,317
Percentage change from comparable period	3.0%	0.6%
Operating, selling, general and administrative expenses	\$ 106,510	\$ 101,853
Percentage change from comparable period	4.6%	5.0%
Operating, selling, general and administrative expenses as a percentage of net sales	21.5%	21.2%

For fiscal 2018, operating, selling, general and administrative ("operating") expenses as a percentage of net sales increased 32 basis points, when compared to the same period in the previous fiscal year. While our increase in net sales and improving expense management had a positive impact on our operating expenses as a percentage of net sales, we did not leverage expenses as a result of approximately \$0.6 billion of charges related to Sam's Club closures and discontinued real estate projects, approximately \$400 million related to a lump sum bonus paid to associates, \$300 million related to Home Office severance, a legal accrual of \$283 million related to the FCPA matter, a charge of \$244 million related to Walmart U.S. discontinued real estate projects, and the decisions to exit certain international properties and wind down the first party Brazil eCommerce operations.

Strategic Capital Allocation

We are allocating more capital to remodels, eCommerce, technology and supply chain and less to new store and club openings, when compared to prior years. This allocation aligns with our initiatives of improving our customer proposition in stores and clubs and integrating digital and physical shopping. The following table provides additional detail:

	Fiscal Years Ended January 31,	
	2018	2017
<i>(Amounts in millions)</i>		
Allocation of Capital Expenditures		
New stores and clubs, including expansions and relocations	\$ 914	\$ 2,171
Remodels	2,009	1,589
eCommerce, technology, supply chain and other	4,521	4,162
Total U.S.	7,444	7,922
Walmart International	2,607	2,697
Total capital expenditures	\$ 10,051	\$ 10,619

Total U.S. capital expenditures decreased \$478 million for fiscal 2018, when compared to the previous fiscal year. Capital expenditures related to new stores and clubs, including expansions and relocations, decreased \$1.3 billion, partially offset by increases to capital expenditures for remodels and for eCommerce, technology, supply chain and other. These changes were a result of our shift in capital allocation strategy to support growth in comparable store and club sales and eCommerce, while slowing the rate at which we open new stores and clubs.

Returns

As we execute our financial framework, we believe our returns on capital will improve over time. We measure returns on capital with our return on investment and free cash flow metrics. In addition, we provide returns in the form of share repurchases and dividends, which are discussed in the [Liquidity and Capital Resources](#) section.

Return on Assets and Return on Investment

We include Return on Assets ("ROA"), the most directly comparable measure based on our financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP"), and Return on Investment ("ROI") as metrics to assess returns on assets. While ROI is considered a non-GAAP financial measure, management believes ROI is a meaningful metric to share with investors because it helps investors assess how effectively Walmart is deploying its assets. Trends in ROI can fluctuate over time as management balances long-term potential strategic initiatives with possible short-term impacts. ROA was 5.2% and 7.2% for the fiscal years ended January 31, 2018 and 2017, respectively. The decline in ROA was primarily due to the loss on extinguishment of debt and the decrease in operating income for the fiscal year ended January 31, 2018. ROI was 14.2% and 15.2% for the fiscal years ended January 31, 2018 and 2017, respectively. The decline in ROI was primarily due to the decrease in operating income for the fiscal year ended January 31, 2018.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the fiscal year or trailing 12 months divided by average invested capital during that period. We consider average invested capital to be the average of our beginning and ending total assets, plus average accumulated depreciation and average accumulated amortization, less average accounts payable and average accrued liabilities for that period, plus a rent factor equal to the rent for the fiscal year or trailing 12 months multiplied by a factor of eight. When we have discontinued operations, we exclude the impact of the discontinued operations.

Our calculation of ROI is considered a non-GAAP financial measure because we calculate ROI using financial measures that exclude and include amounts that are included and excluded in the most directly comparable financial measure calculated and presented in accordance with GAAP. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. In addition, we include a factor of eight for rent expense that estimates the hypothetical capitalization of our operating leases. As mentioned above, we consider ROA to be the financial measure computed in accordance with GAAP that is the most directly comparable financial measure to our calculation of ROI. ROI differs from ROA (which is consolidated net income for the period divided by average total assets for the period) because ROI: adjusts operating income to exclude certain expense items and adds interest income; adjusts total assets for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities; and incorporates a factor of rent to arrive at total invested capital. Because of the adjustments mentioned above, we believe ROI more accurately measures how we are deploying our key assets and is more meaningful to investors than ROA.

Although ROI is a standard financial metric, numerous methods exist for calculating a company's ROI. As a result, the method used by management to calculate our ROI may differ from the methods used by other companies to calculate their ROI.

The calculation of ROA and ROI, along with a reconciliation of ROI to the calculation of ROA, the most comparable GAAP financial measure, is as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,	
	2018	2017
CALCULATION OF RETURN ON ASSETS		
Numerator		
Consolidated net income	\$ 10,523	\$ 14,293
Denominator		
Average total assets ⁽¹⁾	\$ 201,674	\$ 199,203
Return on assets (ROA)	5.2%	7.2%
CALCULATION OF RETURN ON INVESTMENT		
Numerator		
Operating income	\$ 20,437	\$ 22,764
+ Interest income	152	100
+ Depreciation and amortization	10,529	10,080
+ Rent	2,932	2,612
= Adjusted operating income	\$ 34,050	\$ 35,556
Denominator		
Average total assets ⁽¹⁾	\$ 201,674	\$ 199,203
+ Average accumulated depreciation and amortization ⁽¹⁾	79,995	74,245
- Average accounts payable ⁽¹⁾	43,763	39,960
- Average accrued liabilities ⁽¹⁾	21,388	20,131
+ Rent x 8	23,456	20,896
= Average invested capital	\$ 239,974	\$ 234,253
Return on investment (ROI)	14.2%	15.2%

	As of January 31,		
	2018	2017	2016
Certain Balance Sheet Data			
Total assets	\$ 204,522	\$ 198,825	\$ 199,581
Accumulated depreciation and amortization	83,039	76,951	71,538
Accounts payable	46,092	41,433	38,487
Accrued liabilities	22,122	20,654	19,607

(1) The average is based on the addition of the account balance at the end of the current period to the account balance at the end of the prior period and dividing by 2.

Free Cash Flow

Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. See [Liquidity and Capital Resources](#) for discussions of GAAP metrics including net cash provided by operating activities, net cash used in investing activities and net cash used in financing activities.

We define free cash flow as net cash provided by operating activities in a period minus payments for property and equipment made in that period. We had net cash provided by operating activities of \$28.3 billion, \$31.7 billion and \$27.6 billion for fiscal 2018, 2017 and 2016, respectively. We generated free cash flow of \$18.3 billion, \$21.1 billion and \$16.1 billion for fiscal 2018, 2017 and 2016, respectively. The decreases in net cash provided by operating activities and free cash flow in fiscal 2018 from fiscal 2017 were primarily due to the timing of tax and other payments, as well as lapping the previous year's improvements in working capital management and the benefit from the application of tax regulations adopted in fiscal 2017. The increase in net cash provided by operating activities and free cash flow in fiscal 2017 from fiscal 2016 was primarily due to improved working capital management. Additionally, we benefited from the application of new tax regulations related to the accelerated deduction of remodels and related expenses.

Walmart's definition of free cash flow is limited in that it does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our [Consolidated Statements of Cash Flows](#).

Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Walmart's management to calculate our free cash flow may differ from the methods used by other companies to calculate their free cash flow.

The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, which we believe to be the GAAP financial measure most directly comparable to free cash flow, as well as information regarding net cash used in investing activities and net cash used in financing activities:

	Fiscal Years Ended January 31,		
	2018	2017	2016
<i>(Amounts in millions)</i>			
Net cash provided by operating activities	\$ 28,337	\$ 31,673	\$ 27,552
Payments for property and equipment	(10,051)	(10,619)	(11,477)
Free cash flow	\$ 18,286	\$ 21,054	\$ 16,075
Net cash used in investing activities ⁽¹⁾	\$ (9,060)	\$ (13,987)	\$ (10,675)
Net cash used in financing activities	(19,875)	(19,072)	(16,285)

(1) "Net cash used in investing activities" includes payments for property and equipment, which is also included in our computation of free cash flow.

Results of Operations

Consolidated Results of Operations

	Fiscal Years Ended January 31,		
	2018	2017	2016
<i>(Amounts in millions, except unit counts)</i>			
Total revenues	\$ 500,343	\$ 485,873	\$ 482,130
Percentage change from comparable period	3.0%	0.8%	(0.7)%
Net sales	\$ 495,761	\$ 481,317	\$ 478,614
Percentage change from comparable period	3.0%	0.6%	(0.7)%
Total U.S. calendar comparable sales increase	2.2%	1.4%	0.3 %
Gross profit rate	24.7%	24.9%	24.6 %
Operating income	\$ 20,437	\$ 22,764	\$ 24,105
Operating income as a percentage of net sales	4.1%	4.7%	5.0 %
Consolidated net income	\$ 10,523	\$ 14,293	\$ 15,080
Unit counts at period end	11,718	11,695	11,528
Retail square feet at period end	1,158	1,164	1,149

Our total revenues, which are mostly comprised of net sales, but also include membership and other income, increased \$14.5 billion or 3.0% and \$3.7 billion or 0.8% for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. Net sales increased \$14.4 billion or 3.0% and \$2.7 billion or 0.6% for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. For fiscal 2018, net sales were positively impacted by overall positive comparable sales, the impact from new store openings and sales generated from eCommerce acquisitions. Additionally, for fiscal 2018, the increase in net sales was partially offset by a reduction in net sales of \$1.9 billion due to divesting our Yihaodian and Suburbia businesses and the \$0.5 billion of negative impact from fluctuations in currency exchange rates. For fiscal 2017, net sales were positively impacted by overall positive comparable sales and the 1.3% year-over-year growth in consolidated retail square feet. The positive effect of such factors on our consolidated net sales for fiscal 2017 was partially offset by a negative impact of \$11.0 billion or 2.3% as a result of fluctuations in currency exchange rates and a \$0.4 billion decrease in fuel sales from lower fuel prices at the Sam's Club segment.

Our gross profit rate decreased 26 basis points for fiscal 2018 and increased 36 basis points for fiscal 2017, when compared to the previous fiscal year. For fiscal 2018, the decrease was primarily due to strategic price investments and the mix impact from eCommerce. For fiscal 2017, the increase in gross profit rate was primarily due to improved margin in food and consumables, including the impact of savings in procuring merchandise and lower transportation expense from lower fuel costs in the Walmart U.S. segment. Additionally, improvement in certain markets' inventory management and cost analytics programs in the Walmart International segment also positively impacted our gross profit rate for fiscal 2017.

Operating expenses as a percentage of net sales increased 32 and 88 basis points for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. For fiscal 2018, the increase in operating expenses as a percentage of net sales was primarily due to approximately \$0.6 billion in charges related to Sam's Club closures and discontinued real estate projects, approximately \$400 million related to a lump sum bonus paid to associates, \$300 million related to Home Office severance, a legal accrual of \$283 million related to the FCPA matter in the third quarter, a charge of \$244 million related to discontinued real estate projects in Walmart U.S., and the decisions to exit certain international properties and wind down the first party Brazil eCommerce operations. For fiscal 2017, the increase in operating expenses as a percentage of net sales was primarily due to an increase in wage expense at the Walmart U.S. and Sam's Club segments resulting from the continued investment in associate wage structure, a \$370 million charge related to discontinued domestic real estate projects and severance, and our

continued investments in eCommerce and technology. The increase in operating expenses as a percentage of net sales for fiscal 2017 was partially offset by the impact of store closures in the fourth quarter of fiscal 2016.

Membership and other income was relatively flat for fiscal 2018 and increased \$1.0 billion for fiscal 2017, when compared to the same period in the previous fiscal year. While fiscal 2018 included a \$387 million gain from the sale of Suburbia, a \$47 million gain from a land sale, higher recycling income from our sustainability efforts and higher membership income from increased Plus Member penetration at Sam's Club, these gains were less than gains recognized in fiscal 2017. Fiscal 2017 included a \$535 million gain from the sale of our Yihaodian business and a \$194 million gain from the sale of shopping malls in Chile.

For fiscal 2018, loss on extinguishment of debt was \$3.1 billion, due to the early extinguishment of long-term debt which allowed us to retire higher rate debt to reduce interest expense in future periods.

Our effective income tax rate was 30.4% for fiscal 2018 and 30.3% for both fiscal 2017 and 2016. Although relatively consistent year-over-year, our effective income tax rate may fluctuate from period to period as a result of factors including changes in our assessment of certain tax contingencies, valuation allowances, changes in tax laws, outcomes of administrative audits, the impact of discrete items and the mix of earnings among our U.S. operations and international operations. The reconciliation from the U.S. statutory rate to the effective income tax rates for fiscal 2018, 2017 and 2016 is presented in [Note 9](#) in the "[Notes to Consolidated Financial Statements](#)" and describes the impact of the enactment of the Tax Cuts and Jobs Act of 2017 (the "Tax Act") to the fiscal 2018 effective income tax rate.

As a result of the factors discussed above, we reported \$10.5 billion and \$14.3 billion of consolidated net income for fiscal 2018 and 2017, respectively, which represents a decrease of \$3.8 billion and \$0.8 billion for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. Diluted net income per common share attributable to Walmart ("EPS") was \$3.28 and \$4.38 for fiscal 2018 and 2017, respectively.

Walmart U.S. Segment

	Fiscal Years Ended January 31,		
	2018	2017	2016
<i>(Amounts in millions, except unit counts)</i>			
Net sales	\$ 318,477	\$ 307,833	\$ 298,378
Percentage change from comparable period	3.5%	3.2%	3.6%
Calendar comparable sales increase	2.1%	1.6%	1.0%
Operating income	\$ 17,869	\$ 17,745	\$ 19,087
Operating income as a percentage of net sales	5.6%	5.8%	6.4%
Unit counts at period end	4,761	4,672	4,574
Retail square feet at period end	705	699	690

Net sales for the Walmart U.S. segment increased \$10.6 billion or 3.5% and \$9.5 billion or 3.2% for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. The increases in net sales were primarily due to increases in comparable store sales of 2.1% and 1.6% for fiscal 2018 and 2017, respectively, and year-over-year growth in retail square feet of 0.7% and 1.4% for fiscal 2018 and 2017, respectively. Additionally, for fiscal 2018, sales generated from eCommerce acquisitions further contributed to the year-over-year increase.

Gross profit rate decreased 24 basis points for fiscal 2018 and increased 24 basis points for fiscal 2017, when compared to the previous fiscal year. For fiscal 2018, the decrease was primarily due to strategic price investments and the mix impact from eCommerce. Partially offsetting the negative factors for fiscal 2018 was the positive impact of savings from procuring merchandise. For fiscal 2017, the increase in gross profit rate was primarily due to improved margin in food and consumables, including the impact of savings in procuring merchandise and lower transportation expense from lower fuel costs.

Operating expenses as a percentage of segment net sales was relatively flat for fiscal 2018 and increased 101 basis points for fiscal 2017, when compared to the previous fiscal year. Fiscal 2018 and fiscal 2017 included charges related to discontinued real estate projects of \$244 million and \$249 million, respectively. For fiscal 2017, the increase was primarily driven by an increase in wage expense due to the investment in the associate wage structure; the charge related to discontinued real estate projects; and investments in digital retail and technology. The increase in operating expenses as a percentage of segment net sales for fiscal 2017 was partially offset by the impact of store closures in fiscal 2016.

As a result of the factors discussed above, segment operating income increased \$124 million for fiscal 2018 and decreased \$1.3 billion for fiscal 2017, respectively.

Walmart International Segment

	Fiscal Years Ended January 31,		
	2018	2017	2016
<i>(Amounts in millions, except unit counts)</i>			
Net sales	\$ 118,068	\$ 116,119	\$ 123,408
Percentage change from comparable period	1.7%	(5.9)%	(9.4)%
Operating income	\$ 5,352	\$ 5,758	\$ 5,346
Operating income as a percentage of net sales	4.5%	5.0%	4.3%
Unit counts at period end	6,360	6,363	6,299
Retail square feet at period end	373	377	372

Net sales for the Walmart International segment increased \$1.9 billion or 1.7% for fiscal 2018 and decreased \$7.3 billion or 5.9% for fiscal 2017, when compared to the previous fiscal year. For fiscal 2018, the increase in net sales was due to positive comparable sales in the majority of our markets and the impact of new stores, partially offset by a reduction in net sales of \$1.9 billion due to divesting our Yihaodian and Suburbia businesses and a \$0.5 billion negative impact from fluctuations in currency exchange rates. For fiscal 2017, the decrease in net sales was due to a \$11.0 billion negative impact from fluctuations in currency exchange rates. Additionally, net sales for fiscal 2017 were impacted by positive comparable sales in all of our markets, except in the United Kingdom, and year-over-year growth in retail square feet of 1.2%.

Gross profit rate decreased 28 basis points for fiscal 2018 and increased 46 basis points for fiscal 2017, when compared to the previous fiscal year. For fiscal 2018, the decrease in the gross profit rate was primarily due to strategic price investments in certain markets. For fiscal 2017, the increase in gross profit rate was primarily due to improvement in certain markets' inventory management and cost analytics programs.

Membership and other income decreased 14.0% for fiscal 2018 and increased 69.4% for fiscal 2017, when compared to the previous fiscal year. While fiscal 2018 included a \$387 million gain from the sale of Suburbia and a \$47 million gain from a land sale, these gains were less than gains recognized in fiscal 2017. Fiscal 2017 included a \$535 million gain from the sale of our Yihaodian business and a \$194 million gain from the sale of shopping malls in Chile.

Operating expenses as a percentage of segment net sales decreased 11 basis points for fiscal 2018 and increased 58 basis points for fiscal 2017, when compared to the previous fiscal year. The decrease in operating expenses as a percentage of segment net sales for fiscal 2018 was primarily due to an increase in net sales partially offset by restructuring and impairment charges in certain markets of approximately \$0.5 billion, including charges from decisions to exit certain properties and to wind down the first party Brazil eCommerce operations. The increase in operating expenses as a percentage of segment net sales for fiscal 2017 was primarily due to declining sales on relatively flat fixed costs in the United Kingdom, as well as adjustments to useful lives of certain assets and impairment charges in certain markets.

Segment operating income was negatively impacted by fluctuations in currency exchange rates of \$68 million and \$642 million for fiscal 2018 and 2017, respectively. As a result of the factors discussed above, segment operating income decreased \$406 million for fiscal 2018 and increased \$412 million for fiscal 2017, respectively.

Sam's Club Segment

We believe the information in the below table under the caption "Excluding Fuel" is useful to investors because it permits investors to understand the effect of the Sam's Club segment's fuel sales on its results of operations, which are impacted by the volatility of fuel prices. Volatility in fuel prices may continue to impact the operating results of the Sam's Club segment in the future.

	Fiscal Years Ended January 31,		
	2018	2017	2016
<i>(Amounts in millions, except unit counts)</i>			
Including Fuel			
Net sales	\$ 59,216	\$ 57,365	\$ 56,828
Percentage change from comparable period	3.2%	0.9%	(2.1)%
Calendar comparable sales increase (decrease)	2.8%	0.5%	(3.2)%
Operating income	\$ 982	\$ 1,671	\$ 1,820
Operating income as a percentage of net sales	1.7%	2.9%	3.2%
Unit counts at period end	597	660	655
Retail square feet at period end	80	88	88
Excluding Fuel			
Net sales	\$ 54,456	\$ 53,289	\$ 52,330
Percentage change from comparable period	2.2%	1.8%	1.4%
Operating income	\$ 864	\$ 1,619	\$ 1,746
Operating income as a percentage of net sales	1.6%	3.0%	3.3%

Net sales for the Sam's Club segment increased \$1.9 billion or 3.2% and \$0.5 billion or 0.9% for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. For fiscal 2018, the increase in net sales was primarily due to an increase in comparable sales which were benefited by an increase of \$0.7 billion in fuel sales from higher fuel prices in fiscal 2018. For fiscal 2017, the increase in net sales was primarily due to an increase in comparable sales without fuel driven by higher eCommerce sales, and a year-over-year increase in retail square feet of 0.9%, partially offset by a decrease of \$0.4 billion in fuel sales primarily from lower fuel prices in fiscal 2017. In the future, net sales will be negatively impacted by our decision to remove tobacco in certain clubs.

Gross profit rate decreased 44 basis points for fiscal 2018 and increased 39 basis points for fiscal 2017, when compared to the previous fiscal year. For fiscal 2018, the decrease in gross profit rate was primarily due to the impact of markdowns to liquidate inventory related to the club closures, a reclassification of certain supply expenses from operating expenses to cost of goods sold, higher inventory shrink, increased shipping costs at samsclub.com and the investment in cash rewards. For fiscal 2017, the increase in gross profit rate was primarily due to margin rate improvement in home and apparel, health and wellness, and grocery, partially offset by changes in merchandise mix and the growth of the Cash Rewards program.

Membership and other income increased 2.3% for fiscal 2018 and decreased 6.5% for fiscal 2017, when compared to the previous fiscal year. For fiscal 2018, the increase in membership and other income was primarily due to higher recycling income from our sustainability efforts and an increase of 1.3% in membership income resulting from increased Plus Member penetration. For fiscal 2017, the decrease was primarily due to a reduction in other income partially offset by an increase of 2.3% in membership income as a result of increased Plus Member renewals.

Operating expenses as a percentage of segment net sales increased 80 and 49 basis points for fiscal 2018 and 2017, respectively, when compared to the previous fiscal year. For fiscal 2018, the increase in operating expenses as a percentage of segment net sales was primarily due to a charge of approximately \$0.6 billion related to club closures and discontinued real estate projects. For fiscal 2017, the increase in operating expenses as a percentage of segment net sales was primarily due to an increase in wage, benefit and incentive expenses from the investment in the associate wage structure, as well as our investments in eCommerce and technology and an increase in advertising expense.

As a result of the factors discussed above, segment operating income decreased \$689 million and \$149 million for fiscal 2018 and 2017, respectively.

Liquidity and Capital Resources

Liquidity

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of the remaining available cash flow has been used to fund the dividends on our common stock and share repurchases. We believe our sources of liquidity will continue to be adequate to fund operations, finance our global investment and expansion activities, pay dividends and fund our share repurchases for the foreseeable future.

Net Cash Provided by Operating Activities

	Fiscal Years Ended January 31,		
	2018	2017	2016
(Amounts in millions)			
Net cash provided by operating activities	\$ 28,337	\$ 31,673	\$ 27,552

Net cash provided by operating activities was \$28.3 billion, \$31.7 billion and \$27.6 billion for fiscal 2018, 2017 and 2016, respectively. The decrease in net cash provided by operating activities for fiscal 2018, when compared to the previous fiscal year, was due to the timing of tax and other payments, as well as lapping the previous year's improvements in working capital management and the benefit from the application of tax regulations adopted in fiscal 2017. The increase in net cash provided by operating activities for fiscal 2017, when compared to the previous fiscal year, was primarily due to improved working capital management. Additionally, we benefited from the application of new tax regulations related to the accelerated deduction of remodels and related expenses.

Cash Equivalents and Working Capital

Cash and cash equivalents were \$6.8 billion and \$6.9 billion at January 31, 2018 and 2017, respectively. Our working capital deficit was \$18.9 billion and \$9.2 billion at January 31, 2018 and 2017, respectively. The increase in our working capital deficit reflects an increase in short-term borrowings as part of our long-term debt extinguishment activity as well as improved procurement and inventory management. We generally operate with a working capital deficit due to our efficient use of cash in funding operations, consistent access to the capital markets and returns provided to our shareholders in the form of payments of cash dividends and share repurchases.

We use intercompany financing arrangements in an effort to ensure cash can be made available in the country in which it is needed with the minimum cost possible. We do not believe it will be necessary to repatriate earnings held outside of the U.S. and anticipate our domestic liquidity needs will be met through cash flows provided by domestic operating activities, supplemented with long-term debt and short-term borrowings. Accordingly, we intend, with only certain exceptions, to continue to indefinitely reinvest our earnings held outside of the U.S. in our foreign operations. As part of U.S. tax reform enacted on December 22, 2017, we are currently assessing the impact of the new legislation, which can in turn, impact our assertion regarding any potential future repatriation. If our intentions with respect to reinvestment were to change, most of the amounts held within our foreign operations could be repatriated to the U.S., although any repatriation under new U.S. tax laws could be subject to incremental withholding taxes. We do not expect current local laws, other existing limitations or potential taxes on anticipated future repatriations of cash amounts held outside of the U.S. to have a material effect on our overall liquidity, financial condition or results of operations.

As of January 31, 2018 and 2017, cash and cash equivalents of \$1.4 billion and \$1.0 billion, respectively, may not be freely transferable to the U.S. due to local laws or other restrictions.

Net Cash Used in Investing Activities

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Net cash used in investing activities	\$ (9,060)	\$ (13,987)	\$ (10,675)

Net cash used in investing activities was \$9.1 billion, \$14.0 billion and \$10.7 billion for fiscal 2018, 2017 and 2016, respectively, and generally consisted of payments to remodel existing stores and clubs, expand our eCommerce capabilities, invest in other technologies and add stores and clubs. Net cash used in investing activities decreased \$4.9 billion for fiscal 2018, when compared to the previous fiscal year. Fiscal 2018 included cash received of \$1.0 billion from the sale of Suburbia in Mexico, while fiscal 2017 included our acquisition of Jet.com, Inc. ("jet.com") for approximately \$2.4 billion and our purchase of \$1.9 billion of available for sale securities in JD.com ("JD"). Net cash used in investing activities increased \$3.3 billion for fiscal 2017, when compared to the previous fiscal year, primarily due to our acquisition of jet.com and investment in JD, partially offset by \$0.7 billion in cash received from the sales of shopping malls in Chile. Refer to [Note 13](#) to our Consolidated Financial Statements for further details on our acquisition of jet.com and investment in JD. Additionally, refer to the "[Strategic Capital Allocation](#)" section in our [Company Performance Metrics](#) for capital expenditure detail for fiscal 2018 and 2017.

We continued to focus on eCommerce, including a seamless omni-channel shopping experience, in each of our segments during fiscal 2018. Our fiscal 2018 accomplishments in this area include growing "Online Grocery" to over 1,100 pickup locations in the U.S., new dedicated eCommerce fulfillment centers, two-day free shipping with no membership fee at Walmart U.S. and one-hour delivery from stores in China.

Growth Activities

For the fiscal year ending January 31, 2019 ("fiscal 2019"), we project capital expenditures will be approximately \$11.0 billion and involve:

- in Walmart U.S., continuing to prioritize store remodels and digital experiences, with approximately 1,000 additional online grocery locations;
- in Walmart International, investing more in fulfillment capabilities in addition to new stores; and,
- eCommerce investments that include enhanced supply chain capabilities.

Globally, in fiscal 2019, we expect to add approximately 280 new, expanded or relocated stores and clubs, with approximately 255 of those in Walmart International, focusing on key markets such as Mexico and China.

Net Cash Used in Financing Activities

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Net cash used in financing activities	\$ (19,875)	\$ (19,072)	\$ (16,285)

Net cash flows used in financing activities generally consist of transactions related to our short-term and long-term debt, financing obligations, dividends paid and the repurchase of Company stock. Transactions with noncontrolling interests are also classified as cash flows from financing activities. Net cash used in financing activities increased \$0.8 billion and \$2.8 billion for fiscal 2018 and 2017, respectively, when compared to the same period in the previous fiscal year. Net cash used in financing activities for fiscal 2018 increased due to premiums paid for early extinguishment of debt. Net cash used in financing

activities for fiscal 2017 increased primarily due to repurchases of Company stock partially offset by lower repayments of long-term debt. Further discussion of financing activities is provided by major category below.

Short-term Borrowings

Net cash flows provided by short-term borrowings increased \$4.1 billion in fiscal 2018 and decreased \$1.7 billion in fiscal 2017, when compared to the balance at the end of the previous fiscal year. We generally utilize the liquidity provided by short-term borrowings to provide funding for our operations, dividend payments, share repurchases, capital expenditures and other cash requirements. For fiscal 2018, the additional cash provided by short-term borrowings was primarily due to the timing of our January 2018 debt extinguishment. For fiscal 2017, the decrease in net cash flows provided by short-term borrowings was due to improved cash flows from operations driven by working capital improvements and changes to tax regulations.

The following table includes additional information related to the Company's short-term borrowings for fiscal 2018, 2017 and 2016:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2018	2017	2016
Maximum amount outstanding at any month-end	\$ 11,386	\$ 9,493	\$ 10,551
Average daily short-term borrowings	8,131	5,691	4,536
Annual weighted-average interest rate	1.3%	1.8%	1.5%

In addition to our short-term borrowings, we also have various undrawn committed lines of credit in the U.S. that provide \$12.5 billion and various undrawn committed lines of credit outside of the U.S. that provide approximately \$4.0 billion of additional liquidity, if needed.

Long-term Debt

The following table provides the changes in our long-term debt for fiscal 2018:

(Amounts in millions)	Long-term debt due within one year	Long-term debt	Total
Balances as of February 1, 2017	\$ 2,256	\$ 36,015	\$ 38,271
Proceeds from issuance of long-term debt	—	7,476	7,476
Payments of long-term debt	(1,789)	(11,272)	(13,061)
Reclassifications of long-term debt	3,224	(3,224)	—
Other	47	1,050	1,097
Balances as of January 31, 2018	\$ 3,738	\$ 30,045	\$ 33,783

Our total long-term debt decreased \$4.5 billion for fiscal 2018, primarily due to the extinguishment and maturities of certain long-term debt, partially offset by the issuance of long-term debt. The extinguishment of certain long-term debt allowed us to retire higher rate debt to reduce interest expense in future periods.

Dividends

Our total dividend payments were \$6.1 billion, \$6.2 billion and \$6.3 billion for fiscal 2018, 2017 and 2016, respectively. On February 20, 2018, the Board of Directors approved the fiscal 2019 annual dividend of \$2.08 per share, an increase over the fiscal 2018 annual dividend of \$2.04 per share. For fiscal 2019, the annual dividend will be paid in four quarterly installments of \$0.52 per share, according to the following record and payable dates:

Record Date	Payable Date
March 9, 2018	April 2, 2018
May 11, 2018	June 4, 2018
August 10, 2018	September 4, 2018
December 7, 2018	January 2, 2019

Company Share Repurchase Program

From time to time, we repurchase shares of our common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during the fiscal year prior to November 20, 2017 were made under the plan in effect at the beginning of fiscal 2018. On October 9, 2017, the Board of Directors approved a new \$20.0 billion share repurchase program which, beginning on November 20, 2017, replaced the previous share repurchase program. As of January 31, 2018, authorization for \$18.8 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

We regularly review share repurchase activity and consider several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, our results of operations and the market price of our common stock. We anticipate that a significant majority of the ongoing share repurchase program will be

funded through the Company's free cash flows. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total amount paid for share repurchases for fiscal 2018 , 2017 and 2016 :

<i>(Amounts in millions, except per share data)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Total number of shares repurchased	104.9	119.9	62.4
Average price paid per share	\$ 79.11	\$ 69.18	\$ 65.90
Total amount paid for share repurchases	\$ 8,296	\$ 8,298	\$ 4,112

Share repurchases were flat for fiscal 2018 and increased \$4.2 billion for fiscal 2017 , respectively, when compared to the previous fiscal year.

Significant Transactions with Noncontrolling Interests

In fiscal 2016, as described in [Note 13](#) to our Consolidated Financial Statements, we completed the purchase of all of the remaining noncontrolling interest in Yihaodian, our eCommerce operations in China, for approximately \$760 million, using existing cash to complete the transaction. The Company subsequently sold Yihaodian to JD in fiscal 2017.

Capital Resources

We believe cash flows from operations, our current cash position and access to capital markets will continue to be sufficient to meet our anticipated operating cash needs, which include funding seasonal buildups in merchandise inventories and funding our capital expenditures, dividend payments and share repurchases.

We have strong commercial paper and long-term debt ratings that have enabled and should continue to enable us to refinance our debt as it becomes due at favorable rates in capital markets. At January 31, 2018 , the ratings assigned to our commercial paper and rated series of our outstanding long-term debt were as follows:

Rating agency	Commercial paper	Long-term debt
Standard & Poor's	A-1+	AA
Moody's Investors Service	P-1	Aa2
Fitch Ratings	F1+	AA

Credit rating agencies review their ratings periodically and, therefore, the credit ratings assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether our current credit ratings will remain consistent over time. Factors that could affect our credit ratings include changes in our operating performance, the general economic environment, conditions in the retail industry, our financial position, including our total debt and capitalization, and changes in our business strategy. Any downgrade of our credit ratings by a credit rating agency could increase our future borrowing costs or impair our ability to access capital and credit markets on terms commercially acceptable to us. In addition, any downgrade of our current short-term credit ratings could impair our ability to access the commercial paper markets with the same flexibility that we have experienced historically, potentially requiring us to rely more heavily on more expensive types of debt financing. The credit rating agency ratings are not recommendations to buy, sell or hold our commercial paper or debt securities. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating. Moreover, each credit rating is specific to the security to which it applies.

Contractual Obligations

The following table sets forth certain information concerning our obligations to make contractual future payments, such as debt and lease agreements, and certain contingent commitments as of January 31, 2018 :

(Amounts in millions)	Total	Payments Due During Fiscal Years Ending January 31,			
		2019	2020-2021	2022-2023	Thereafter
Recorded contractual obligations:					
Long-term debt ⁽¹⁾	\$ 33,783	\$ 3,733	\$ 5,250	\$ 3,541	\$ 21,259
Short-term borrowings	5,257	5,257	—	—	—
Capital lease and financing obligations ⁽²⁾	9,930	1,039	1,929	1,539	5,423
Unrecorded contractual obligations:					
Non-cancelable operating leases ⁽³⁾	15,366	1,933	3,250	2,539	7,644
Estimated interest on long-term debt	17,601	1,291	2,319	2,121	11,870
Trade and stand-by letters of credit	2,626	2,626	—	—	—
Purchase obligations	13,278	6,121	5,094	1,138	925
Total contractual obligations	\$ 97,841	\$ 22,000	\$ 17,842	\$ 10,878	\$ 47,121

(1) "Long-term debt" includes the fair value of our derivatives designated as fair value hedges.

(2) "Capital lease and financing obligations" includes executory costs and imputed interest related to capital lease and financing obligations that are not yet recorded. Refer to [Note 11](#) to our Consolidated Financial Statements for more information.

(3) Represents minimum contractual obligation for non-cancelable leases with initial or remaining terms greater than 12 months as of January 31, 2018 .

Additionally, the Company has \$12.5 billion in undrawn committed lines of credit in the U.S. and approximately \$4.0 billion of undrawn committed lines of credit outside of the U.S. which, if drawn upon, would be included in the current liabilities section of the Company's Consolidated Balance Sheets.

Estimated interest payments are based on our principal amounts and expected maturities of all debt outstanding at January 31, 2018 , and assumes interest rates remain at current levels for our variable rate debt.

Purchase obligations include legally binding contracts, such as firm commitments for inventory and utility purchases, as well as commitments to make capital expenditures, software acquisition and license commitments and legally binding service contracts. For the purposes of this table, contractual obligations for the purchase of goods or services are defined as agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Contracts that specify the Company will purchase all or a portion of its requirements of a specific product or service from a supplier, but do not include a fixed or minimum quantity, are excluded from the table above. Additionally, purchase orders for inventory are not included in the table above as purchase orders represent authorizations to purchase rather than binding agreements. Our purchase orders are based on our current inventory needs and are fulfilled by our suppliers within short time periods. We also enter into contracts for outsourced services; however, the obligations under these contracts are not significant and the contracts generally contain clauses allowing for cancellation without significant penalty.

The expected timing for payment discussed above is estimated based on current information. Timing of payments and actual amounts paid may be different depending on the timing of receipt of goods or services or changes to agreed-upon amounts for some obligations.

In addition to the amounts shown in the table above, \$1.0 billion of unrecognized tax benefits are considered uncertain tax positions and have been recorded as liabilities. The timing of the payment, if any, associated with these liabilities is uncertain. Refer to [Note 9](#) to our Consolidated Financial Statements for additional discussion of unrecognized tax benefits.

Off Balance Sheet Arrangements

As of January 31, 2018 , we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our consolidated financial condition, results of operations, liquidity, capital expenditures or capital resources.

Other Matters

We discuss our existing FCPA investigation and related matters, including certain risks arising therefrom, in [Part I, Item 1A](#) of this Form 10-K under the caption "Risk Factors" and under the sub-caption "Legal Proceedings" in [Note 10](#) to our Consolidated Financial Statements, which is captioned "Contingencies," and appears elsewhere herein. We also discuss various legal proceedings related to the FCPA investigation in [Item 3](#) herein under the caption "Part I, Item 3. Legal Proceedings," under the sub-caption "II. Certain Other Proceedings." We discuss the "equal value" claims against our United Kingdom subsidiary, ASDA Stores, Ltd., including certain risks arising therefrom, in [Part I, Item 1A](#) of this Form 10-K under the caption "Risk Factors" and under the sub-caption "Legal Proceedings" in [Note 10](#) to our Consolidated Financial Statements, which is captioned "Contingencies," and appears elsewhere herein. We discuss the national prescription opiate litigation including certain risks arising therefrom, in [Part I, Item 1A](#) of this Form 10-K under the caption "Risk Factors" and under the sub-caption "Legal Proceedings" in [Note 10](#) to our Consolidated Financial Statements, which is captioned "Contingencies," and appears elsewhere herein.

Summary of Critical Accounting Estimates

Management strives to report our financial results in a clear and understandable manner, although in some cases accounting and disclosure rules are complex and require us to use technical terminology. In preparing the Company's Consolidated Financial Statements, we follow accounting principles generally accepted in the U.S. These principles require us to make certain estimates and apply judgments that affect our financial position and results of operations as reflected in our financial statements. These judgments and estimates are based on past events and expectations of future outcomes. Actual results may differ from our estimates.

Management continually reviews our accounting policies, how they are applied and how they are reported and disclosed in our financial statements. Following is a summary of our critical accounting estimates and how they are applied in preparation of the financial statements.

Inventories

We value inventories at the lower of cost or market as determined primarily by the retail inventory method of accounting, using the last-in, first-out ("LIFO") method for Walmart U.S. segment's inventories. The inventory at the Walmart International segment is valued primarily by the retail inventory method of accounting, using the first-in, first-out ("FIFO") method. The retail inventory method of accounting results in inventory being valued at the lower of cost or market, since permanent markdowns are immediately recorded as a reduction of the retail value of inventory. The inventory at the Sam's Club segment is valued using the weighted-average cost LIFO method.

Under the retail method of accounting, inventory is valued at the lower of cost or market, which is determined by applying a cost-to-retail ratio to each merchandise grouping's retail value. The FIFO cost-to-retail ratio is generally based on the fiscal year purchase activity. The cost-to-retail ratio for measuring any LIFO provision is based on the initial margin of the fiscal year purchase activity less the impact of any permanent markdowns. The retail method of accounting requires management to make certain judgments and estimates that may significantly impact the ending inventory valuation at cost, as well as the amount of gross profit recognized. Judgments made include recording markdowns used to sell inventory and shrinkage. When management determines the ability to sell inventory has diminished, markdowns for clearance activity and the related cost impact are recorded. Factors considered in the determination of markdowns include current and anticipated demand, customer preferences and age of merchandise, as well as seasonal and fashion trends. Changes in weather and customer preferences could also cause changes in the amount and timing of markdowns from year to year.

When necessary, we record a LIFO provision for the estimated annual effect of inflation, and these estimates are adjusted to actual results determined at year-end. Our LIFO provision is calculated based on inventory levels, markup rates and internally generated retail price indices. As a measure of sensitivity, a 1% increase to our retail price indices would not have resulted in a decrease to the carrying value of inventory. At January 31, 2018 and 2017, our inventories valued at LIFO approximated those inventories as if they were valued at FIFO.

We provide for estimated inventory losses, or shrinkage, between physical inventory counts on the basis of a historical percentage of sales. Following annual inventory counts, the provision is adjusted to reflect updated historical results. Historically, our estimated inventory losses have been materially accurate when compared to annual inventory counts and we expect that trend to continue.

Impairment of Assets

We evaluate long-lived assets, other than goodwill and assets with indefinite lives, for indicators of impairment whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. Management's judgments regarding the existence of impairment indicators are based on market conditions and financial performance. The evaluation of long-lived assets is performed at the lowest level of identifiable cash flows, which is generally at the individual store level. The variability of these factors depends on a number of conditions, including uncertainty about future events and changes in

demographics. Thus, our accounting estimates may change from period to period. These factors could cause management to conclude that indicators of impairment exist and require impairment tests be performed, which could result in management determining the value of long-lived assets is impaired, resulting in a write-down of the related long-lived assets. Although impairment charges for fiscal 2018 were \$1.4 billion, these charges primarily related to restructuring activities described in [Note 14](#), as well as discontinued real estate projects in the U.S. and decisions to exit certain international properties. Impairment charges not related to restructuring activities or decisions to exit properties for fiscal 2018 were not material and would not change materially with a 10% decrease in the undiscounted cash flows for the stores with indicators of impairment. Additionally, total impairment charges for fiscal 2017 were not material.

Goodwill and other indefinite-lived acquired intangible assets are not amortized, but are evaluated for impairment annually or whenever events or changes in circumstances indicate that the value of a certain asset may be impaired. Generally, this evaluation begins with a qualitative assessment to determine whether a quantitative impairment test is necessary. If we determine, after performing an assessment based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative impairment test would be performed. The quantitative test for impairment requires management to make judgments relating to future cash flows, growth rates and economic and market conditions. These evaluations are based on determining the fair value of a reporting unit or asset using a valuation method such as discounted cash flow or a relative, market-based approach. Historically, our reporting units and other indefinite-lived acquired intangible assets have generated sufficient returns to recover the cost of goodwill and other indefinite-lived acquired intangible assets. Because of the nature of the factors used in these tests, if different conditions occur in future periods, future operating results could be materially impacted. For approximately \$300 million of certain acquired indefinite-lived intangible assets, the fair value approximated the carrying value; any deterioration in the fair value may result in an impairment charge.

Income Taxes

Income taxes have a significant effect on our net earnings. We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Accordingly, the determination of our provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. Our effective income tax rate is affected by many factors, including changes in our assessment of certain tax contingencies, increases and decreases in valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix of earnings among our U.S. and international operations where the statutory rates are generally lower than the U.S. statutory rate, and may fluctuate as a result.

Our tax returns are routinely audited and settlements of issues raised in these audits sometimes affect our tax provisions. The benefits of uncertain tax positions are recorded in our financial statements only after determining a more likely than not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes in the financial statements as appropriate. We account for uncertain tax positions by determining the minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. This determination requires the use of significant judgment in evaluating our tax positions and assessing the timing and amounts of deductible and taxable items.

Deferred tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent that a portion is not more likely than not to be realized. Many factors are considered when assessing whether it is more likely than not that the deferred tax assets will be realized, including recent cumulative earnings, expectations of future taxable income, carryforward periods and other relevant quantitative and qualitative factors. The recoverability of the deferred tax assets is evaluated by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. This evaluation relies heavily on estimates.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Tax Act") was enacted and contains significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduces the U.S. statutory tax rate from 35 percent to 21 percent and creates new taxes on foreign-sourced earnings and related-party payments. In addition, the Company was subject to a one-time transition tax in fiscal 2018 on accumulated foreign subsidiary earnings not previously subject to U.S. income tax.

During the fourth quarter of fiscal 2018, the Company recorded a net tax benefit of \$0.2 billion related to the enactment of the Tax Act. The benefit primarily related to the remeasurement of the Company's deferred tax assets and liabilities considering the Tax Act's newly enacted tax rates and is net of the Tax Act's one-time transition tax on previously unremitted earnings of non-U.S. subsidiaries. As discussed in [Note 9](#) to our Consolidated Financial Statements, as the Company collects and prepares necessary data, and interprets the Tax Act and any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, the Company may make adjustments to the provisional amounts. Those adjustments may materially impact our provision for income taxes and effective tax rate in the period in which the adjustments are made. The accounting for the tax effects of the Tax Act is provisional and will be completed by the measurement period provided in Staff Accounting Bulletin No. 118.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

In addition to the risks inherent in our operations, we are exposed to certain market risks, including changes in interest rates and fluctuations in currency exchange rates.

The analysis presented below for each of our market risk sensitive instruments is based on a hypothetical scenario used to calibrate potential risk and does not represent our view of future market changes. The effect of a change in a particular assumption is calculated without adjusting any other assumption. In reality, however, a change in one factor could cause a change in another, which may magnify or negate other sensitivities.

Interest Rate Risk

We are exposed to changes in interest rates as a result of our short-term borrowings and long-term debt issuances. We hedge a portion of our interest rate risk by managing the mix of fixed and variable rate debt and by entering into interest rate swaps. For fiscal 2018, the net fair value of our interest rate swaps decreased approximately \$87 million primarily due to fluctuations in market interest rates.

The table below provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table represents the principal cash flows and related weighted-average interest rates by expected maturity dates. For interest rate swaps, the table represents the contractual cash flows and weighted-average interest rates by the contractual maturity date, unless otherwise noted. The notional amounts are used to calculate contractual cash flows to be exchanged under the contracts. The weighted-average variable rates are based upon prevailing market rates at January 31, 2018.

<i>(Amounts in millions)</i>	Expected Maturity Date							Total
	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Thereafter		
Liabilities								
Short-term borrowings:								
Variable rate	\$ 5,257	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,257
Weighted-average interest rate	1.5%	—%	—%	—%	—%	—%	—%	1.5%
Long-term debt ⁽¹⁾:								
Fixed rate	\$ 3,233	\$ 1,614	\$ 3,336	\$ 607	\$ 2,934	\$ 21,259	\$ —	\$ 32,983
Weighted-average interest rate	3.2%	2.6%	2.8%	5.5%	1.7%	4.6%	—%	3.9%
Variable rate	\$ 500	\$ 300	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 800
Weighted-average interest rate	5.5%	1.7%	—%	—%	—%	—%	—%	4.1%
Interest rate derivatives								
Interest rate swaps:								
Fixed to variable	\$ —	\$ —	\$ 750	\$ —	\$ —	\$ 3,250	\$ —	\$ 4,000
Weighted-average pay rate	—%	—%	3.2%	—%	—%	2.5%	—%	2.6%
Weighted-average receive rate	—%	—%	3.3%	—%	—%	2.9%	—%	3.0%

(1) The long-term debt amounts in the table exclude the Company's derivatives classified as fair value hedges.

As of January 31, 2018, our variable rate borrowings, including the effect of our commercial paper and interest rate swaps, represented 26% of our total short-term and long-term debt. Based on January 31, 2018 debt levels, a 100 basis point change in prevailing market rates would cause our annual interest costs to change by approximately \$96 million.

Foreign Currency Risk

We are exposed to fluctuations in foreign currency exchange rates as a result of our net investments and operations in countries other than the U.S. For fiscal 2018, movements in currency exchange rates and the related impact on the translation of the balance sheets of the Company's subsidiaries in the United Kingdom and Canada were the primary cause of the \$2.3 billion gain in the currency translation and other category of accumulated other comprehensive loss. We hedge a portion of our foreign currency risk by entering into currency swaps and designating certain foreign-currency-denominated long-term debt as net investment hedges.

We hold currency swaps to hedge the currency exchange component of our net investments and also to hedge the currency exchange rate fluctuation exposure associated with the forecasted payments of principal and interest of non-U.S. denominated debt. The aggregate fair value of these swaps was in an asset position of \$413 million at January 31, 2018 and a liability position of \$147 million at January 31, 2017. The change in the fair value of these swaps was due to fluctuations in currency exchange rates, primarily the strengthening of other currencies relative to the U.S. dollar in fiscal 2018. A hypothetical 10% increase or decrease in the currency exchange rates underlying these swaps from the market rate at January 31, 2018 would have resulted in a loss or gain in the value of the swaps of \$560 million. A hypothetical 10% change in interest rates underlying

these swaps from the market rates in effect at January 31, 2018 would have resulted in a loss or gain in the value of the swaps of \$22 million .

In addition to currency swaps, we have designated foreign-currency-denominated long-term debt as nonderivative hedges of net investments of certain of our foreign operations. We had outstanding long-term debt of £1.7 billion at January 31, 2018 and £2.5 billion at January 31, 2017 that was designated as a hedge of our net investment in the United Kingdom. At January 31, 2018 , a hypothetical 10% increase or decrease in the value of the U.S. dollar relative to the British pound would have resulted in a change in the value of the debt of \$217 million . In addition, we had outstanding long-term debt of ¥180 billion at January 31, 2018 and ¥10 billion at January 31, 2017 that was designated as a hedge of our net investment in Japan. At January 31, 2018 , a hypothetical 10% increase or decrease in value of the U.S. dollar relative to the Japanese yen would have resulted in a change in the value of the debt of \$150 million .

In certain countries, we also enter into immaterial foreign currency forward contracts to hedge the purchase and payment of purchase commitments denominated in non-functional currencies.

Investment Risk

During fiscal 2018 , the fair value of our available-for-sale investment in JD increased approximately \$1.5 billion , due to an increase in the market value of JD.

ITEM 8. **FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Consolidated Financial Statements of Walmart Inc.
(formerly "Wal-Mart Stores, Inc.")
For the Fiscal Year Ended January 31, 2018**

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Management's Report to Our Shareholders

Walmart Inc.

Management of Walmart Inc. ("Walmart," the "company" or "we") is responsible for the preparation, integrity and objectivity of Walmart's Consolidated Financial Statements and other financial information contained in this Annual Report on Form 10-K. Those Consolidated Financial Statements were prepared in conformity with accounting principles generally accepted in the United States. In preparing those Consolidated Financial Statements, management is required to make certain estimates and judgments, which are based upon currently available information and management's view of current conditions and circumstances.

The Audit Committee of the Board of Directors oversees our process of reporting financial information and the audit of our Consolidated Financial Statements. The Audit Committee stays informed of the financial condition of Walmart and regularly reviews management's financial policies and procedures, the independence of our independent auditors, our internal control over financial reporting and the objectivity of our financial reporting. Both the independent auditors and the internal auditors have free access to the Audit Committee and meet with the Audit Committee regularly, both with and without management present.

Acting through our Audit Committee, we have retained Ernst & Young LLP, an independent registered public accounting firm, to audit our Consolidated Financial Statements appearing below. We have made available to Ernst & Young LLP all of our financial records and related data in connection with their audit of our Consolidated Financial Statements. We have filed with the Securities and Exchange Commission ("SEC") the required certifications related to our Consolidated Financial Statements as of and for the year ended January 31, 2018. These certifications are attached as exhibits to this Annual Report on Form 10-K. Additionally, we have also provided to the New York Stock Exchange the required annual certification of our Chief Executive Officer regarding our compliance with the New York Stock Exchange's corporate governance listing standards.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Walmart Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Walmart Inc. (the Company) as of January 31, 2018 and 2017 , the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2018 , and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 31, 2018 and 2017 , and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2018 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 31, 2018 , based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 30, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1969.

Rogers, Arkansas
March 30, 2018

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Walmart Inc.

Opinion on Internal Control over Financial Reporting

We have audited Walmart Inc.'s internal control over financial reporting as of January 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Walmart Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of January 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the accompanying consolidated balance sheets of Walmart Inc. as of January 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended January 31, 2018, and the related notes and our report dated March 30, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Rogers, Arkansas
March 30, 2018

Walmart Inc.
Consolidated Statements of Income

	Fiscal Years Ended January 31,		
	2018	2017	2016
<i>(Amounts in millions, except per share data)</i>			
Revenues:			
Net sales	\$ 495,761	\$ 481,317	\$ 478,614
Membership and other income	4,582	4,556	3,516
Total revenues	500,343	485,873	482,130
Costs and expenses:			
Cost of sales	373,396	361,256	360,984
Operating, selling, general and administrative expenses	106,510	101,853	97,041
Operating income	20,437	22,764	24,105
Interest:			
Debt	1,978	2,044	2,027
Capital lease and financing obligations	352	323	521
Interest income	(152)	(100)	(81)
Interest, net	2,178	2,267	2,467
Loss on extinguishment of debt	3,136	—	—
Income before income taxes	15,123	20,497	21,638
Provision for income taxes	4,600	6,204	6,558
Consolidated net income	10,523	14,293	15,080
Consolidated net income attributable to noncontrolling interest	(661)	(650)	(386)
Consolidated net income attributable to Walmart	\$ 9,862	\$ 13,643	\$ 14,694
Net income per common share:			
Basic net income per common share attributable to Walmart	\$ 3.29	\$ 4.40	\$ 4.58
Diluted net income per common share attributable to Walmart	3.28	4.38	4.57
Weighted-average common shares outstanding:			
Basic	2,995	3,101	3,207
Diluted	3,010	3,112	3,217
Dividends declared per common share	\$ 2.04	\$ 2.00	\$ 1.96

See accompanying notes.

Walmart Inc.
Consolidated Statements of Comprehensive Income

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Consolidated net income	\$ 10,523	\$ 14,293	\$ 15,080
Consolidated net income attributable to noncontrolling interest	(661)	(650)	(386)
Consolidated net income attributable to Walmart	9,862	13,643	14,694
Other comprehensive income (loss), net of income taxes			
Currency translation and other	2,540	(3,027)	(5,220)
Net investment hedges	(405)	413	366
Unrealized gain on available-for-sale securities	1,501	145	—
Cash flow hedges	437	21	(202)
Minimum pension liability	147	(397)	86
Other comprehensive income (loss), net of income taxes	4,220	(2,845)	(4,970)
Other comprehensive (income) loss attributable to noncontrolling interest	(169)	210	541
Other comprehensive income (loss) attributable to Walmart	4,051	(2,635)	(4,429)
Comprehensive income, net of income taxes			
Comprehensive (income) loss attributable to noncontrolling interest	(830)	(440)	155
Comprehensive income attributable to Walmart	\$ 13,913	\$ 11,008	\$ 10,265

See accompanying notes.

Walmart Inc.
Consolidated Balance Sheets

<i>(Amounts in millions)</i>	As of January 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,756	\$ 6,867
Receivables, net	5,614	5,835
Inventories	43,783	43,046
Prepaid expenses and other	3,511	1,941
Total current assets	59,664	57,689
Property and equipment:		
Property and equipment	185,154	179,492
Less accumulated depreciation	(77,479)	(71,782)
Property and equipment, net	107,675	107,710
Property under capital lease and financing obligations:		
Property under capital lease and financing obligations	12,703	11,637
Less accumulated amortization	(5,560)	(5,169)
Property under capital lease and financing obligations, net	7,143	6,468
Goodwill	18,242	17,037
Other assets and deferred charges	11,798	9,921
Total assets	\$ 204,522	\$ 198,825
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	\$ 5,257	\$ 1,099
Accounts payable	46,092	41,433
Accrued liabilities	22,122	20,654
Accrued income taxes	645	921
Long-term debt due within one year	3,738	2,256
Capital lease and financing obligations due within one year	667	565
Total current liabilities	78,521	66,928
Long-term debt	30,045	36,015
Long-term capital lease and financing obligations	6,780	6,003
Deferred income taxes and other	8,354	9,344
Commitments and contingencies		
Equity:		
Common stock	295	305
Capital in excess of par value	2,648	2,371
Retained earnings	85,107	89,354
Accumulated other comprehensive loss	(10,181)	(14,232)
Total Walmart shareholders' equity	77,869	77,798
Noncontrolling interest	2,953	2,737
Total equity	80,822	80,535
Total liabilities and equity	\$ 204,522	\$ 198,825

See accompanying notes.



Walmart Inc.
Consolidated Statements of Shareholders' Equity

<i>(Amounts in millions)</i>	Common Stock		Capital in	Retained	Accumulated	Total	Noncontrolling	Total
	Shares	Amount	Excess of Par Value	Earnings	Other Comprehensive Income (Loss)	Walmart Shareholders' Equity	Interest	Equity
Balances as of February 1, 2015	3,228	\$ 323	\$ 2,462	\$ 85,777	\$ (7,168)	\$ 81,394	\$ 4,543	\$ 85,937
Consolidated net income	—	—	—	14,694	—	14,694	386	15,080
Other comprehensive income (loss), net of income taxes	—	—	—	—	(4,429)	(4,429)	(541)	(4,970)
Cash dividends declared (\$1.96 per share)	—	—	—	(6,294)	—	(6,294)	—	(6,294)
Purchase of Company stock	(65)	(6)	(102)	(4,148)	—	(4,256)	—	(4,256)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(691)	(691)
Other	(1)	—	(555)	(8)	—	(563)	(632)	(1,195)
Balances as of January 31, 2016	3,162	317	1,805	90,021	(11,597)	80,546	3,065	83,611
Consolidated net income	—	—	—	13,643	—	13,643	650	14,293
Other comprehensive income (loss), net of income taxes	—	—	—	—	(2,635)	(2,635)	(210)	(2,845)
Cash dividends declared (\$2.00 per share)	—	—	—	(6,216)	—	(6,216)	—	(6,216)
Purchase of Company stock	(120)	(12)	(174)	(8,090)	—	(8,276)	—	(8,276)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(519)	(519)
Other	6	—	740	(4)	—	736	(249)	487
Balances as of January 31, 2017	3,048	305	2,371	89,354	(14,232)	77,798	2,737	80,535
Consolidated net income	—	—	—	9,862	—	9,862	661	10,523
Other comprehensive income (loss), net of income taxes	—	—	—	—	4,051	4,051	169	4,220
Cash dividends declared (\$2.04 per share)	—	—	—	(6,124)	—	(6,124)	—	(6,124)
Purchase of Company stock	(103)	(10)	(219)	(7,975)	—	(8,204)	—	(8,204)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(687)	(687)
Other	7	—	496	(10)	—	486	73	559
Balances as of January 31, 2018	2,952	\$ 295	\$ 2,648	\$ 85,107	\$ (10,181)	\$ 77,869	\$ 2,953	\$ 80,822

See accompanying notes.

Walmart Inc.
Consolidated Statements of Cash Flows

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Cash flows from operating activities:			
Consolidated net income	\$ 10,523	\$ 14,293	\$ 15,080
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization	10,529	10,080	9,454
Deferred income taxes	(304)	761	(672)
Loss on extinguishment of debt	3,136	—	—
Other operating activities	1,210	206	1,410
Changes in certain assets and liabilities, net of effects of acquisitions:			
Receivables, net	(1,074)	(402)	(19)
Inventories	(140)	1,021	(703)
Accounts payable	4,086	3,942	2,008
Accrued liabilities	928	1,280	1,466
Accrued income taxes	(557)	492	(472)
Net cash provided by operating activities	28,337	31,673	27,552
Cash flows from investing activities:			
Payments for property and equipment	(10,051)	(10,619)	(11,477)
Proceeds from the disposal of property and equipment	378	456	635
Proceeds from the disposal of certain operations	1,046	662	246
Purchase of available for sale securities	—	(1,901)	—
Business acquisitions, net of cash acquired	(375)	(2,463)	—
Other investing activities	(58)	(122)	(79)
Net cash used in investing activities	(9,060)	(13,987)	(10,675)
Cash flows from financing activities:			
Net change in short-term borrowings	4,148	(1,673)	1,235
Proceeds from issuance of long-term debt	7,476	137	39
Repayments of long-term debt	(13,061)	(2,055)	(4,432)
Premiums paid to extinguish debt	(3,059)	—	—
Dividends paid	(6,124)	(6,216)	(6,294)
Purchase of Company stock	(8,296)	(8,298)	(4,112)
Dividends paid to noncontrolling interest	(690)	(479)	(719)
Purchase of noncontrolling interest	(8)	(90)	(1,326)
Other financing activities	(261)	(398)	(676)
Net cash used in financing activities	(19,875)	(19,072)	(16,285)
Effect of exchange rates on cash and cash equivalents	487	(452)	(1,022)
Net increase (decrease) in cash and cash equivalents	(111)	(1,838)	(430)
Cash and cash equivalents at beginning of year	6,867	8,705	9,135
Cash and cash equivalents at end of year	\$ 6,756	\$ 6,867	\$ 8,705
Supplemental disclosure of cash flow information:			
Income taxes paid	6,179	4,507	8,111
Interest paid	2,450	2,351	2,540

See accompanying notes.

Walmart Inc.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

General

Walmart Inc. (formerly "Wal-Mart Stores, Inc.") ("Walmart" or the "Company") helps people around the world save money and live better – anytime and anywhere – in retail stores and through eCommerce. Through innovation, the Company is striving to create a customer-centric experience that seamlessly integrates digital and physical shopping into an omni-channel offering that saves time for its customers. Each week, the Company serves nearly 270 million customers who visit its more than 11,700 stores and numerous eCommerce websites under 65 banners in 28 countries. The Company's strategy is to lead on price, invest to differentiate on access, be competitive on assortment and deliver a great experience.

The Company's operations comprise three reportable segments: Walmart U.S., Walmart International and Sam's Club.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Walmart and its subsidiaries as of and for the fiscal years ended January 31, 2018 ("fiscal 2018"), January 31, 2017 ("fiscal 2017") and January 31, 2016 ("fiscal 2016"). All material intercompany accounts and transactions have been eliminated in consolidation. The Company consolidates variable interest entities where it has been determined that the Company is the primary beneficiary of those entities' operations. Investments in unconsolidated affiliates, which are 50% or less owned and do not otherwise meet consolidation requirements, are accounted for primarily using the equity method. These equity method investments are immaterial to the Company's Consolidated Financial Statements.

The Company's Consolidated Financial Statements are based on a fiscal year ending on January 31 for the United States ("U.S.") and Canadian operations. The Company consolidates all other operations generally using a one-month lag and based on a calendar year. There were no significant intervening events during the month of January 2018 related to the operations consolidated using a lag that materially affected the Consolidated Financial Statements.

Use of Estimates

The Consolidated Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles. Those principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Management's estimates and assumptions also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

The Company considers investments with a maturity when purchased of three months or less to be cash equivalents. All credit card, debit card and electronic transfer transactions that process in less than seven days are classified as cash and cash equivalents. The amounts due from banks for these transactions classified as cash and cash equivalents totaled \$1.6 billion and \$1.5 billion at January 31, 2018 and 2017, respectively. In addition, cash and cash equivalents included restricted cash of \$300 million and \$265 million at January 31, 2018 and 2017, respectively, which was primarily related to cash collateral holdings from various counterparties, as required by certain derivative and trust agreements.

The Company's cash balances are held in various locations around the world. Substantially all of the Company's \$6.8 billion of cash and cash equivalents at January 31, 2018, was held outside of the U.S. Of the Company's \$6.9 billion of cash and cash equivalents at January 31, 2017, \$5.9 billion was held outside of the U.S. Cash and cash equivalents held outside of the U.S. are generally utilized to support liquidity needs in the Company's non-U.S. operations.

The Company uses intercompany financing arrangements in an effort to ensure cash can be made available in the country in which it is needed with the minimum cost possible. Management does not believe it will be necessary to repatriate earnings held outside of the U.S. and anticipates the Company's domestic liquidity needs will be met through cash flows provided by domestic operating activities, supplemented with long-term debt and short-term borrowings. Accordingly, the Company intends, with only certain exceptions, to continue to indefinitely reinvest the Company's earnings held outside of the U.S. in its foreign operations. As part of the U.S. tax reform enacted on December 22, 2017, the Company is currently assessing the impact of the new legislation, which can in turn, impact its assertion regarding any potential future repatriation. If the Company's intentions with respect to reinvestment were to change, most of the amounts held within the Company's foreign operations could be repatriated to the U.S., although any repatriation under new U.S. tax laws could be subject to incremental withholding taxes. The Company does not expect current local laws, other existing limitations or potential taxes on anticipated future repatriations of earnings held outside of the U.S. to have a material effect on the Company's overall liquidity, financial condition or results of operations.

As of January 31, 2018 and 2017, cash and cash equivalents of approximately \$1.4 billion and \$1.0 billion, respectively, may not be freely transferable to the U.S. due to local laws or other restrictions.

Receivables

Receivables are stated at their carrying values, net of a reserve for doubtful accounts. Receivables consist primarily of amounts due from:

- insurance companies resulting from pharmacy sales;
- banks for customer credit and debit cards and electronic bank transfers that take in excess of seven days to process;
- suppliers for marketing or incentive programs; and
- real estate transactions.

Inventories

The Company values inventories at the lower of cost or market as determined primarily by the retail inventory method of accounting, using the last-in, first-out ("LIFO") method for Walmart U.S. segment's inventories. The inventory at the Walmart International segment is valued primarily by the retail inventory method of accounting, using the first-in, first-out ("FIFO") method. The retail inventory method of accounting results in inventory being valued at the lower of cost or market, since permanent markdowns are immediately recorded as a reduction of the retail value of inventory. The inventory at the Sam's Club segment is valued using the weighted-average cost LIFO method. At January 31, 2018 and January 31, 2017, the Company's inventories valued at LIFO approximated those inventories as if they were valued at FIFO.

Assets Held for Sale

Assets held for sale represent components and businesses that meet accounting requirements to be classified as held for sale and are presented as single asset and liability amounts in the Company's financial statements with a valuation allowance, if necessary, to recognize the net carrying amount at the lower of cost or fair value, less cost to sell. The Company reviews all businesses and assets held for sale each reporting period to determine whether the existing carrying amounts are fully recoverable in comparison to estimated fair values. As of January 31, 2018 and 2017, immaterial amounts for assets and liabilities held for sale were classified within prepaid expenses and other and accrued liabilities, respectively, in the Consolidated Balance Sheets.

Property and Equipment

Property and equipment are initially recorded at cost. Gains or losses on disposition are recognized as earned or incurred. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred. The following table summarizes the Company's property and equipment balances and includes the estimated useful lives that are generally used to depreciate the assets on a straight-line basis:

<i>(Amounts in millions)</i>	Estimated Useful Lives	As of January 31,	
		2018	2017
Land	N/A	\$ 25,298	\$ 24,801
Buildings and improvements	3-40 years	101,155	98,547
Fixtures and equipment	1-30 years	52,695	48,998
Transportation equipment	3-15 years	2,387	2,845
Construction in progress	N/A	3,619	4,301
Property and equipment		\$ 185,154	\$ 179,492
Accumulated depreciation		(77,479)	(71,782)
Property and equipment, net		\$ 107,675	\$ 107,710

Leasehold improvements are depreciated or amortized over the shorter of the estimated useful life of the asset or the remaining expected lease term. Total depreciation and amortization expense for property and equipment, property under financing obligations and property under capital leases for fiscal 2018, 2017 and 2016 was \$10.5 billion, \$10.1 billion and \$9.5 billion, respectively.

Leases

The Company estimates the expected term of a lease by assuming the exercise of renewal options where an economic penalty exists that would preclude the abandonment of the lease at the end of the initial non-cancelable term and the exercise of such renewal is at the sole discretion of the Company. The expected term is used in the determination of whether a store or club lease is a capital or operating lease and in the calculation of straight-line rent expense. Additionally, the useful life of leasehold improvements is limited by the expected lease term or the economic life of the asset, whichever is shorter. If significant expenditures are made for leasehold improvements late in the expected term of a lease and renewal is reasonably assured, the

useful life of the leasehold improvement is limited to the end of the renewal period or economic life of the asset, whichever is shorter. Rent abatements and escalations are considered in the calculation of minimum lease payments in the Company's capital lease tests and in determining straight-line rent expense for operating leases.

The Company is often involved in the construction of its leased stores. In certain cases, payments made for certain structural components included in the lessor's construction of the leased assets result in the Company being deemed the owner of the leased assets for accounting purposes. As a result, the payments, regardless of the significance, are automatic indicators of ownership and require the Company to capitalize the lessor's total project cost with a corresponding financing obligation. Upon completion of the lessor's project, the Company performs a sale-leaseback analysis to determine if these assets and the related financing obligation can be derecognized from the Company's Consolidated Balance Sheets. If the Company is deemed to have "continuing involvement," the leased assets and the related financing obligation remain on the Company's Consolidated Balance Sheets and are generally amortized over the lease term. At the end of the lease term, including exercise of any renewal options, the net remaining financing obligation over the net carrying value of the fixed asset will be recognized as a non-cash gain on sale of the property.

Long-Lived Assets

Long-lived assets are initially recorded at cost. Management reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows, which is at the individual store or club level. Undiscounted cash flows expected to be generated by the related assets are estimated over the assets' useful lives based on updated projections. If the evaluation indicates that the carrying amount of the assets may not be recoverable, any potential impairment is measured based upon the fair value of the related asset or asset group as determined by an appropriate market appraisal or other valuation technique.

Goodwill and Other Acquired Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations and is allocated to the appropriate reporting unit when acquired. Other acquired intangible assets are stated at the fair value acquired as determined by a valuation technique commensurate with the intended use of the related asset. Goodwill and indefinite-lived intangible assets are not amortized; rather, they are evaluated for impairment annually and whenever events or changes in circumstances indicate that the value of the asset may be impaired. Definite-lived intangible assets are considered long-lived assets and are amortized on a straight-line basis over the periods that expected economic benefits will be provided.

Goodwill is evaluated for impairment using either a qualitative or quantitative approach for each of the Company's reporting units. Generally, a qualitative assessment is first performed to determine whether a quantitative goodwill impairment test is necessary. If management determines, after performing an assessment based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative goodwill impairment test would be required. The quantitative test for goodwill impairment is performed by determining the fair value of the related reporting units. Fair value is measured based on the discounted cash flow method and relative market-based approaches. After evaluation, management determined the fair value of each reporting unit is greater than the carrying amount and, accordingly, the Company has not recorded any impairment charges related to goodwill.

The following table reflects goodwill activity, by reportable segment, for fiscal 2018 and 2017 :

<i>(Amounts in millions)</i>	Walmart U.S.	Walmart International	Sam's Club	Total
Balances as of February 1, 2016	\$ 461	\$ 15,921	\$ 313	\$ 16,695
Changes in currency translation and other	—	(1,433)	—	(1,433)
Acquisitions ⁽¹⁾	1,775	—	—	1,775
Balances as of January 31, 2017	2,236	14,488	313	17,037
Changes in currency translation and other	—	996	—	996
Acquisitions	209	—	—	209
Balances as of January 31, 2018	<u>\$ 2,445</u>	<u>\$ 15,484</u>	<u>\$ 313</u>	<u>\$ 18,242</u>

(1) Goodwill recorded for fiscal 2017 Walmart U.S. acquisitions primarily relates to Jet.com, Inc. ("jet.com").

Indefinite-lived intangible assets are included in other assets and deferred charges in the Company's Consolidated Balance Sheets. These assets are evaluated for impairment based on their fair values using valuation techniques which are updated annually based on the most recent variables and assumptions. There were no significant impairment charges related to indefinite-lived intangible assets recorded for fiscal 2018, 2017 and 2016.

Self Insurance Reserves

The Company self-insures a number of risks, including, but not limited to, workers' compensation, general liability, auto liability, product liability and certain employee-related healthcare benefits. Standard actuarial procedures and data analysis are used to estimate the liabilities associated with these risks as of the balance sheet date on an undiscounted basis. The recorded liabilities reflect the ultimate cost for claims incurred but not paid and any estimable administrative run-out expenses related to the processing of these outstanding claim payments. On a regular basis, the liabilities are evaluated for appropriateness with claims reserve valuations provided by independent third-party actuaries. To limit exposure to some risks, the Company maintains insurance coverage with varying limits and retentions, including stop-loss insurance coverage for workers' compensation, general liability and auto liability.

Income Taxes

Income taxes are accounted for under the balance sheet method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases ("temporary differences"). Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date.

Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent that a portion is not more likely than not to be realized. Many factors are considered when assessing whether it is more likely than not that the deferred tax assets will be realized, including recent cumulative earnings, expectations of future taxable income, carryforward periods, and other relevant quantitative and qualitative factors. The recoverability of the deferred tax assets is evaluated by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. These sources of income rely heavily on estimates.

In determining the provision for income taxes, an annual effective income tax rate is used based on annual income, permanent differences between book and tax income, and statutory income tax rates. Discrete events such as audit settlements or changes in tax laws are recognized in the period in which they occur.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company records interest and penalties related to unrecognized tax benefits in interest expense and operating, selling, general and administrative expenses, respectively, in the Company's Consolidated Statements of Income. Refer to [Note 9](#) for additional income tax disclosures.

Revenue Recognition

Sales

The Company recognizes sales revenue, net of sales taxes and estimated sales returns, at the time it sells merchandise to the customer. eCommerce sales include shipping revenue and are recorded upon delivery to the customer. Additionally, estimated sales returns are calculated using historical experience of actual returns as a percent of sales.

Membership Fee Revenue

The Company recognizes membership fee revenue both in the U.S. and internationally over the term of the membership, which is typically 12 months. The following table summarizes membership fee activity for fiscal 2018, 2017 and 2016:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Deferred membership fee revenue, beginning of year	\$ 743	\$ 744	\$ 759
Cash received from members	1,398	1,371	1,333
Membership fee revenue recognized	(1,411)	(1,372)	(1,348)
Deferred membership fee revenue, end of year	<u>\$ 730</u>	<u>\$ 743</u>	<u>\$ 744</u>

Membership fee revenue is included in membership and other income in the Company's Consolidated Statements of Income. The deferred membership fee is included in accrued liabilities in the Company's Consolidated Balance Sheets.

Gift Cards

Customer purchases of gift cards, to be utilized in our stores or on our eCommerce websites, are not recognized as revenue until the card is redeemed and the customer purchases merchandise using the gift card. Gift cards in the U.S. and some countries do not carry an expiration date; therefore, customers and members can redeem their gift cards for merchandise indefinitely. Gift cards in some foreign countries where the Company does business have expiration dates. A certain number of gift cards, both with and without expiration dates, will not be fully redeemed. Management estimates unredeemed gift cards and recognizes

revenue for these amounts when it is determined the likelihood of redemption is remote. Management periodically reviews and updates its estimates.

Financial and Other Services

The Company recognizes revenue from service transactions at the time the service is performed. Generally, revenue from services is classified as a component of net sales in the Company's Consolidated Statements of Income.

Cost of Sales

Cost of sales includes actual product cost, the cost of transportation to the Company's distribution facilities, stores and clubs from suppliers, the cost of transportation from the Company's distribution facilities to the stores, clubs and customers and the cost of warehousing for the Sam's Club segment and import distribution centers. Cost of sales is reduced by supplier payments that are not a reimbursement of specific, incremental and identifiable costs.

Payments from Suppliers

The Company receives consideration from suppliers for various programs, primarily volume incentives, warehouse allowances and reimbursements for specific programs such as markdowns, margin protection, advertising and supplier-specific fixtures. Payments from suppliers are accounted for as a reduction of cost of sales, except in certain limited situations when the payment is a reimbursement of specific, incremental and identifiable costs, and are recognized in the Company's Consolidated Statements of Income when the related inventory is sold.

Operating, Selling, General and Administrative Expenses

Operating, selling, general and administrative expenses include all operating costs of the Company, except cost of sales, as described above. As a result, the majority of the cost of warehousing and occupancy for the Walmart U.S. and Walmart International segments' distribution facilities is included in operating, selling, general and administrative expenses. Because the Company only includes a portion of the cost of its Walmart U.S. and Walmart International segments' distribution facilities in cost of sales, its gross profit and gross profit as a percentage of net sales may not be comparable to those of other retailers that may include all costs related to their distribution facilities in cost of sales and in the calculation of gross profit.

Advertising Costs

Advertising costs are expensed as incurred, consist primarily of print, television and digital advertisements and are recorded in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. In certain limited situations, reimbursements from suppliers that are for specific, incremental and identifiable advertising costs are recognized as a reduction of advertising costs in operating, selling, general and administrative expenses. Advertising costs were \$3.1 billion, \$2.9 billion and \$2.5 billion for fiscal 2018, 2017 and 2016, respectively.

Pre-Opening Costs

The cost of start-up activities, including organization costs, related to new store openings, store remodels, relocations, expansions and conversions are expensed as incurred and included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Pre-opening costs totaled \$106 million, \$131 million and \$271 million for fiscal 2018, 2017 and 2016, respectively.

Currency Translation

The assets and liabilities of all international subsidiaries are translated from the respective local currency to the U.S. dollar using exchange rates at the balance sheet date. Related translation adjustments are recorded as a component of accumulated other comprehensive loss. The Company's Consolidated Statements of Income of all international subsidiaries are translated from the respective local currencies to the U.S. dollar using average exchange rates for the period covered by the income statements.

Recent Accounting Pronouncements

Pronouncements Adopted in Fiscal 2018

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-09, *Compensation—Stock Compensation (Topic 718)*, which is intended to simplify accounting for share-based payment transactions. The ASU changed several aspects of the accounting for share-based payment award transactions, including accounting for income taxes, forfeitures and minimum statutory tax withholding requirements. Management adopted this ASU beginning February 1, 2017, and as a result, reclassified an immaterial amount from operating activities to financing activities in the Company's prior year consolidated cash flows.

On December 22, 2017, the Securities and Exchange Commission (SEC) staff issued Staff Accounting Bulletin No. 118, *Income Tax Accounting Implications of the Tax Cuts and Jobs Act* ("SAB 118"), in response to the Tax Cuts and Jobs Act of

2017 ("Tax Act"). The Company has elected to record provisional amounts, as allowed by SAB 118, during a measurement period not to extend beyond one year of the enactment date. Management expects to complete the analysis within the measurement period in accordance with SAB 118.

Pronouncements to Be Adopted in the Year Ending January 31, 2019 ("fiscal 2019")

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU represents a single comprehensive model to recognize revenue to depict the transfer of promised goods or services to a customer at an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services. The Company adopted this ASU on February 1, 2018, under the modified retrospective approach, which resulted in an immaterial cumulative adjustment to retained earnings. Also, this ASU will require additional disclosures.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Topic 825)*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This ASU primarily impacts the Company's accounting for its investment in JD.com ("JD"). The Company adopted this ASU on February 1, 2018, which resulted in a cumulative positive adjustment to retained earnings of approximately \$2.9 billion based on the market value of our investment in JD at January 31, 2018. The retained earnings adjustment relates to both the available for sale portion and the cost portion of the investment. Beginning February 1, 2018, the adoption requires the remeasurement of our investment in JD due to observable price changes and impairments, if any, to be recorded through the Consolidated Statement of Income, introducing volatility to reported net income.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows—Restricted Cash (Topic 230)*, which requires restricted cash to be included with cash and cash equivalents when reconciling the beginning and ending amounts on the statement of cash flows. The Company adopted this ASU on February 1, 2018, which, while immaterial, will modify the Company's presentation of Consolidated Statements of Cash Flows. At January 31, 2018, the Company had restricted cash recorded in line items other than cash and cash equivalents of \$258 million.

In February 2018, the FASB issued Accounting Standards Update ASU 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The ASU provides that the stranded tax effects from the Tax Act in accumulated other comprehensive loss may be reclassified to retained earnings. The ASU is effective February 1, 2019, with early adoption permitted. Management anticipates early adopting this optional standard and is evaluating the effect on the Company's consolidated financial statements.

Other Pronouncements Being Evaluated

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lease assets and liabilities to be recorded on the balance sheet. Certain qualitative and quantitative disclosures are also required, as well as retrospective recognition and measurement of impacted leases. The Company will adopt this ASU on February 1, 2019 and is implementing new lease systems in connection with the adoption. Management is progressing with implementation and continuing to evaluate the effect to the Company's consolidated financial statements and disclosures. Management expects a material impact to the Company's Consolidated Balance Sheet.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which modifies the measurement of expected credit losses of certain financial instruments. The Company will adopt this ASU on February 1, 2020. Management is currently evaluating this ASU to determine its impact to the Company's consolidated financial statements.

Note 2. Net Income Per Common Share

Basic net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period. Diluted net income per common share attributable to Walmart is based on the weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards. The Company did not have significant share-based awards outstanding that were antidilutive and not included in the calculation of diluted net income per common share attributable to Walmart for fiscal 2018, 2017 and 2016.

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted net income per common share attributable to Walmart:

<i>(Amounts in millions, except per share data)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Numerator			
Consolidated net income	\$ 10,523	\$ 14,293	\$ 15,080
Consolidated net income attributable to noncontrolling interest	(661)	(650)	(386)
Consolidated net income attributable to Walmart	<u>\$ 9,862</u>	<u>\$ 13,643</u>	<u>\$ 14,694</u>
Denominator			
Weighted-average common shares outstanding, basic	2,995	3,101	3,207
Dilutive impact of stock options and other share-based awards	15	11	10
Weighted-average common shares outstanding, diluted	<u>3,010</u>	<u>3,112</u>	<u>3,217</u>
Net income per common share attributable to Walmart			
Basic	\$ 3.29	\$ 4.40	\$ 4.58
Diluted	3.28	4.38	4.57

Note 3. Shareholders' Equity

Share-Based Compensation

The Company has awarded share-based compensation to associates and nonemployee directors of the Company. The compensation expense recognized for all plans was \$626 million, \$596 million and \$448 million for fiscal 2018, 2017 and 2016, respectively. Share-based compensation expense is generally included in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. The total income tax benefit recognized for share-based compensation was \$150 million, \$212 million and \$151 million for fiscal 2018, 2017 and 2016, respectively. The following table summarizes the Company's share-based compensation expense by award type:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Restricted stock and performance share units	\$ 234	\$ 237	\$ 134
Restricted stock units	368	332	292
Other	24	27	22
Share-based compensation expense	<u>\$ 626</u>	<u>\$ 596</u>	<u>\$ 448</u>

The Walmart Inc. Stock Incentive Plan of 2015 (the "Plan"), as amended and restated effective February 23, 2016, and as amended further as of February 1, 2017, and as renamed on February 1, 2018, was established to grant stock options, restricted (non-vested) stock, performance share units and other equity compensation awards for which 210 million shares of Walmart common stock issued or to be issued under the Plan have been registered under the Securities Act of 1933, as amended. The Company believes that such awards serve to align the interests of its associates with those of its shareholders.

The Plan's award types are summarized as follows:

- *Restricted Stock and Performance Share Units.* Restricted stock awards are for shares that vest based on the passage of time and include restrictions related to employment. Performance share units vest based on the passage of time and achievement of performance criteria and may range from 0% to 150% of the original award amount. Vesting periods for these awards are generally between one and three years. Restricted stock and performance share units may be settled or deferred in stock and are accounted for as equity in the Company's Consolidated Balance Sheets. The fair value of restricted stock awards is determined on the date of grant and is expensed ratably over the vesting period. The fair value of performance share units is determined on the date of grant using the Company's stock price discounted for the expected dividend yield through the vesting period and is recognized over the vesting period. The weighted-average discount for the dividend yield used to determine the fair value of performance share units in fiscal 2018, 2017 and 2016 was 7.2%, 8.3% and 7.4%, respectively.

- **Restricted Stock Units.** Restricted stock units provide rights to Company stock after a specified service period; generally 50% vest three years from the grant date and the remaining 50% vest five years from the grant date. The fair value of each restricted stock unit is determined on the date of grant using the stock price discounted for the expected dividend yield through the vesting period and is recognized ratably over the vesting period. The expected dividend yield is based on the anticipated dividends over the vesting period. The weighted-average discount for the dividend yield used to determine the fair value of restricted stock units granted in fiscal 2018, 2017 and 2016 was 9.0%, 9.0% and 8.7%, respectively.

In addition to the Plan, the Company's subsidiary in the United Kingdom has stock option plans for certain colleagues which generally vest over three years. The stock option share-based compensation expense is included in the Other line in the table above.

The following table shows the activity for restricted stock and performance share units and restricted stock units during fiscal 2018 :

<i>(Shares in thousands)</i>	Restricted Stock and Performance Share Units ⁽¹⁾		Restricted Stock Units	
	Shares	Weighted-Average Grant-Date Fair Value Per Share	Shares	Weighted-Average Grant-Date Fair Value Per Share
Outstanding at February 1, 2017	9,077	\$ 68.61	24,276	\$ 65.52
Granted	3,598	74.73	8,570	67.54
Vested/exercised	(2,525)	71.55	(5,440)	63.02
Forfeited or expired	(1,592)	68.59	(3,253)	66.28
Outstanding at January 31, 2018	8,558	\$ 70.47	24,153	\$ 66.69

(1) Assumes payout rate at 100% for Performance Share Units.

The following table includes additional information related to restricted stock and performance share units and restricted stock units:

<i>(Amounts in millions, except years)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Fair value of restricted stock and performance share units vested	\$ 181	\$ 149	\$ 142
Fair value of restricted stock units vested	344	261	237
Unrecognized compensation cost for restricted stock and performance share units	291	211	133
Unrecognized compensation cost for restricted stock units	972	986	628
Weighted average remaining period to expense for restricted stock and performance share units (years)	1.2	1.3	1.3
Weighted average remaining period to expense for restricted stock units (years)	1.8	1.9	1.7

Share Repurchase Program

From time to time, the Company repurchases shares of its common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during the fiscal year prior to November 20, 2017 were made under the plan in effect at the beginning of fiscal 2018. On October 9, 2017, the Board of Directors approved a new \$20.0 billion share repurchase program which, beginning on November 20, 2017, replaced the previous share repurchase program. As of January 31, 2018, authorization for \$18.8 billion of share repurchases remained under the current share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, its results of operations and the market price of its common stock. The following table provides, on a settlement date basis, the number of shares repurchased, average price paid per share and total amount paid for share repurchases for fiscal 2018, 2017 and 2016 :

<i>(Amounts in millions, except per share data)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Total number of shares repurchased	104.9	119.9	62.4
Average price paid per share	\$ 79.11	\$ 69.18	\$ 65.90
Total cash paid for share repurchases	\$ 8,296	\$ 8,298	\$ 4,112

Note 4. Accumulated Other Comprehensive Loss

The following table provides the changes in the composition of total accumulated other comprehensive loss for fiscal 2018, 2017 and 2016 :

<i>(Amounts in millions and net of income taxes)</i>	Currency Translation and Other	Net Investment Hedges	Unrealized Gain on Available-for-Sale Securities	Cash Flow Hedges	Minimum Pension Liability	Total
Balances as of February 1, 2015	\$ (7,011)	\$ 656	\$ —	\$ (134)	\$ (679)	\$ (7,168)
Other comprehensive income (loss) before reclassifications, net	(4,679)	366	—	(217)	96	(4,434)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—	15	(10)	5
Balances as of January 31, 2016	(11,690)	1,022	—	(336)	(593)	(11,597)
Other comprehensive income (loss) before reclassifications, net	(2,817)	413	145	(22)	(389)	(2,670)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—	43	(8)	35
Balances as of January 31, 2017	(14,507)	1,435	145	(315)	(990)	(14,232)
Other comprehensive income (loss) before reclassifications, net	2,345	(405)	1,501	436	83	3,960
Amounts reclassified from accumulated other comprehensive loss, net	26	—	—	1	64	91
Balances as of January 31, 2018	<u>\$ (12,136)</u>	<u>\$ 1,030</u>	<u>\$ 1,646</u>	<u>\$ 122</u>	<u>\$ (843)</u>	<u>\$ (10,181)</u>

Amounts reclassified from accumulated other comprehensive loss for derivative instruments are recorded in interest, net, in the Company's Consolidated Statements of Income, and the amounts for the minimum pension liability are recorded in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. The income tax impact for each of the amounts shown in the table above is immaterial.

Note 5. Accrued Liabilities

The Company's accrued liabilities consist of the following:

<i>(Amounts in millions)</i>	As of January 31,	
	2018	2017
Accrued wages and benefits ⁽¹⁾	\$ 6,998	\$ 6,105
Self-insurance ⁽²⁾	3,737	3,922
Accrued non-income taxes ⁽³⁾	3,073	2,816
Deferred gift card revenue	2,017	1,856
Other ⁽⁴⁾	6,297	5,955
Total accrued liabilities	<u>\$ 22,122</u>	<u>\$ 20,654</u>

(1) Accrued wages and benefits include accrued wages, salaries, vacation, bonuses and other incentive plans.

(2) Self-insurance consists of insurance-related liabilities, such as workers' compensation, general liability, auto liability, product liability and certain employee-related healthcare benefits.

(3) Accrued non-income taxes include accrued payroll, value added, sales and miscellaneous other taxes.

(4) Other accrued liabilities consist of various items such as maintenance, utilities, advertising, interest and legal contingencies.

Note 6. Short-term Borrowings and Long-term Debt

Short-term borrowings consist of commercial paper and lines of credit. Short-term borrowings at January 31, 2018 and 2017 were \$5.3 billion and \$1.1 billion, respectively, with weighted-average interest rates of 1.5% and 6.2%, respectively.

The Company has various committed lines of credit in the U.S., committed with 23 financial institutions, totaling \$12.5 billion as of January 31, 2018 and 2017, respectively. These committed lines of credit are summarized in the following table:

<i>(Amounts in millions)</i>	As of January 31,					
	2018			2017		
	Available	Drawn	Undrawn	Available	Drawn	Undrawn
Five-year credit facility ⁽¹⁾	\$ 5,000	\$ —	\$ 5,000	\$ 5,000	\$ —	\$ 5,000
364-day revolving credit facility ⁽¹⁾	7,500	—	7,500	7,500	—	7,500
Total	\$ 12,500	\$ —	\$ 12,500	\$ 12,500	\$ —	\$ 12,500

(1) In May 2017, the Company renewed and extended its existing five-year credit facility and its existing 364-day revolving credit facility, both of which are used to support its commercial paper program.

The committed lines of credit in the table above mature at various times between May 2018 and May 2022, carry interest rates generally ranging between LIBOR plus 10 basis points and LIBOR plus 75 basis points, and incur commitment fees ranging between 1.5 and 4.0 basis points. In conjunction with the committed lines of credit listed in the table above, the Company has agreed to observe certain covenants, the most restrictive of which relates to the maximum amount of secured debt. Additionally, the Company also maintains other committed lines of credit outside of the U.S. with an available and undrawn amount of approximately \$4.0 billion as of January 31, 2018.

Apart from the committed lines of credit, the Company has trade and stand-by letters of credit totaling \$2.6 billion and \$3.6 billion at January 31, 2018 and 2017, respectively. These letters of credit are utilized in normal business activities.

The Company's long-term debt, which includes the fair value instruments further discussed in [Note 8](#), consists of the following:

<i>(Amounts in millions)</i>	Maturity Dates By Fiscal Year	January 31, 2018		January 31, 2017	
		Amount	Average Rate ⁽¹⁾	Amount	Average Rate ⁽¹⁾
Unsecured debt					
Fixed	2019 - 2048	\$ 24,540	3.9%	\$ 30,500	4.7%
Variable	2019 - 2020	800	4.1%	500	5.5%
Total U.S. dollar denominated		25,340		31,000	
Fixed	2023 - 2030	3,101	3.3%	2,674	3.3%
Variable		—		—	
Total Euro denominated		3,101		2,674	
Fixed	2031 - 2039	3,801	5.4%	4,370	5.3%
Variable		—		—	
Total Sterling denominated		3,801		4,370	
Fixed	2021 - 2028	1,655	0.4%	88	1.6%
Variable		—		—	
Total Yen denominated		1,655		88	
Total unsecured debt		33,897		38,132	
Total other ⁽²⁾		(114)		139	
Total debt		33,783		38,271	
Less amounts due within one year		(3,738)		(2,256)	
Long-term debt		\$ 30,045		\$ 36,015	

(1) The average rate represents the weighted-average stated rate for each corresponding debt category, based on year-end balances and year-end interest rates. Interest costs are also impacted by certain derivative financial instruments described in [Note 8](#).

(2) Includes deferred loan costs, discounts, fair value hedges, foreign-held debt and secured debt. At January 31, 2018 and 2017 the Company had secured debt in the amount of \$10 million and \$14 million, respectively, which was collateralized by property that had an aggregate carrying amount of approximately \$101 million and \$82 million, respectively.

At January 31, 2018 and 2017, the Company had \$500 million in debt with embedded put options. The issuance of money market puttable reset securities in the amount of \$500 million is structured to be remarketed in connection with the annual reset of the interest rate. If, for any reason, the remarketing of the notes does not occur at the time of any interest rate reset, the holders of the notes must sell and the Company must repurchase the notes at par. Accordingly, this issuance has been classified as long-term debt due within one year in the Company's Consolidated Balance Sheets.

Annual maturities of long-term debt during the next five years and thereafter are as follows:

(Amounts in millions)

Fiscal Year	Annual Maturities
2019	\$ 3,733
2020	1,914
2021	3,336
2022	607
2023	2,934
Thereafter	21,259
Total	\$ 33,783

Debt Issuances

Information on significant long-term debt issued during fiscal 2018 is as follows:

(Amounts in millions)

Issue Date	Principal Amount	Maturity Date	Fixed vs. Floating	Interest Rate	Proceeds
July 18, 2017	70,000 JPY	July 15, 2022	Fixed	0.183%	\$ 619
July 18, 2017	40,000 JPY	July 18, 2024	Fixed	0.298%	354
July 18, 2017	60,000 JPY	July 16, 2027	Fixed	0.520%	530
October 20, 2017	300 USD	October 9, 2019	Floating	Floating	299
October 20, 2017	1,200 USD	October 9, 2019	Fixed	1.750%	1,198
October 20, 2017	1,250 USD	December 15, 2020	Fixed	1.900%	1,245
October 20, 2017	1,250 USD	December 15, 2022	Fixed	2.350%	1,245
October 20, 2017	1,000 USD	December 15, 2024	Fixed	2.650%	996
October 20, 2017	1,000 USD	December 15, 2047	Fixed	3.625%	990
Total					\$ 7,476

As described in [Note 8](#), the current year issuances of foreign-currency-denominated long-term debt are designated as a hedge of the Company's net investment in Japan.

The Company did not have any significant long-term debt issuances during fiscal 2017, but received some proceeds from a number of small long-term debt issuances by several of its non-U.S. operations.

Maturities and Extinguishments

The following table provides details of debt repayments during fiscal 2018 :

(Amounts in millions)

Maturity Date	Principal Amount	Fixed vs. Floating	Interest Rate	Repayment ⁽¹⁾
April 5, 2017	1,000 USD	Fixed	5.375%	\$ 1,000
April 21, 2017	500 USD	Fixed	1.000%	500
Total repayment of matured debt				1,500
December 15, 2018	1,000 USD	Fixed	1.950%	276
February 1, 2019	500 USD	Fixed	4.125%	136
July 8, 2020	1,500 USD	Fixed	3.625%	661
October 25, 2020	1,750 USD	Fixed	3.250%	553
April 15, 2021	1,000 USD	Fixed	4.250%	491
October 16, 2023	250 USD	Fixed	6.750%	98
April 5, 2027	750 USD	Fixed	5.875%	267
February 15, 2030	500 USD	Fixed	7.550%	412
September 4, 2035	2,500 USD	Fixed	5.250%	532
September 28, 2035	1,000 GBP	Fixed	5.250%	260
August 17, 2037	3,000 USD	Fixed	6.500%	1,700
April 15, 2038	2,000 USD	Fixed	6.200%	1,081
January 19, 2039	1,000 GBP	Fixed	4.875%	851
April 2, 2040	1,250 USD	Fixed	5.625%	499
July 9, 2040	750 USD	Fixed	4.875%	372
October 25, 2040	1,250 USD	Fixed	5.000%	731
April 15, 2041	2,000 USD	Fixed	5.625%	1,082
April 11, 2043	1,000 USD	Fixed	4.000%	291
October 2, 2043	750 USD	Fixed	4.750%	481
April 22, 2044	1,000 USD	Fixed	4.300%	498
Total repayment of extinguished debt				11,272
Total				\$ 12,772

(1) Represents portion of the principal amount repaid during fiscal 2018 .

In connection with extinguishing debt, the Company paid premiums of approximately \$3.1 billion during fiscal 2018 , resulting in a loss on extinguishment of debt of approximately \$3.1 billion .

During fiscal 2017 , the following long-term debt matured and was repaid:

(Amounts in millions)

Maturity Date	Principal Amount	Fixed vs. Floating	Interest Rate	Repayment
April 11, 2016	1,000 USD	Fixed	0.600%	\$ 1,000
April 15, 2016	1,000 USD	Fixed	2.800%	1,000
				\$ 2,000

During fiscal 2018 and 2017 , the Company also repaid other, smaller long-term debt as it matured in several of its non-U.S. operations.

Note 7. Fair Value Measurements

The Company records and discloses certain financial and non-financial assets and liabilities at fair value. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. The fair value of a liability is the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor. Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

- Level 1: observable inputs such as quoted prices in active markets;
- Level 2: inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

Recurring Fair Value Measurements

The Company holds derivative instruments that are required to be measured at fair value on a recurring basis. The fair values are the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting dates. The fair values have been measured using the income approach and Level 2 inputs, which include the relevant interest rate and foreign currency forward curves. As of January 31, 2018 and 2017, the notional amounts and fair values of these derivatives were as follows:

(Amounts in millions)	January 31, 2018		January 31, 2017	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	\$ 4,000	\$ (91)	\$ 5,000	\$ (4)
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as net investment hedges	2,250	208	2,250	471
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as cash flow hedges	4,523	205	3,957	(618)
Total	\$ 10,773	\$ 322	\$ 11,207	\$ (151)

Additionally, the Company's available-for-sale securities are measured at fair value on a recurring basis using Level 1 inputs. Changes in fair value are recorded in accumulated other comprehensive loss. The cost basis and fair value of the Company's available-for-sale securities as of January 31, 2018 and 2017, are as follows:

(Amounts in millions)	January 31, 2018		January 31, 2017	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Available-for-sale securities	\$ 1,901	\$ 3,547	\$ 1,901	\$ 2,046

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company's assets and liabilities are also subject to nonrecurring fair value measurements. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. Fiscal 2018 impairment charges to assets measured at fair value on a nonrecurring basis were \$1.4 billion and primarily related to restructuring activities described in [Note 14](#), as well as discontinued real estate projects in the U.S. and decisions to exit certain international properties. These impairment charges were classified in operating, selling, general and administrative expenses in the Company's Consolidated Statement of Income. The fair value was determined based on comparable market values of similar properties or on a rental income approach, using Level 2 inputs. Impairment charges not related to restructuring or decisions to exit properties for fiscal 2018 were not material. Additionally, total impairment charges for fiscal 2017 were not material.

Other Fair Value Disclosures

The Company records cash and cash equivalents and short-term borrowings at cost. The carrying values of these instruments approximate their fair value due to their short-term maturities.

The Company's long-term debt is also recorded at cost. The fair value is estimated using Level 2 inputs based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The carrying value and fair value of the Company's long-term debt as of January 31, 2018 and 2017, are as follows:

(Amounts in millions)	January 31, 2018		January 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including amounts due within one year	\$ 33,783	\$ 38,766	\$ 38,271	\$ 44,602

Note 8. Derivative Financial Instruments

The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates, as well as to maintain an appropriate mix of fixed- and variable-rate debt. Use of derivative financial instruments in hedging programs subjects the Company to certain risks, such as market and credit risks. Market risk represents the possibility that the value of the derivative financial instrument will change. In a hedging relationship, the change in the value of the derivative financial instrument is offset to a great extent by the change in the value of the underlying hedged item. Credit risk related to a derivative financial instrument represents the possibility that the counterparty will not fulfill the terms of the contract. The notional, or contractual, amount of the Company's derivative financial instruments is used to measure interest to be paid or received and does not represent the Company's exposure due to credit risk. Credit risk is monitored through established approval procedures, including setting concentration limits by counterparty, reviewing credit ratings and requiring collateral from the counterparty when appropriate.

The Company only enters into derivative transactions with counterparties rated "A-" or better by nationally recognized credit rating agencies. Subsequent to entering into derivative transactions, the Company regularly monitors the credit ratings of its counterparties. In connection with various derivative agreements, including master netting arrangements, the Company held cash collateral from counterparties of \$279 million and \$242 million at January 31, 2018 and January 31, 2017, respectively. The Company records cash collateral received as amounts due to the counterparties exclusive of any derivative asset. Furthermore, as part of the master netting arrangements with each of these counterparties, the Company is also required to post collateral with a counterparty if the Company's net derivative liability position exceeds \$150 million with such counterparties. The Company did not have any cash collateral posted with counterparties at January 31, 2018 and January 31, 2017, respectively. The Company records cash collateral it posts with counterparties as amounts receivable from those counterparties exclusive of any derivative liability.

The Company uses derivative financial instruments for the purpose of hedging its exposure to interest and currency exchange rate risks and, accordingly, the contractual terms of a hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria are recorded using hedge accounting. If a derivative financial instrument is recorded using hedge accounting, depending on the nature of the hedge, changes in the fair value of the instrument will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or be recognized in accumulated other comprehensive loss until the hedged item is recognized in earnings. Any hedge ineffectiveness is immediately recognized in earnings. The Company's net investment and cash flow instruments are highly effective hedges and the ineffective portion has not been, and is not expected to be, significant. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are recorded at fair value with unrealized gains or losses reported in earnings during the period of the change.

Fair Value Instruments

The Company is a party to receive fixed-rate, pay variable-rate interest rate swaps that the Company uses to hedge the fair value of fixed-rate debt. The notional amounts are used to measure interest to be paid or received and do not represent the Company's exposure due to credit loss. The Company's interest rate swaps that receive fixed-interest rate payments and pay variable-interest rate payments are designated as fair value hedges. As the specific terms and notional amounts of the derivative instruments match those of the fixed-rate debt being hedged, the derivative instruments are assumed to be perfectly effective hedges. Changes in the fair values of these derivative instruments are recorded in earnings, but are offset by corresponding changes in the fair values of the hedged items, also recorded in earnings, and, accordingly, do not impact the Company's Consolidated Statements of Income. These fair value instruments will mature on dates ranging from October 2020 to April 2024.

Net Investment Instruments

The Company is a party to cross-currency interest rate swaps that the Company uses to hedge its net investments. The agreements are contracts to exchange fixed-rate payments in one currency for fixed-rate payments in another currency. All changes in the fair value of these instruments are recorded in accumulated other comprehensive loss, offsetting the currency translation adjustment of the related investment that is also recorded in accumulated other comprehensive loss. These instruments will mature on dates ranging from July 2020 to February 2030.

The Company has issued foreign-currency-denominated long-term debt as hedges of net investments of certain of its foreign operations. These foreign-currency-denominated long-term debt issuances are designated and qualify as nonderivative hedging instruments. Accordingly, the foreign currency translation of these debt instruments is recorded in accumulated other comprehensive loss, offsetting the foreign currency translation adjustment of the related net investment that is also recorded in accumulated other comprehensive loss. At January 31, 2018 and January 31, 2017, the Company had ¥180 billion and ¥10 billion, respectively, of outstanding long-term debt designated as a hedge of its net investment in Japan, as well as outstanding long-term debt of £1.7 billion and £2.5 billion at January 31, 2018 and January 31, 2017, respectively, that was designated as a

hedge of its net investment in the United Kingdom. These nonderivative net investment hedges will mature on dates ranging from July 2020 to January 2039 .

Cash Flow Instruments

The Company is a party to receive fixed-rate, pay fixed-rate cross-currency interest rate swaps to hedge the currency exposure associated with the forecasted payments of principal and interest of certain non-U.S. denominated debt. The swaps are designated as cash flow hedges of the currency risk related to payments on the non-U.S. denominated debt. The effective portion of changes in the fair value of derivatives designated as cash flow hedges of foreign exchange risk is recorded in accumulated other comprehensive loss and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The hedged items are recognized foreign currency-denominated liabilities that are re-measured at spot exchange rates each period, and the assessment of effectiveness (and measurement of any ineffectiveness) is based on total changes in the related derivative's cash flows. As a result, the amount reclassified into earnings each period includes an amount that offsets the related transaction gain or loss arising from that re-measurement and the adjustment to earnings for the period's allocable portion of the initial spot-forward difference associated with the hedging instrument. These cash flow instruments will mature on dates ranging from April 2022 to March 2034 .

Financial Statement Presentation

Although subject to master netting arrangements, the Company does not offset derivative assets and derivative liabilities in its Consolidated Balance Sheets. Derivative instruments with an unrealized gain are recorded in the Company's Consolidated Balance Sheets as either current or non-current assets, based on maturity date, and those hedging instruments with an unrealized loss are recorded as either current or non-current liabilities, based on maturity date. Refer to [Note 7](#) for the net presentation of the Company's derivative instruments.

The Company's derivative instruments, as well as its nonderivative debt instruments designated and qualifying as net investment hedges, were classified as follows as of January 31, 2018 and 2017 in the Company's Consolidated Balance Sheets:

(Amounts in millions)	January 31, 2018			January 31, 2017		
	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments	Fair Value Instruments	Net Investment Instruments	Cash Flow Instruments
Derivative instruments						
Derivative assets:						
Other assets and deferred charges	\$ —	\$ 208	\$ 300	\$ 8	\$ 471	\$ —
Derivative liabilities:						
Deferred income taxes and other	91	—	95	12	—	618
Nonderivative hedging instruments						
Long-term debt	—	4,041	—	—	3,209	—

Realized gains and losses related to the Company's derivatives are recorded in interest, net, in the Company's Consolidated Statements of Income. Amounts related to the Company's derivatives expected to be reclassified from accumulated other comprehensive loss to net income during the next 12 months are not significant.

Note 9. Taxes

Income Before Income Taxes

The components of income before income taxes are as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
U.S.	\$ 10,722	\$ 15,680	\$ 16,685
Non-U.S.	4,401	4,817	4,953
Total income before income taxes	\$ 15,123	\$ 20,497	\$ 21,638

A summary of the provision for income taxes is as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Current:			
U.S. federal	\$ 2,998	\$ 3,454	\$ 5,562
U.S. state and local	405	495	622
International	1,377	1,510	1,400
Total current tax provision	4,780	5,459	7,584
Deferred:			
U.S. federal	(22)	1,054	(704)
U.S. state and local	(12)	51	(106)
International	(146)	(360)	(216)
Total deferred tax expense (benefit)	(180)	745	(1,026)
Total provision for income taxes	\$ 4,600	\$ 6,204	\$ 6,558

On December 22, 2017, the Tax Act was enacted and contains significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduces the U.S. statutory tax rate from 35% to 21% and creates new taxes focused on foreign-sourced earnings and related-party payments, including the creation of the base erosion anti-abuse tax and a new tax on global intangible low-taxed income ("GILTI"). By operation of law, the Company will apply a blended U.S. statutory federal income tax rate of 33.8% for fiscal 2018. In addition, the Company was subject to a one-time transition tax in fiscal 2018 on accumulated foreign subsidiary earnings not previously subject to U.S. income tax.

The Securities and Exchange Commission (SEC) staff issued SAB 118 on December 22, 2017, which allows companies to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, the Company made reasonable estimates of the effects and recorded provisional amounts in its financial statements as of January 31, 2018, in accordance with SAB 118. As the Company collects and prepares necessary data, and interprets the Tax Act and any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, the Company may make adjustments to the provisional amounts during fiscal 2019. Those adjustments may materially impact the Company's provision for income taxes and effective tax rate in the period in which the adjustments are made. The accounting for the tax effects of the Tax Act will be completed by the measurement period provided in SAB 118.

Provisional amounts for the following income tax effects of the Tax Act have been recorded as of January 31, 2018, and are subject to change during fiscal 2019. The net tax benefit recognized in fiscal 2018 related to the Tax Act was \$0.2 billion. As the Company completes its analysis of the Tax Act and incorporates additional guidance that may be issued by the U.S. Treasury Department, the IRS or other standard-setting bodies, the Company may identify additional effects not reflected as of January 31, 2018.

One-time Transition Tax

The Tax Act requires the Company to pay U.S. income taxes on accumulated foreign subsidiary earnings not previously subject to U.S. income tax at a rate of 15.5% to the extent of foreign cash and certain other net current assets, as defined by the Tax Act, and 8.0% on the remaining earnings. The Company recorded a provisional amount of \$1.9 billion of additional income tax expense for its one-time transitional tax liability. The Company recorded a provisional amount based on estimates as it completes its analysis of the application of the effects of the Tax Act as well as finalize its calculations surrounding the components of its foreign subsidiaries subject to the transition tax including the potential of any correlative adjustments.

Deferred Tax Effects

The Tax Act reduces the U.S. statutory tax rate from 35% to 21% for years after 2017. Accordingly, the Company re-measured its deferred taxes as of January 31, 2018, to reflect the reduced rate that will apply in future periods when these deferred taxes

are settled or realized. The Company recognized a deferred tax benefit of \$2.1 billion to reflect the reduced U.S. tax rate and other effects of the Tax Act. The benefit associated with the remeasurement of the deferred taxes is provisional as of January 31, 2018, as the Company continues gathering the necessary information to complete the calculations. The Company has no provisional adjustment with respect to the GILTI provision of the Tax Act as the Company is not able to make reasonable estimates of its related effects at this time. The Company has not yet elected an accounting policy to determine whether it will recognize GILTI as a period cost when incurred or to recognize deferred taxes for basis differences expected to reverse.

Effective Income Tax Rate Reconciliation

The Company's effective income tax rate is typically lower than the U.S. statutory tax rate primarily because of benefits from lower-taxed global operations, including the use of global funding structures and certain U.S. tax credits as further discussed in the "Cash and Cash Equivalents" section of the Company's significant accounting policies in [Note 1](#). The Company's non-U.S. income is generally subject to local country tax rates that are below the U.S. statutory tax rate. Certain non-U.S. earnings have been indefinitely reinvested outside the U.S. A reconciliation of the significant differences between the U.S. statutory tax rate and the effective income tax rate on pretax income from continuing operations is as follows:

	Fiscal Years Ended January 31,		
	2018	2017	2016
U.S. statutory tax rate	33.8 %	35.0 %	35.0 %
U.S. state income taxes, net of federal income tax benefit	1.8 %	1.7 %	1.8 %
Impact of the Tax Act:			
One-time transition tax	12.3 %	— %	— %
Deferred tax effects	(14.1)%	— %	— %
Income taxed outside the U.S.	(4.1)%	(4.5)%	(4.0)%
Net impact of repatriated international earnings	(0.1)%	(1.0)%	0.1 %
Other, net	0.8 %	(0.9)%	(2.6)%
Effective income tax rate	30.4 %	30.3 %	30.3 %

Deferred Taxes

The Company recorded a provisional adjustment to its U.S. deferred income taxes as of January 31, 2018 to reflect the reduction in the U.S. statutory tax rate from 35% to 21% resulting from the Tax Act. The significant components of the Company's deferred tax account balances are as follows:

(Amounts in millions)	January 31,	
	2018	2017
Deferred tax assets:		
Loss and tax credit carryforwards	\$ 1,989	\$ 3,633
Accrued liabilities	2,482	3,437
Share-based compensation	217	309
Other	1,251	1,474
Total deferred tax assets	5,939	8,853
Valuation allowances	(1,843)	(1,494)
Deferred tax assets, net of valuation allowance	4,096	7,359
Deferred tax liabilities:		
Property and equipment	3,954	6,435
Inventories	1,153	1,808
Other	941	1,884
Total deferred tax liabilities	6,048	10,127
Net deferred tax liabilities	\$ 1,952	\$ 2,768

The deferred taxes noted above are classified as follows in the Company's Consolidated Balance Sheets:

<i>(Amounts in millions)</i>	January 31,	
	2018	2017
Balance Sheet classification		
Assets:		
Other assets and deferred charges	\$ 1,879	\$ 1,565
Liabilities:		
Deferred income taxes and other	3,831	4,333
Net deferred tax liabilities	\$ 1,952	\$ 2,768

Unremitted Earnings

The Company has previously asserted all of its unremitted earnings offshore were permanently reinvested. Accordingly, the Company did not record any deferred taxes related to any outside basis differences associated with its foreign subsidiaries. As part of the tax reform enacted on December 22, 2017, the Company is currently assessing the impact of the new legislation, which can in turn, impact its assertion regarding any potential future repatriation. After consideration of the provisional transition tax calculation and deemed repatriation of the previously unremitted earnings, the Company is estimating, on a provisional basis, its outside tax basis exceeds the outside book basis of its foreign subsidiaries by approximately \$10.0 billion. Once the calculations are completed regarding the transition tax, taking into account the timeline provided in SAB 118, the Company will provide updated disclosures regarding any potential changes for its previous assertions.

Net Operating Losses, Tax Credit Carryforwards and Valuation Allowances

At January 31, 2018, the Company had net operating loss and capital loss carryforwards totaling approximately \$6.7 billion. Of these carryforwards, approximately \$3.6 billion will expire, if not utilized, in various years through 2038. The remaining carryforwards have no expiration. At January 31, 2018, the Company's provisional transition tax calculation fully utilized all foreign tax credit carryforwards.

The recoverability of these future tax deductions and credits is evaluated by assessing the adequacy of future expected taxable income from all sources, including taxable income in prior carryback years, reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent the Company does not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is established. To the extent that a valuation allowance has been established and it is subsequently determined that it is more likely than not that the deferred tax assets will be recovered, the valuation allowance will be released.

The Company had valuation allowances of approximately \$1.8 billion and \$1.5 billion as of January 31, 2018 and 2017, respectively, on deferred tax assets associated primarily with net operating loss carryforwards for which management has determined it is more likely than not that the deferred tax asset will not be realized. Net activity in the valuation allowance during fiscal 2018 related to releases arising from the use of deferred tax assets, changes in judgment regarding the future realization of deferred tax assets, increases from certain net operating losses and deductible temporary differences arising in fiscal 2018, decreases due to operating loss expirations and fluctuations in currency exchange rates. Management believes that it is more likely than not that the remaining deferred tax assets will be fully realized.

Uncertain Tax Positions

The benefits of uncertain tax positions are recorded in the Company's Consolidated Financial Statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities.

As of January 31, 2018 and 2017, the amount of unrecognized tax benefits related to continuing operations was \$1.0 billion and \$1.1 billion, respectively. The amount of unrecognized tax benefits that would affect the Company's effective income tax rate was \$690 million and \$703 million as of January 31, 2018 and 2017, respectively.

A reconciliation of unrecognized tax benefits from continuing operations is as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Unrecognized tax benefits, beginning of year	\$ 1,050	\$ 607	\$ 838
Increases related to prior year tax positions	130	388	164
Decreases related to prior year tax positions	(254)	(32)	(446)
Increases related to current year tax positions	122	145	119
Settlements during the period	(23)	(46)	(25)
Lapse in statutes of limitations	(15)	(12)	(43)
Unrecognized tax benefits, end of year	\$ 1,010	\$ 1,050	\$ 607

The Company classifies interest and penalties related to uncertain tax benefits as interest expense and as operating, selling, general and administrative expenses, respectively. During fiscal 2018, 2017 and 2016, the Company recognized interest expense related to uncertain tax positions of \$32 million, \$35 million and \$5 million, respectively. As of January 31, 2018 and 2017, accrued interest related to uncertain tax positions of \$96 million and \$72 million, respectively, was recorded in the Company's Consolidated Balance Sheets. As of January 31, 2018, accrued penalties related to uncertain tax positions of \$12 million were recorded in the Company's Consolidated Balance Sheets. As of January 31, 2017, there were no accrued penalties related to uncertain tax positions recorded in the Company's Consolidated Balance Sheets.

During the next twelve months, it is reasonably possible that tax audit resolutions could reduce unrecognized tax benefits by between \$50 million and \$400 million, either because the tax positions are sustained on audit or because the Company agrees to their disallowance. The Company is focused on resolving tax audits as expeditiously as possible. As a result of these efforts, unrecognized tax benefits could potentially be reduced beyond the provided range during the next twelve months. The Company does not expect any change to have a material impact to its Consolidated Financial Statements.

The Company remains subject to income tax examinations for its U.S. federal income taxes generally for fiscal 2013 through 2018. The Company also remains subject to income tax examinations for international income taxes for fiscal 2011 through 2018, and for U.S. state and local income taxes generally for the fiscal years ended 2013 through 2018.

Other Taxes

The Company is subject to tax examinations for value added, sales-based, payroll and other non-income taxes. A number of these examinations are ongoing in various jurisdictions. In certain cases, the Company has received assessments from the respective taxing authorities in connection with these examinations. Unless otherwise indicated, the possible losses or range of possible losses associated with these matters are individually immaterial, but a group of related matters, if decided adversely to the Company, could result in a liability material to the Company's Consolidated Financial Statements.

In particular, Brazil federal, state and local laws are complex and subject to varying interpretations, and the Company's subsidiaries in Brazil are party to a large number of non-income tax assessments. One of these interpretations common to the retail industry in Brazil relates to whether credits received from suppliers should be treated as a reduction of cost for purposes of calculating certain indirect taxes. The Company believes credits received from suppliers are reductions in cost and that it has substantial legal defenses in this matter and intends to defend this matter vigorously. As such, the Company has not accrued for this matter, although the Company may be required to deposit funds in escrow or secure financial guarantees to continue the judicial process in defending this matter in Brazil.

Note 10. Contingencies

Legal Proceedings

The Company is involved in a number of legal proceedings. The Company has made accruals with respect to these matters, where appropriate, which are reflected in the Company's Consolidated Financial Statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made. However, where a liability is reasonably possible and may be material, such matters have been disclosed. The Company may enter into discussions regarding settlement of these matters, and may enter into settlement agreements, if it believes settlement is in the best interest of the Company and its shareholders.

Unless stated otherwise, the matters discussed below, if decided adversely to or settled by the Company, individually or in the aggregate, may result in a liability material to the Company's financial condition or results of operations.

ASDA Equal Value Claims

ASDA Stores, Ltd. ("ASDA"), a wholly-owned subsidiary of the Company, is a defendant in over 10,000 "equal value" claims that are proceeding before an Employment Tribunal in Manchester (the "Employment Tribunal") in the United Kingdom ("UK") on behalf of current and former ASDA store employees, and further claims may be asserted in the future. The claimants allege that the work performed by female employees in ASDA's retail stores is of equal value in terms of, among other things, the demands of their jobs compared to that of male employees working in ASDA's warehouse and distribution facilities, and that the disparity in pay between these different job positions is not objectively justified. As a result, claimants are requesting differential back pay based on higher wage rates in the warehouse and distribution facilities and higher wage rates on a prospective basis.

On March 23, 2015, ASDA asked the Employment Tribunal to stay all proceedings and to "strike out" substantially all of the claims because the claimants had not adhered to the Tribunal's procedural rule for including multiple claimants on the same claim form. On July 23, 2015, the Employment Tribunal denied ASDA's requests. Following additional proceedings, on June 20, 2017, the Employment Appeal Tribunal ruled in favor of ASDA on the "strike out" issue and remitted the matter to the Employment Tribunal to determine whether the improperly filed claims should be struck out. On July 12, 2017, claimants sought permission from the Court of Appeals to appeal this ruling, which was granted on October 3, 2017. A hearing before the Court of Appeals is scheduled for October 23, 2018.

As to the initial phase of the Equal Value claims, on October 14, 2016, following a preliminary hearing, the Employment Tribunal ruled that claimants could compare their positions in ASDA's retail stores with those of employees in ASDA's warehouse and distribution facilities. On August 31, 2017, the Employment Appeal Tribunal affirmed the Employment Tribunal's ruling. The Employment Appeal Tribunal also granted permission for ASDA to appeal substantially all of its findings on August 31, 2017. ASDA sought permission to appeal the remainder of the Employment Appeal Tribunal's findings to the Court of Appeals on September 21, 2017. A hearing before the Court of Appeals is scheduled for October 10, 2018.

Claimants are now proceeding in the next phase of their claims. That phase will determine whether the work performed by the claimants is of equal value to the work performed by employees in ASDA's warehouse and distribution facilities.

At present, the Company cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise from these proceedings. The Company believes it has substantial factual and legal defenses to these claims, and intends to defend the claims vigorously.

National Prescription Opiate Litigation

In December 2017, the United States Judicial Panel on Multidistrict Litigation ordered consolidated numerous lawsuits filed against a wide array of defendants by various plaintiffs, including counties, cities, healthcare providers, Native American tribes, individuals, and third-party payors, asserting claims generally concerning the impacts of widespread opioid abuse. The consolidated multidistrict litigation is entitled *In re National Prescription Opiate Litigation (MDL No. 2804)*, and is pending in the U.S. District Court for the Northern District of Ohio. The Company is named as a defendant in some of the cases included in this multidistrict litigation, including cases filed by several counties in West Virginia; by healthcare providers in Mississippi, Alabama, Texas, and Florida; and by the St. Croix Chippewa Indians of Wisconsin. Similar cases that name the Company have been filed in state courts by various counties and municipalities; by health care providers; and by various Native American Tribes. The Company cannot predict the number of such claims that may be filed, and cannot reasonably estimate any loss or range of loss that may arise from such claims. The Company believes it has substantial factual and legal defenses to these claims, and intends to defend the claims vigorously.

FCPA Investigation and Related Matters

The Audit Committee (the "Audit Committee") of the Board of Directors of the Company has been conducting an internal investigation into, among other things, alleged violations of the U.S. Foreign Corrupt Practices Act ("FCPA") and other alleged crimes or misconduct in connection with foreign subsidiaries, including Wal-Mart de México, S.A.B. de C.V. ("Walmex"), and

whether prior allegations of such violations and/or misconduct were appropriately handled by the Company. The Audit Committee and the Company have engaged outside counsel from a number of law firms and other advisors who are assisting in the on-going investigation of these matters.

The Company has also been conducting a voluntary global review of its policies, practices and internal controls for anti-corruption compliance. The Company is engaged in strengthening its global anti-corruption compliance program through appropriate remedial anti-corruption measures. In November 2011, the Company voluntarily disclosed that investigative activity to the U.S. Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC"). Since the implementation of the global review and the enhanced anti-corruption compliance program, the Audit Committee and the Company have identified or been made aware of additional allegations regarding potential violations of the FCPA. When such allegations have been reported or identified, the Audit Committee and the Company, together with their third party advisors, have conducted inquiries and when warranted based on those inquiries, opened investigations. Inquiries or investigations regarding allegations of potential FCPA violations were commenced in a number of foreign markets where the Company operates, including, but not limited to, Brazil, China and India.

As previously disclosed, the Company is under investigation by the DOJ and the SEC regarding possible violations of the FCPA. The Company has been cooperating with the agencies and discussions have been ongoing regarding the resolution of these matters. These discussions have progressed to a point that the Company can now reasonably estimate a probable loss and has recorded an aggregate accrual of \$283 million with respect to these matters (the "Accrual"). As the discussions are continuing, there can be no assurance as to the timing or the terms of the final resolution of these matters.

A number of federal and local government agencies in Mexico have also initiated investigations of these matters. Walmex is cooperating with the Mexican governmental agencies conducting these investigations. Furthermore, lawsuits relating to the matters under investigation have been filed by several of the Company's shareholders against it, certain of its current directors, and certain of its former directors, certain of its former officers and certain of Walmex's former officers.

The Company could be exposed to a variety of negative consequences as a result of the matters noted above. There could be one or more enforcement actions in respect of the matters that are the subject of some or all of the on-going government investigations, and such actions, if brought, may result in judgments, settlements, fines, penalties, injunctions, cease and desist orders, debarment or other relief, criminal convictions and/or penalties and the shareholder lawsuits referenced above may result in judgments against the Company and its current and former directors and officers named in those proceedings. The Company expects that there will be on-going media and governmental interest, including additional news articles from media publications on these matters, which could impact the perception among certain audiences of the Company's role as a corporate citizen.

In addition, the Company has incurred and expects to continue to incur costs in responding to requests for information or subpoenas seeking documents, testimony and other information in connection with the government investigations, in defending the shareholder lawsuits, and in conducting the review and investigations. These costs will be expensed as incurred. For the fiscal years ended January 31, 2018, 2017 and 2016, the Company incurred the following third-party expenses in connection with the FCPA investigation and related matters:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Ongoing inquiries and investigations	\$ 26	\$ 80	\$ 95
Global compliance program and organizational enhancements	14	19	31
Total	\$ 40	\$ 99	\$ 126

The Company does not presently believe that these matters, including the Accrual (and the payment of the Accrual at some point-in-time in the future), will have a material adverse effect on its business, although given the inherent uncertainties in such situations, the Company can provide no assurance that these matters will not be material to its business in the future.

Note 11. Commitments

The Company has long-term leases for stores and equipment. Rentals (including amounts applicable to taxes, insurance, maintenance, other operating expenses and contingent rentals) under operating leases and other short-term rental arrangements were \$2.9 billion, \$2.6 billion and \$2.5 billion in fiscal 2018, 2017 and 2016, respectively.

Aggregate minimum annual rentals at January 31, 2018, under non-cancelable leases are as follows:

(Amounts in millions)

Fiscal Year	Operating Leases ⁽¹⁾	Capital Lease and Financing Obligations
2019	\$ 1,933	\$ 1,039
2020	1,718	987
2021	1,532	942
2022	1,381	843
2023	1,158	696
Thereafter	7,644	5,423
Total minimum rentals	\$ 15,366	\$ 9,930
Less estimated executory costs		27
Net minimum lease payments		9,903
Noncash gain on future termination of financing obligation		1,111
Less imputed interest		(3,567)
Present value of minimum lease payments		\$ 7,447

(1) Represents minimum contractual obligation for non-cancelable leases with initial or remaining terms greater than 12 months as of January 31, 2018.

Certain of the Company's leases provide for the payment of contingent rentals based on a percentage of sales. Such contingent rentals were not material for fiscal 2018, 2017 and 2016. Substantially all of the Company's store leases have renewal options, some of which may trigger an escalation in rentals.

Note 12. Retirement-Related Benefits

The Company offers a 401(k) plan for associates in the U.S. under which eligible associates can begin contributing to the plan immediately upon hire. The Company also offers a 401(k) type plan for associates in Puerto Rico under which associates can begin to contribute generally after one year of employment. Under these plans, after one year of employment, the Company matches 100% of participant contributions up to 6% of annual eligible earnings. The matching contributions immediately vest at 100% for each associate. Participants can contribute up to 50% of their pretax earnings, but not more than the statutory limits.

Associates in international countries who are not U.S. citizens are covered by various defined contribution post-employment benefit arrangements. These plans are administered based upon the legislative and tax requirements in the countries in which they are established.

The following table summarizes the contribution expense related to the Company's defined contribution plans for fiscal 2018, 2017 and 2016:

	Fiscal Years Ended January 31,		
	2018	2017	2016
(Amounts in millions)			
Defined contribution plans:			
U.S.	\$ 1,124	\$ 1,064	\$ 967
International	126	173	179
Total contribution expense for defined contribution plans	\$ 1,250	\$ 1,237	\$ 1,146

Additionally, the Company's subsidiaries in the United Kingdom and Japan have sponsored defined benefit pension plans. The plan in the United Kingdom was overfunded by \$97 million at January 31, 2018 and underfunded by \$129 million at January 31, 2017. The plan in Japan was underfunded by \$184 million and \$203 million at January 31, 2018 and 2017, respectively. Overfunded amounts are recorded as assets in the Company's Consolidated Balance Sheets in other assets and deferred charges. Underfunded amounts are recorded as liabilities in the Company's Consolidated Balance Sheets in deferred income taxes and other. Certain other international operations also have defined benefit arrangements that are not significant.

Note 13. Acquisitions, Disposals and Related Items

Other than the jet.com transaction discussed below, the Company completed certain eCommerce acquisitions during fiscal 2018 and 2017, which were immaterial, individually and in the aggregate, to the Company's Consolidated Financial Statements.

The following significant transaction primarily impacts the operations of the Company's Walmart U.S. segment:

Jet.com, Inc.

In September 2016, the Company completed the acquisition of jet.com, a U.S.-based eCommerce company. The integration of jet.com into the Walmart U.S. segment is building upon the current eCommerce foundation, allowing for synergies from talent, logistical operations and access to a broader customer base. The total purchase price for the acquisition was \$2.4 billion, net of cash acquired. The allocation of the purchase price includes \$1.7 billion in goodwill and \$0.6 billion in intangible assets. As part of the transaction, the Company agreed to pay additional compensation of approximately \$0.8 billion over a five year period.

The following significant transactions impact the operations of the Company's Walmart International segment:

Suburbia

In April 2017, one of the Company's subsidiaries sold Suburbia, the apparel retail division in Mexico, for \$1.0 billion. As part of the sales agreement, the Company is also leasing certain real estate to the purchaser. The sale resulted in a pre-tax gain of \$0.7 billion, of which \$0.4 billion was recognized in the second quarter of fiscal 2018 in membership and other income, and the remainder was deferred and is being recognized over the lease terms of approximately 20 years.

Yihaodian and JD.com, Inc. ("JD")

In June 2016, the Company sold certain assets relating to Yihaodian, its eCommerce operations in China, including the Yihaodian brand, website and application, to JD in exchange for Class A ordinary shares of JD representing approximately five percent of JD's outstanding ordinary shares on a fully diluted basis. The \$1.5 billion investment in JD is carried at cost and is included in other assets and deferred charges in the accompanying Consolidated Balance Sheets. The sale resulted in the recognition of a \$535 million noncash gain, which was included in membership and other income in the accompanying Consolidated Statements of Income. Subsequently, during fiscal 2017, the Company purchased \$1.9 billion of additional JD shares classified as available for sale securities, representing an incremental ownership percentage of approximately five percent, for a total ownership of approximately ten percent of JD's outstanding ordinary shares.

In fiscal 2016, the Company completed the purchase of all of the remaining noncontrolling interest in Yihaodian for approximately \$760 million, using existing cash to complete this transaction.

Note 14. Restructuring Charges

In the fourth quarter of fiscal 2018, the Company announced several organizational changes to position the business for more efficient growth going forward. As a result, the Company recorded \$1.2 billion in pre-tax restructuring charges in fiscal 2018 as follows:

<i>(Amounts in millions)</i>	Fiscal Year Ended January 31, 2018		
	Asset Impairment	Severance Costs	Total
Walmart International	\$ 193	\$ 43	\$ 236
Sam's Club	596	69	665
Corporate and support	—	300	300
Total	\$ 789	\$ 412	\$ 1,201

The asset impairment charges primarily relate to the real estate of the Sam's Club closures and the wind-down of the Brazil first-party eCommerce business, which were written down to their estimated fair value. Refer to [Note 7](#) for information on fair value measurement.

The pre-tax restructuring charges of \$1.2 billion are classified in operating, selling, general and administrative expenses in the Company's Consolidated Statement of Income for fiscal 2018. At January 31, 2018, substantially all of the severance costs were recorded in accrued liabilities in the Company's Consolidated Balance Sheet. Almost all of these severance costs are expected to be paid during the first quarter of fiscal 2019.

Note 15. Segments

The Company is engaged in the operation of retail, wholesale and other units, as well as eCommerce websites, located throughout the U.S., Africa, Argentina, Brazil, Canada, Central America, Chile, China, India, Japan, Mexico and the United Kingdom. The Company's operations are conducted in three reportable segments: Walmart U.S., Walmart International and Sam's Club. The Company defines its segments as those operations whose results the chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. The Company sells similar individual products and services in each of its segments. It is impractical to segregate and identify revenues for each of these individual products and services.

The Walmart U.S. segment includes the Company's mass merchant concept in the U.S. operating under the "Walmart" or "Wal-Mart" brands, as well as eCommerce. The Walmart International segment consists of the Company's operations outside of the U.S., including eCommerce. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as samsclub.com. Corporate and support consists of corporate overhead and other items not allocated to any of the Company's segments.

The Company measures the results of its segments using, among other measures, each segment's net sales and operating income, which includes certain corporate overhead allocations. From time to time, the Company revises the measurement of each segment's operating income, including any corporate overhead allocations, as determined by the information regularly reviewed by its CODM. When the measurement of a segment changes, previous period amounts and balances are reclassified to be comparable to the current period's presentation.

Information for the Company's segments, as well as for Corporate and support, including the reconciliation to income before income taxes, is provided in the following table:

<i>(Amounts in millions)</i>	Walmart U.S.	Walmart International	Sam's Club	Corporate and support	Consolidated
Fiscal Year Ended January 31, 2018					
Net sales	\$ 318,477	\$ 118,068	\$ 59,216	\$ —	\$ 495,761
Operating income (loss)	17,869	5,352	982	(3,766)	20,437
Interest, net					(2,178)
Loss on extinguishment of debt					(3,136)
Income before income taxes					\$ 15,123
Total assets	\$ 104,347	\$ 81,549	\$ 13,418	\$ 5,208	\$ 204,522
Depreciation and amortization	3,655	2,601	466	3,807	10,529
Capital expenditures	5,680	2,607	626	1,138	10,051
Fiscal Year Ended January 31, 2017					
Net sales	\$ 307,833	\$ 116,119	\$ 57,365	\$ —	\$ 481,317
Operating income (loss)	17,745	5,758	1,671	(2,410)	22,764
Interest, net					(2,267)
Income before income taxes					\$ 20,497
Total assets	\$ 104,262	\$ 74,508	\$ 14,125	\$ 5,930	\$ 198,825
Depreciation and amortization	3,298	2,629	487	3,666	10,080
Capital expenditures	6,090	2,697	639	1,193	10,619
Fiscal Year Ended January 31, 2016					
Net sales	\$ 298,378	\$ 123,408	\$ 56,828	\$ —	\$ 478,614
Operating income (loss)	19,087	5,346	1,820	(2,148)	24,105
Interest, net					(2,467)
Income before income taxes					\$ 21,638
Total assets	\$ 103,109	\$ 73,720	\$ 13,998	\$ 8,754	\$ 199,581
Depreciation and amortization	2,800	2,549	472	3,633	9,454
Capital expenditures	6,728	2,930	695	1,124	11,477

Total revenues, consisting of net sales and membership and other income, and long-lived assets, consisting primarily of property and equipment, net, aggregated by the Company's U.S. and non-U.S. operations for fiscal 2018 , 2017 and 2016 , are as follows:

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2018	2017	2016
Revenues			
U.S. operations	\$ 380,580	\$ 367,784	\$ 357,559
Non-U.S. operations	119,763	118,089	124,571
Total revenues	\$ 500,343	\$ 485,873	\$ 482,130
Long-lived assets			
U.S. operations	\$ 81,478	\$ 82,746	\$ 82,475
Non-U.S. operations	33,340	31,432	34,041
Total long-lived assets	\$ 114,818	\$ 114,178	\$ 116,516

No individual country outside of the U.S. had total revenues or long-lived assets that were material to the consolidated totals. Additionally, the Company did not generate material total revenues from any single customer.

Note 16. Subsequent Event

Dividends Declared

On February 20, 2018 , the Board of Directors approved the fiscal 2019 annual dividend at \$2.08 per share, an increase over the fiscal 2018 dividend of \$2.04 per share. For fiscal 2019 , the annual dividend will be paid in four quarterly installments of \$0.52 per share, according to the following record and payable dates:

Record Date	Payable Date
March 9, 2018	April 2, 2018
May 11, 2018	June 4, 2018
August 10, 2018	September 4, 2018
December 7, 2018	January 2, 2019

Note 17. Quarterly Financial Data (Unaudited)

<i>(Amounts in millions, except per share data)</i>	Fiscal Year Ended January 31, 2018				
	Q1	Q2	Q3	Q4	Total
Total revenues	\$ 117,542	\$ 123,355	\$ 123,179	\$ 136,267	\$ 500,343
Net sales	116,526	121,949	122,136	135,150	495,761
Cost of sales	87,688	91,521	91,547	102,640	373,396
Consolidated net income	3,152	3,104	1,904	2,363	10,523
Consolidated net income attributable to Walmart	3,039	2,899	1,749	2,175	9,862
Basic net income per common share attributable to Walmart	1.00	0.96	0.59	0.74	3.29
Diluted net income per common share attributable to Walmart ⁽¹⁾	1.00	0.96	0.58	0.73	3.28

<i>(Amounts in millions, except per share data)</i>	Fiscal Year Ended January 31, 2017				
	Q1	Q2	Q3	Q4	Total
Total revenues	\$ 115,904	\$ 120,854	\$ 118,179	\$ 130,936	\$ 485,873
Net sales	114,986	119,405	117,176	129,750	481,317
Cost of sales	86,544	89,485	87,484	97,743	361,256
Consolidated net income	3,216	3,889	3,202	3,986	14,293
Consolidated net income attributable to Walmart	3,079	3,773	3,034	3,757	13,643
Basic net income per common share attributable to Walmart	0.98	1.21	0.98	1.23	4.40
Diluted net income per common share attributable to Walmart ⁽¹⁾	0.98	1.21	0.98	1.22	4.38

(1) The sum of quarterly amounts may not agree to annual amount due to rounding and the impact of a decreasing amount of shares outstanding during the year.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be timely disclosed, is accumulated and communicated to management in a timely fashion. In designing and evaluating such controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management is necessarily required to use judgment in evaluating controls and procedures. Also, we have investments in unconsolidated entities. Since we do not control or manage those entities, our controls and procedures with respect to those entities are substantially more limited than those we maintain with respect to our consolidated subsidiaries.

In the ordinary course of business, we review our internal control over financial reporting and make changes to our systems and processes to improve such controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, updating existing systems, automating manual processes, migrating certain processes to our shared services organizations and increasing monitoring controls. These changes have not materially affected, and are not reasonably likely to materially affect, the Company's internal control over financial reporting. However, they allow us to continue to enhance our internal control over financial reporting and ensure that our internal control environment remains effective.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

Report on Internal Control Over Financial Reporting

Management has responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting as of January 31, 2018 . In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in Internal Control-Integrated Framework (2013). Management concluded that based on its assessment, Walmart's internal control over financial reporting was effective as of January 31, 2018 . The Company's internal control over financial reporting as of January 31, 2018 , has been audited by Ernst & Young LLP as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting as of January 31, 2018 , that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Report on Ethical Standards

Our Company was founded on the belief that open communication and the highest ethical standards are necessary to be successful. Our long-standing "Open Door" communication policy helps management be aware of and address issues in a timely and effective manner. Through the open door policy all associates are encouraged to inform management at the appropriate level when they are concerned about any matter pertaining to Walmart.

Walmart has adopted a Statement of Ethics to guide our associates in the continued observance of high ethical standards such as honesty, integrity and compliance with the law in the conduct of Walmart's business. Familiarity and compliance with the Statement of Ethics is required of all associates. The Company also maintains a separate Code of Ethics for our senior financial officers. Walmart also has in place a Related-Party Transaction Policy. This policy applies to Walmart's senior officers and directors and requires material related-party transactions to be reviewed by the Audit Committee. The senior officers and directors are required to report material related-party transactions to Walmart. We maintain a global ethics and compliance office which oversees and administers several reporting mechanisms, including an ethics helpline. The ethics helpline provides a channel for associates to ask questions and make confidential complaints regarding potential violations of our statements of ethics, including violations related to financial or accounting matters. These contacts may be made anonymously.

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

/s/ M. Brett Biggs

M. Brett Biggs
Executive Vice President and Chief Financial Officer

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item with respect to the Company's directors, certain family relationships, and compliance by the Company's directors, executive officers and certain beneficial owners of the Company's common stock with Section 16(a) of the Securities Exchange Act of 1934, as amended, is incorporated by reference to such information under the captions entitled "Proposal No. 1 – Election of Directors" and "Stock Ownership – Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement relating to the Annual Meeting of Shareholders to be held on May 30, 2018 (our "Proxy Statement").

Please see the information concerning our executive officers contained in [Part I, Item 1](#) herein under the caption "[Executive Officers of the Registrant](#)," which is included there in accordance with Instruction 3 to Item 401(b) of the SEC's Regulation S-K.

No material changes have been made to the procedures by which shareholders of the Company may recommend nominees to our board of directors since those procedures were disclosed in our proxy statement relating to our 2017 Annual Shareholders' Meeting as previously filed with the SEC.

The information regarding our Audit Committee, including our audit committee financial experts and our Codes of Ethics for the CEO and Senior Financial Officers and our Statement of Ethics applicable to all of our associates, including our Chief Executive Officer, Chief Financial Officer and our Controller, who is our principal accounting officer, required by this item is incorporated herein by reference to the information under the captions "Corporate Governance – Board Committees" and "Proposal No. 3: Ratification of Independent Accountants – Audit Committee Independence and Financial Expert Determination" included in our Proxy Statement. "[Item 1. Business](#)" above contains information relating to the availability of a copy of our Code of Ethics for our CEO and Senior Financial Officers and our Statement of Ethics and the posting of amendments to and any waivers of the Code of Ethics for our CEO and Senior Financial Officers and our Statement of Ethics on our website.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to all information under the captions "Corporate Governance – Director Compensation," "Executive Compensation" and under the sub-captions "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report" that appear under the caption "Executive Compensation" included in our Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated herein by reference to all information under the sub-captions "Holdings of Major Shareholders" and "Holdings of Officers and Directors" that appear under the caption "Stock Ownership" and all information that appears under the caption "Executive Compensation Tables – Equity Compensation Plan Information" included in our Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference to all information under the caption "Corporate Governance – Fiscal 2018 Review of Related Person Transactions" and under the caption "Corporate Governance – How We Determine Director Independence" included in our Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference to all information under the caption "Proposal No. 3 – Ratification of Independent Accountants" and the sub-caption thereunder "Audit Committee Pre-Approval Policy" included in our Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report are as follows:

1. Financial Statements: See the Financial Statements in [Part II, Item 8](#).

2. Financial Statement Schedules:

Certain schedules have been omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements, including the notes thereto.

3. Exhibits:

The required exhibits are included at the end of the Form 10-K or are incorporated herein by reference and are described in the Exhibit Index immediately preceding the first exhibit to this Annual Report on Form 10-K.

(b) The exhibits furnished with this Annual Report on Form 10-K in accordance with the requirement of Form 10-K of the SEC are listed in the Exhibit Index, which appears immediately following the signature pages to this Annual Report on Form 10-K and which is incorporated in this Item 15(b) by reference to such Exhibit Index.

(c) Financial Statement Schedules: None.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Walmart Inc.

Date: March 30, 2018

By /s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Date: March 30, 2018

By /s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer and Director
(Principal Executive Officer)

Date: March 30, 2018

By /s/ Gregory B. Penner

Gregory B. Penner
Chairman of the Board and Director

Date: March 30, 2018

By /s/ M. Brett Biggs

M. Brett Biggs
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: March 30, 2018

By /s/ David M. Chojnowski

David M. Chojnowski
Senior Vice President and Controller
(Principal Accounting Officer)

Signature Page to Walmart Inc.
Form 10-K for the Fiscal Year Ended January 31, 2018

Date: March 30, 2018	By	<u>/s/ James I. Cash, Jr.</u> James I. Cash, Jr., Ph.D. Director
Date: March 30, 2018	By	<u>/s/ Timothy P. Flynn</u> Timothy P. Flynn Director
Date: March 30, 2018	By	<u>/s/ Sarah Friar</u> Sarah Friar Director
Date: March 30, 2018	By	<u>/s/ Carla A. Harris</u> Carla A. Harris Director
Date: March 30, 2018	By	<u>/s/ Thomas W. Horton</u> Thomas W. Horton Director
Date: March 30, 2018	By	<u>/s/ Marissa A. Mayer</u> Marissa A. Mayer Director
Date: March 30, 2018	By	<u>/s/ Steven S Reinemund</u> Steven S Reinemund Director
Date: March 30, 2018	By	<u>/s/ Kevin Y. Systrom</u> Kevin Y. Systrom Director
Date: March 30, 2018	By	<u>/s/ S. Robson Walton</u> S. Robson Walton Director
Date: March 30, 2018	By	<u>/s/ Steuart L. Walton</u> Steuart L. Walton Director

Signature Page to Walmart Inc.
Form 10-K for the Fiscal Year Ended January 31, 2018

Exhibit Index ^{(1),(2)}

The following exhibits are filed or furnished as part of this Form 10-K or are incorporated herein by reference.

- 3(a) [Restated Certificate of Incorporation of the Company dated February 1, 2018 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K that the Company filed on February 1, 2018 \(File No. 001-06991\)](#)
- 3(b) [Amended and Restated Bylaws of the Company are incorporated herein by reference to Exhibit 3.2 to the Report on Form 8-K that the Company filed on February 1, 2018 \(File No. 001-06991\)](#)
- 4(a) Form of Indenture dated as of July 15, 1990, between the Company and Harris Trust and Savings Bank, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-35710) ^(P)
- 4(b) Indenture dated as of April 1, 1991, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, as successor trustee to The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(a) to Registration Statement on Form S-3 (File Number 33-51344) ^(P)
- 4(c) First Supplemental Indenture dated as of September 9, 1992, to the Indenture dated as of April 1, 1991, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, as successor trustee to The First National Bank of Chicago, Trustee, is incorporated herein by reference to Exhibit 4(b) to Registration Statement on Form S-3 (File Number 33-51344) ^(P)
- 4(d) [Indenture dated as of July 5, 2001, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, is incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-3 \(File Number 333-64740\)](#)
- 4(e) [Indenture dated as of December 11, 2002, between the Company and J.P. Morgan Trust Company, National Association, as successor trustee to Bank One Trust Company, NA, is incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 \(File Number 333-101847\)](#)
- 4(f) [Indenture dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association is incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-3 \(File Number 333-126512\)](#)
- 4(g) [First Supplemental Indenture, dated December 1, 2006, between the Company and The Bank of New York Trust Company, N.A., as successor-in-interest to J.P. Morgan Trust Company, National Association, as Trustee, under the Indenture, dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association, as Trustee, is incorporated herein by reference to Exhibit 4.6 to Post-Effective Amendment No. 1 to Registration Statement on Form S-3 \(File Number 333-130569\)](#)
- 4(h) [Second Supplemental Indenture, dated December 19, 2014, between the Company and The Bank of New York Trust Company, N.A., as successor-in-interest to J.P. Morgan Trust Company, National Association, as Trustee, under the Indenture, dated as of July 19, 2005, between the Company and J.P. Morgan Trust Company, National Association, as Trustee, is incorporated herein by reference to Exhibit 4.3 to Registration Statement on Form S-3 \(File Number 333-201074\)](#)
- 10(a)* [Walmart Inc. Officer Deferred Compensation Plan, as amended effective February 1, 2018](#)
- 10(b)* [Walmart Inc. Management Incentive Plan, as amended effective February 1, 2018](#)
- 10(c)* [Walmart Inc. 2016 Associate Stock Purchase Plan, as amended effective February 1, 2018](#)
- 10(d)* [Walmart Inc. Stock Incentive Plan of 2015, as amended effective February 1, 2018](#)
- 10(e)* [Walmart Inc. Supplemental Executive Retirement Plan, as amended effective February 1, 2018](#)
- 10(f)* [Walmart Inc. Director Compensation Deferral Plan, as amended effective February 1, 2018](#)
- 10(g) [Form of Post-Termination Agreement and Covenant Not to Compete with attached Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete is incorporated by reference to Exhibit 10\(p\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011, filed on March 30, 2011 ^{\(1\)}](#)
- 10(g).1* [Amended Schedule of Executive Officers who have executed a Post-Termination Agreement and Covenant Not to Compete in the form filed as Exhibit 10\(p\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2011](#)
- 10(h)* [Walmart Deferred Compensation Matching Plan, as amended effective February 1, 2018](#)

- 10(i) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 Performance Unit Award, Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10\(s\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2014, filed on March 21, 2014](#) ⁽¹⁾
- 10(j) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 Restricted Stock Award, Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10\(t\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2014, filed on March 21, 2014](#) ⁽¹⁾
- 10(k) [Post-Termination Agreement and Covenant Not to Compete between Wal-Mart Canada Corp. and David Cheesewright dated as of January 31, 2014, is incorporated by reference to Exhibit 10\(u\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2014, filed on March 21, 2014](#) ⁽¹⁾
- 10(l)* [Form of Walmart Inc. Restricted Stock Award Notification of Award and Terms and Conditions of Award \(January 2018 annual award - all executive officers\)](#)
- 10(m)* [Form of Walmart Inc. Global Share-Settled Performance-Based Restricted Stock Unit Award Notification of Award and Terms and Conditions of Award \(January 2018 annual award - all executive officers\)](#)
- 10(n) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Share-Settled Performance Unit Notification and Terms and Conditions \(Wal-Mart Canada Corp.-related - January 2016 annual award to David B Cheesewright\) is incorporated by reference to Exhibit 10\(p\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2016, filed on March 30, 2016](#) ⁽¹⁾
- 10(o) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Restricted Stock Award, Notification of Award and Terms and Conditions of Award \(January 2016 annual award - executive officers other than David Cheesewright\) is incorporated by reference to Exhibit 10\(q\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2016, filed on March 30, 2016](#) ⁽¹⁾
- 10(p) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Performance-Based Restricted Stock Award, Notification of Award and Terms and Conditions of Award \(January 2016 award to Neal Ashe and Greg Foran\) is incorporated by reference to Exhibit 10\(r\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2016, filed on March 30, 2016](#) ⁽¹⁾
- 10(q) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Share-Settled Restricted Unit Notification and Terms and Conditions \(Wal-Mart Canada Corp.-related - January 2016 annual award to David Cheesewright\) is incorporated by reference to Exhibit 10\(s\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2016, filed on March 30, 2016](#) ⁽¹⁾
- 10(r) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Restricted Stock Award and Notification and Terms and Conditions of Award \(January 2017 annual award - all executive officers other than David Cheesewright\) is incorporated by reference to Exhibit 10\(r\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2017, filed on March 31, 2017](#) ⁽¹⁾
- 10(s) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Share Settled Restricted Stock Unit Notification and Terms and Conditions \(January 2017 annual award - David Cheesewright\) is incorporated by reference to Exhibit 10\(s\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2017, filed on March 31, 2017](#) ⁽¹⁾
- 10(t) [Form of Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions \(January 2017 annual award - all executive officers\) is incorporated by reference to Exhibit 10\(t\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2017 filed on March 31, 2017](#) ⁽¹⁾
- 10(u) [Share Settled Restricted Stock Unit Notification and Terms and Conditions Awarded to Marc Lore on September 19, 2016, is incorporated by reference to Exhibit 10\(a\) to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended October 31, 2016, filed on December 1, 2016](#) ⁽¹⁾
- 10(v) [Deferred Contingent Merger Consideration Agreement dated August 7, 2016, between the Company and Marc Lore is incorporated herein by reference to Exhibit 10\(v\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2017 filed on March 30, 2017](#) ⁽¹⁾
- 10(w) [Amendment to Deferred Contingent Merger Consideration Agreement dated September 12, 2016, between the Company and Marc Lore is incorporated herein by reference to Exhibit 10\(w\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2017 filed on March 30, 2017](#) ⁽¹⁾
- 10(x) [Non-Competition, Non-Solicitation and No-Hire Agreement between the Company and Marc Lore dated September 19, 2016 is incorporated herein by reference to Exhibit 10\(x\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2017 filed on March 30, 2017](#) ⁽¹⁾
- 12.1* [Statement regarding computation of the Earnings to Fixed Charges Ratios](#)

21*	List of the Company's Significant Subsidiaries
23*	Consent of Independent Registered Public Accounting Firm
31.1*	Chief Executive Officer Section 302 Certification
31.2*	Chief Financial Officer Section 302 Certification
32.1**	Chief Executive Officer Section 906 Certification
32.2**	Chief Financial Officer Section 906 Certification
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith as an Exhibit.

** Furnished herewith as an Exhibit.

(P) This Exhibit was originally filed in paper format. Accordingly, a hyperlink has not been provided.

Notes to Exhibit Index:

1. The exhibits listed in this Exhibit Index and incorporated as exhibits to the Annual Report on Form 10-K of Walmart Inc. (the "Company") for the fiscal year ended January 31, 2018 by reference to an Annual Report on Form 10-K, Quarterly Report on Form 10-Q or Current Report on Form 8-K of the Company previously filed with the SEC by the Company are available for review online on the EDGAR system of the SEC at www.sec.gov as exhibits to the Annual Report on Form 10-K, Quarterly Report on Form 10-Q or Current Report on Form 8-K referred to above in the description of the exhibit incorporated by reference. The historical filings of the Company may be reviewed and copied at the Public Reference Room of the SEC at 100 F Street, NE Washington, DC 20549-2521 under Commission File No. 001-6991.
2. The Company and its subsidiaries have in the past issued, and may in the future issue from time to time, long-term debt instruments, but the aggregate principal amount of the debt instruments of any one series of such debt instruments has not exceeded or will not exceed 10% of the assets of the Company at any pertinent time. The Company has previously filed with the SEC its agreement to, and hereby agrees to, file copies of the agreements relating to long-term debt instruments and the instruments representing or evidencing such long-term debt instruments with the SEC upon request. As a result, in accordance with the provisions of paragraph (b)(4)(iii)(A) of Item 601 of Regulation S-K of the SEC, copies of such long-term debt instruments have not been filed as exhibits to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018. The Company has previously filed the documents and instruments establishing the specific terms of long-term debt instruments offered and sold by the Company pursuant to its effective registration statements filed with the SEC pursuant to the Securities Act of 1933, as amended, as exhibits to the applicable registration statement or as exhibits to a Current Report on Form 8-K filed in connection with the applicable registration statement and the sale and issuance of those long-term debt instruments.

WALMART INC.
OFFICER DEFERRED COMPENSATION PLAN

**Amended and Restated Effective February 1, 2012
(except as otherwise provided herein) and
Renamed Effective February 1, 2018**

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APPENDIX A

WALMART INC.
OFFICER DEFERRED COMPENSATION PLAN

ARTICLE I.
GENERAL

1.1 Purpose.

Walmart Inc. (“Walmart”) established the Officer Deferred Compensation Plan. The purpose of the Plan has been to: (a) attract and retain the valuable services of certain officers; (b) recognize, reward, and encourage contributions by such officers to the success of Walmart and its Related Affiliates; (c) enable such officers to defer certain compensation and bonuses, and to be credited with earnings and Incentive Payments with respect to such amounts recognized hereunder for such purposes; and (d) allow certain equity incentive awards deferred under the Walmart Inc. Stock Incentive Plan of 2005 to be credited under this Plan at the election of the grantee and to thereafter be subject to the terms of this Plan.

In Article VIII of the Plan, Walmart reserved the right to amend, suspend or to terminate the Plan in any manner that it deems advisable by action of the Committee. Walmart now desires to amend the Plan in certain respects, including to cease deferral elections as provided herein. Accordingly, the Plan is amended as set forth in this amendment and restatement effective February 1, 2012. The Plan was renamed effective on February 1, 2018.

1.2 Effective Dates; Code Section 409A.

- (a) This Plan was initially effective February 1, 1996 and was most recently amended and restated as of January 1, 2009 and subsequently amended by an amendment effective June 1, 2009. This amendment and restatement is effective February 1, 2012. This Plan (other than Appendix A) is intended to be in compliance with Code Section 409A and shall be interpreted, applied and administered at all times in accordance with Code Section 409A, and guidance issued thereunder.
- (b) Amounts deferred and vested under the Plan on or before December 31, 2004 shall continue to be governed at all times by the Plan as in effect on such date, which Plan is attached hereto as Appendix A. Appendix A shall not be materially modified (within the meaning of Code Section 409A) (formally or informally, including by interpretation), unless such modification expressly provides that it is intended to be a material modification within the meaning of Code Section 409A and guidance issued thereunder.

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. The Plan shall be “unfunded” for tax purposes and for purposes of Title I of ERISA. Any and all payments under the Plan shall be made solely from the general assets of Walmart. A Participant’s interests under the Plan do not represent or create a claim against specific assets of Walmart or any Employer. Nothing herein shall be deemed to create a trust of

any kind or create any fiduciary relationship between the Committee, Walmart or any Employer and a Participant, the Participant's beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart.

ARTICLE II. DEFINITIONS

2.1 Definitions.

Whenever used in this Plan, the following words and phrases have the meaning set forth below unless the context plainly requires a different meaning:

- (a) **Account** means the bookkeeping account established to reflect: (1) a Participant's Deferred Compensation credited on or after January 1, 2005; (2) Deferred Bonuses credited on or after January 1, 2005; (3) Deferred Special Bonuses credited on or after January 1, 2008; (4) Retention Bonuses credited on or after January 1, 2008; (5) Employer Contribution Credits credited on or after January 1, 2008; (6) Incentive Payments credited on or after January 1, 2005; (7) Deferred Equity credited to this Plan on or after January 1, 2005 pursuant to the terms of the SIP Deferral Procedures; and (8) earnings credited on amounts under (1) through (7) above. A Participant's "Account" shall consist of his or her Company Account, Retirement Accounts and Scheduled In-Service Accounts. "Account" as used herein, however, shall not include Grandfathered Accounts.
- (b) **Code** means the Internal Revenue Code of 1986, as amended from time to time.
- (c) **Committee** means the Compensation, Nominating and Governance Committee of the Board of Directors of Walmart.
- (d) **Company Account** means the bookkeeping account maintained on behalf of a Participant to reflect his or her Employer Contribution Credits and earnings thereon.
- (e) **Compensation** means a Participant's federal taxable base compensation for a Plan Year, less employment taxes and bi-weekly deductions as are determined to be in effect on the January 1 preceding such Plan Year.
- (f) **Deferred Bonuses** means the amount deferred pursuant to Section 3.2 from bonuses payable to a Participant under the MIP.
- (g) **Deferred Compensation** means the Compensation deferred by a Participant in accordance with Section 3.1.
- (h) **Deferred Equity** means Performance Shares, PERS or Restricted Stock granted under the Walmart Inc. Stock Incentive Plan of 2005, which the grantee has elected to defer to this Plan in accordance with the SIP Deferral Procedures (to the extent permitted by such Procedures).

- (i) **Deferred Retention Bonuses** means the Retention Bonuses deferred by a Participant in accordance with Section 3.4.
- (j) **Deferred Special Bonuses** means the Special Bonuses deferred by a Participant in accordance with Section 3.3.
- (k) **Disabled** means the Participant has incurred a Separation from Service because the Participant, as determined by the Committee or its delegate, is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- (l) **Eligible Officer** means an individual who is a corporate officer of Walmart or a Related Affiliate designated by the Committee as a participating employer, and who holds the title of Vice President or above, Treasurer, Controller, or an officer title of similar rank or other position as determined by the Committee. In addition, Eligible Officer shall include a divisional officer of Walmart or a Related Affiliate designated by the Committee as a participating employer, and who holds the title of Vice President or above or an officer title of similar rank as determined by the Committee. In no event will any individual constitute an Eligible Officer if he or she is not subject to federal income tax withholding in the United States. Notwithstanding anything in the preceding provisions of this Section 2.1(l), Eligible Officer shall exclude any individual who, pursuant to Walmart's Global Assignment Policy, is seconded to Walmart or a Related Affiliate designated by the Committee as a participating employer and, under the terms of his or her offer or assignment letter, he or she is intended to remain on the home country's benefit and pension programs.
- (m) **Employer** means Walmart and all persons with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.
- (n) **Employer Contribution Credits** means the amount credited to a Participant's Company Account pursuant to Section 3.8.
- (o) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- (p) **Fiscal Year** means the twelve (12)-month period commencing each February 1 and ending on the following January 31.

- (q) **Grandfathered Account** means the bookkeeping account established to reflect: (1) a Participant's Deferred Compensation credited prior to January 1, 2005; (2) Deferred Bonuses credited prior to January 1, 2005; (3) Incentive Payments credited prior to January 1, 2005; and (4) earnings credited on amounts under (1) through (3) above. Such amounts shall be governed at all times by the terms of Appendix A.
- (r) A Participant is deemed to have engaged in Gross Misconduct if the Committee or its delegate determines that the Participant has engaged in conduct detrimental to the best interests of Walmart or any Employer or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
- (s) **Incentive Payments** mean the amounts credited to a Participant's Account in accordance with Section 4.2.
- (t) **MIP** means the Walmart Inc. Management Incentive Plan, as amended from time to time.
- (u) **Participant** means any Eligible Officer who defers Compensation or bonuses under the Plan, as well as any Eligible Officer who receives or has received a grant of Performance Shares, PERS or Restricted Stock under the Walmart Inc. Stock Incentive Plan of 2005 and elects, pursuant to the terms of the SIP Deferral Procedures (to the extent permitted by such Procedures), to have such award deferred to this Plan.
- (v) **Performance Shares** means performance shares awarded under the Walmart Inc. Stock Incentive Plan of 2005 (also commonly referred to as performance share units or "PSUs," performance share plan or "PSPs," or stock value equivalent awards).
- (w) **PERS** means performance-based restricted stock awarded under the Walmart Inc. Stock Incentive Plan of 2005.
- (x) **Plan** means the Walmart Inc. Officer Deferred Compensation Plan, as set forth herein, and as may hereafter be amended from time to time (subject to Section 1.2(b)).
- (y) **Plan Year** means: (1) for periods before April 1, 2009 (except as otherwise provided in prior Plan documents), the twelve (12)-month period commencing on April 1 and ending on March 31; (2) the period from April 1, 2009 through January 31, 2010; and (3) from and after February 1, 2010, the twelve (12)-month period commencing on February 1 and ending on January 31.
- (z) **Prior Agreements** means those deferred compensation agreements entered into by certain Eligible Officers with Walmart prior to February 1, 1995 and

containing terms similar to those contained in this Plan. Effective February 1, 1996, the Prior Agreements were amended and restated in the form of this Plan.

- (aa) **Related Affiliate** means a trade or business, whether or not incorporated, which is a member of a controlled group of corporations, trades or businesses, as defined in Code Sections 414(b) and 414(c), of which Walmart is a member.
- (bb) **Restricted Stock** means restricted stock awarded under the Walmart Inc. Stock Incentive Plan of 2005.
- (cc) **Retention Bonus** means a retention bonus paid on or after January 1, 2009 under a retention program or individual agreement specifically designated by the Committee, or an officer of the Company in accordance with guidelines established by the Committee, as eligible for deferral under the Plan, and which requires as a condition of receipt that the recipient continue to perform services for a period of at least thirteen (13) months after the date he or she obtains the legally binding right to such bonus.
- (dd) **Retirement** , effective with respect to Separations from Service on or after January 1, 2008, means a Participant's Separation from Service on or after either: (1) the Participant has been continuously employed with Walmart or any Employer for twenty (20) or more years; or (2) the Participant has attained age fifty (50) and completed at least five (5) years of participation in the Plan. With respect to Separations from Service before January 1, 2008, a Participant's eligibility for an installment payout is governed by the corresponding terms of Appendix A (other than with respect to the timing of payout elections).
- (ee) **Retirement Accounts** means the bookkeeping accounts maintained on behalf of a Participant to reflect Deferred Equity, Deferred Compensation, Deferred Bonus, Deferred Special Bonus, Deferred Retention Bonus and Incentive Payment amounts allocated to such Accounts pursuant to the Participant's elections hereunder, and earnings thereon. Each Participant may have up to two (2) Retirement Accounts at any time. All Scheduled In-Service Accounts will be distributed in a lump sum.
- (ff) **Scheduled In-Service Account** means one or more bookkeeping accounts maintained on behalf of a Participant to reflect Deferred Compensation, Deferred Bonus, Deferred Special Bonus and Deferred Retention Bonus amounts credited to such Accounts pursuant to the Participant's elections hereunder, and earnings thereon.
- (gg) **Scheduled Pay Date** means, with respect to each Scheduled In-Service Account, the first day of a calendar month selected by the Participant in accordance with Article III. In no event shall such date be earlier than the first day of the second Plan Year beginning after the Plan Year for which deferrals are first made to such Account. Once selected, the date with respect to any Scheduled In-Service Account is irrevocable.

- (hh) **Separation from Service** means the Participant has a termination of employment with the Employer (other than on account of death). Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and Employer reasonably anticipate that no further services will be performed by the Participant for the Employer; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she would perform for the Employer after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Employer (whether as an employee or independent contractor) over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer for less than 36 months). For this purpose, a Participant is not treated as having a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Employer under an applicable statute or by contract.
- (ii) **Separation Pay Date** means the last day of the calendar month in which falls the date that is six (6) months after a Participant's Separation from Service.
- (jj) **SIP Deferral Procedures** means the Deferral Procedures under the Walmart Inc. Stock Incentive Plan of 2005 (or any predecessor procedures thereof).
- (kk) **Special Bonus** means any bonus payable to a Participant pursuant to the terms of the Participant's initial offer letter of employment which is dated on or after January 1, 2008. To constitute a Special Bonus hereunder, the offer letter must specifically refer to the deferability of the bonus by explicit reference to this Plan and the offer letter and deferral election must be accepted and elected in writing by the Eligible Officer before his or her commencement of employment.
- (ll) **Unforeseeable Emergency** means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2) and (d)(1)(B)), the loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.
- (mm) **Valuation Date** means the last day of each Plan Year or, from and after April 1, 2008, each day of the Plan Year.
- (nn) **Walmart** means Walmart Inc., a Delaware corporation.

**ARTICLE III.
DEFERRED COMPENSATION/BONUSES AND
EMPLOYER CONTRIBUTION CREDITS --
ESTABLISHMENT OF ACCOUNTS**

3.1 Deferred Compensation.

- (a) For each Plan Year, each Eligible Officer may elect to defer all or a portion of what would otherwise be the Eligible Officer's Compensation to be paid for such Plan Year by Walmart or a Related Affiliate designated by the Committee as a participating employer. Amounts deferred will be deferred pro ratably for each payroll period of the Plan Year. All deferral elections made under this Section 3.1 must be filed with Executive Compensation on forms (which may be electronic) approved by Executive Compensation. Notwithstanding any provisions hereunder to the contrary, no deferral election may be made by an Eligible Officer with respect to Compensation that is payable to the Eligible Officer effective with respect to the first payroll period that begins after February 1, 2012 and effective for all payroll periods and Plan Years beginning thereafter.
- (b) Compensation deferral elections must be filed:
- (1) no later than the December 31 preceding the Plan Year for which the deferral election is to be effective; or
 - (2) with respect to an Eligible Officer who first becomes a Participant during the Plan Year, within thirty (30) days of the first date he or she becomes eligible to participate in this Plan, the SIP Deferral Procedures, or any other plan required by Code Section 409A to be aggregated with this Plan. For purposes of this rule, an Eligible Officer will not be treated as a participant in any such plan if:
 - (A) he or she was not eligible to participate in the Plan (or the SIP Deferral Procedures or any other plan required by Code Section 409A to be aggregated with this Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes an Eligible Officer, or
 - (B) he or she was paid all amounts previously due under the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) for periods after such payment.
- A deferral election under this Section 3.1(b)(2) will be effective only with respect to Compensation for payroll periods beginning after the payroll period in which the Eligible Officer's election form (which may be electronic) is received by Executive Compensation.
- (c) Effective with respect to Compensation deferrals for Plan Years beginning on or after April 1, 2009, the Eligible Officer shall also make an election each Plan Year within the time prescribed above to allocate his or her Compensation

deferrals for such Plan Year to one or both of his or her Retirement Accounts. If such allocation will be the first allocation to a Retirement Account, the Eligible Officer shall also elect the form of distribution with respect to such Account. Effective with respect to Compensation deferrals for Plan Years beginning on or after February 1, 2010, the Eligible Officer may also elect to allocate his or her Compensation deferrals for the Plan Year to one or more Scheduled In-Service Accounts, in addition to his or her Retirement Accounts. If an Eligible Officer allocates deferrals to a new Scheduled In-Service Account, he or she must also designate the Scheduled Pay Date with respect to such Account.

3.2 Deferred Bonuses

- (a) Each Eligible Officer may elect to defer all or a portion of the Eligible Officer's bonus (if any) for a performance period under the MIP. All bonus deferral elections made under this Section 3.2 must be filed with Executive Compensation on forms (which may be electronic) approved by Executive Compensation. Notwithstanding any provisions hereunder to the contrary, no deferral election may be made by an Eligible Officer with respect to the Eligible Officer's bonus (if any) for any performance period under the MIP that begins on or after February 1, 2012.
- (b) Bonus deferral elections must be filed:
 - (1) for performance periods under the MIP beginning before January 1, 2009, within the time period provided under applicable prior Plan documents;
 - (2) for performance periods under the MIP beginning on or after January 1, 2009, the bonus deferral election must be filed:
 - (A) no later than the December 31 preceding the performance period for which the deferral election is to be effective; or
 - (B) with respect to an Eligible Officer who first becomes a Participant during the Plan Year, within thirty (30) days of the first date he or she becomes eligible to participate in this Plan, the SIP Deferral Procedures, or any other plan required by Code Section 409A to be aggregated with this Plan. For purposes of this rule, an Eligible Officer will not be treated as a participant in any such plan if:
 - (i) he or she was not eligible to participate in the Plan (or the SIP Deferral Procedures or any other plan required by Code Section 409A to be aggregated with this Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes an Eligible Officer, or
 - (ii) he or she was paid all amounts previously due under the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) and, on and before the date of the last such payment,

was not eligible to continue to participate in the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) for periods after such payment.

A bonus deferral election under this Section 3.2(b)(2)(B) will be effective only with respect to bonus paid for services performed after such election. For this purpose, the amount of the bonus payable to the Eligible Officer for services rendered subsequent to the Eligible Officer's election will be determined by multiplying the bonus by a fraction, the numerator of which is the number of calendar days remaining in the performance period after the election and the denominator of which is the total number of calendar days in such performance period. For purposes of this Section 3.2(b)(2)(B), the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Executive Compensation.

- (c) Effective with respect to performance periods under the MIP beginning on or after January 1, 2009, the Eligible Officer shall also make an election within the time prescribed above to allocate his or her bonus deferrals to one or both of his or her Retirement Accounts. If such allocation will be the first allocation to a Retirement Account, the Eligible Officer shall also elect the form of distribution with respect to such Account. Effective with respect to performance periods beginning on or after January 1, 2010, the Eligible Officer may also elect to allocate his or her bonus deferrals to one or more Scheduled In-Service Accounts, in addition to his or her Retirement Accounts. If an Eligible Officer allocates deferrals to a new Scheduled In-Service Account, he or she must also designate the Scheduled Pay Date with respect to such Account.

3.3 Deferred Special Bonuses.

- (a) An Eligible Officer may elect to defer all or a portion of any Special Bonuses to be paid by Walmart or a Related Affiliate designated by the Committee as a participating employer. All deferral elections made under this Section 3.3 must be filed with Executive Compensation on forms (which may be electronic) approved by Executive Compensation. For purposes of this Section 3.3, the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Executive Compensation. Notwithstanding any provisions hereunder to the contrary, no deferral election may be made on or after February 1, 2012, by an Eligible Officer with respect to any Special Bonus payable to the Eligible Officer.
- (b) Special Bonus deferral elections must be filed:
 - (1) no later than the Eligible Officer's commencement of employment as an Eligible Officer with Walmart or a Related Affiliate designated by the Committee as a participating employer; or

- (2) if the Eligible Officer is or ever was a participant in this Plan, the SIP Deferral Procedures, or any other plan required by Code Section 409A to be aggregated with this Plan, Section 3.3(b)(1) shall not apply and the Eligible Officer may not make a deferral election with respect to Special Bonuses, unless:
- (A) he or she was not eligible to participate in the Plan (or the SIP Deferral Procedures or any other plan required by Code Section 409A to be aggregated with this Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes an Eligible Officer, or
 - (B) he or she was paid all amounts previously due under the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan (and the SIP Deferral Procedures and any other plan required by Code Section 409A to be aggregated with this Plan) for periods after such payment.
- (c) Effective with respect to Special Bonus deferral elections made on or after January 1, 2009, the Eligible Officer shall also make an election within the time prescribed above to allocate his or her Special Bonus deferrals to one or both of his or her Retirement Accounts. If such allocation will be the first allocation to a Retirement Account, the Eligible Officer shall also elect the form of distribution with respect to such Account. Effective with respect to Special Bonus deferral elections made on or after February 1, 2010, the Eligible Officer may also elect to allocate his or her Special Bonus deferrals to one or more Scheduled In-Service Accounts, in addition to his or her Retirement Accounts. If an Eligible Officer allocates deferrals to a new Scheduled In-Service Account, he or she must also designate the Scheduled Pay Date with respect to such Account.

3.4 Deferred Retention Bonuses.

- (a) An Eligible Officer may elect to defer all or a portion of any Retention Bonuses to be paid by Walmart or a Related Affiliate designated by the Committee as a participating employer. All deferral elections made under this Section 3.4 must be filed with Executive Compensation on forms (which may be electronic) approved by Executive Compensation. For purposes of this Section 3.4, the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Executive Compensation. Notwithstanding any provisions hereunder to the contrary, no deferral election may be made on or after February 1, 2012, by an Eligible Officer with respect to any Retention Bonus payable to the Eligible Officer.
- (b) Retention Bonus deferral elections must be filed within thirty (30) after the Eligible Officer obtains the legally binding right to the Retention Bonus.

- (c) Effective with respect to Retention Bonus deferral elections made on or after January 1, 2009, the Eligible Officer shall also make an election within the time prescribed above to allocate his or her Retention Bonus deferrals to one or both of his or her Retirement Accounts. If such allocation will be the first allocation to a Retirement Account, the Eligible Officer shall also elect the form of distribution with respect to such Account. Effective with respect to Retention Bonus deferral elections made on or after January 1, 2010, the Eligible Officer may also elect to allocate his or her Retention Bonus deferrals to one or more Scheduled In-Service Accounts, in addition to his or her Retirement Accounts. If an Eligible Officer allocates deferrals to a new Scheduled In-Service Account, he or she must also designate the Scheduled Pay Date with respect to such Account.

3.5 Incentive Payments.

An Eligible Officer who first becomes a Participant after December 31, 2008 must make an election with respect to the allocation of his or her Incentive Payments, if any, between his or her Retirement Accounts. Such election must be made within the earliest of the time periods applicable under Sections 3.1, 3.2, 3.3. and 3.4 for making an initial deferral election for the first Plan Year of participation. In the event the Participant fails to make a timely election with respect to the allocation of his or her Incentive Payments, the Participant shall be deemed to have elected to have his or her Incentive Payments allocated entirely to his or her Retirement Account #1. Notwithstanding anything herein to the contrary, once made (or deemed made), a Participant's allocation election under this Section 3.5 is irrevocable.

3.6 Irrevocability of Deferral Elections.

- (a) Except as otherwise provided herein, once made for a Plan Year, a deferral election under Sections 3.1(b)(1), 3.1(c), 3.2(b)(1), 3.2(c), 3.3(b)(1), 3.3(c), 3.4(b)and 3.4(c) may not be revoked, changed or modified after the applicable filing deadline specified in such sections, and a deferral election under Sections 3.1(b)(2) and Section 3.2(b)(2) may not be revoked, changed or modified after the date of the election as provided in Sections 3.1(b)(2) and 3.2(b)(2). An election for one Plan Year will not automatically be given effect for a subsequent Plan Year, so that if deferral is desired for a subsequent Plan Year, a separate election must be made by the Eligible Officer for such Plan Year or performance period. Notwithstanding the preceding, if an Eligible Officer makes a deferral election for a Plan Year but fails to make an election as to the allocation of deferrals for such Plan Year among his or her Accounts, such deferrals shall be allocated based on source in the same manner as they were allocated for such source for the last Plan Year for which the Participant made an allocation election or, if none, equally to his or her then effective Retirement Accounts.
- (b) In the event an Eligible Officer has a Separation from Service for any reason, then: (1) his or her deferral election under Section 3.1 will terminate as of the date of such Separation from Service (but will be effective with respect to the last regular paycheck issued to such Eligible Officer), regardless of whether the Eligible Officer continues to receive Compensation, or other remuneration, from

Walmart or any Employer thereafter; (2) his or her deferral election under Section 3.2 will remain in effect with respect to the bonus (if any) paid to him or her under the MIP for the performance period in which such Separation from Service occurs; (3) his or her deferral election under Section 3.3 will remain in effect with respect to any Special Bonus (if any) paid to him or her to which such election relates; and (4) his or her deferral election under Section 3.4 will remain in effect with respect to any Retention Bonus (if any) paid to him or her to which such election relates.

- (c) If an Eligible Officer has a Separation from Service for any reason and is rehired (whether or not as an Eligible Officer) within the same Plan Year or performance period, as applicable, his or her deferral elections under Sections 3.1, 3.2, 3.3 and 3.4 shall be automatically reinstated and shall remain in effect for the remainder of such Plan Year or performance period, as applicable.
- (d) In the event an Eligible Officer ceases to be an Eligible Officer (other than on account of a Separation from Service):
 - (1) during any Plan Year, then his or her deferral election under Section 3.1 will terminate as of the next following December 31. In addition, in the event the Compensation of such individual is reduced as a result of the change in status, his or her deferral election following such loss and through the date of termination of such election as provided in the preceding sentence will be pro rated based on his or her new level of Compensation;
 - (2) then his or her deferral election under Section 3.2 will terminate for any performance period beginning in the calendar year following the year of the loss of Eligible Officer status;
 - (3) then his or her deferral election under Section 3.3 shall continue in effect with respect to any Special Bonuses (if any) paid after such loss of Eligible Officer status; and
 - (4) then his or her deferral election under Section 3.4 shall continue in effect with respect to any Retention Bonuses (if any) paid after such loss of Eligible Officer status.
- (e) Notwithstanding anything herein to the contrary, in the event an Eligible Officer goes on an unpaid leave of absence, his or her deferral election under Section 3.1 shall automatically cease when he or she commences the unpaid leave of absence; provided, however, that if he or she returns from the unpaid leave of absence during the same Plan Year, his or her deferral election under Section 3.1 shall automatically resume immediately upon return from the leave of absence and shall continue in effect for the balance of the Plan Year. An Eligible Officer's deferral election under Section 3.1 shall remain in effect with respect to any Compensation paid while on a leave of Absence. An Eligible Officer's deferral elections under Sections 3.2, 3.3 and 3.4 shall not be affected by his or her leave of absence.

3.7 Automatic Suspension of Deferral Elections.

- (a) In the event a Participant receives a distribution from the Walmart 401(k) Plan (or any other plan or successor plan sponsored by Walmart or any Related Affiliate) on account of hardship, which distribution is made pursuant to Treasury Regulations Section 1.401(k)-1(d)(3) and requires suspension of deferrals under other arrangements such as this Plan, the Participant's deferral elections under Sections 3.1, 3.2, 3.3 and 3.4, if any, pursuant to which deferrals would otherwise be made during the six (6)-month period following the date of the distribution shall be cancelled.
- (b) In the event a Participant requests a distribution pursuant to Section 5.5 due to an Unforeseeable Emergency, or the Participant requests a cancellation of deferrals under the Plan in order to alleviate his or her Unforeseeable Emergency, and the Committee determines that the Participant's Unforeseeable Emergency may be relieved through the cessation of deferrals under the Plan, some or all the Participant's deferral elections under Sections 3.1, 3.2, 3.3 and 3.4 for such Plan Year or performance period, as applicable, if any, as determined by the Committee, shall be cancelled as soon as administratively practicable following such determination by the Committee.

3.8 Employer Contribution Credits.

As of any date during a Plan Year, Walmart may credit to a Participant's Company Account an amount determined in the sole discretion of the Committee, which amount may differ among Participants or categories of Participants designated by the Committee. A Participant shall become vested in his or her Company Account, plus earnings thereon, in accordance with the vesting schedule imposed by the Committee. The Participant's Company Account shall be distributed pursuant to Article V only to the extent vested as of the applicable distribution date.

3.9 Crediting of Deferrals and Employer Contribution Credits.

Deferred Compensation, Deferred Bonuses, Deferred Special Bonuses, Deferred Retention Bonuses, Deferred Equity, Employer Contribution Credits and Incentive Payments will be credited to each Participant's Account as follows:

- (a) Deferred Compensation will be credited to the Participant's Account as of the date such Compensation would have otherwise been paid in cash;
- (b) Deferred Bonuses, Deferred Special Bonuses and Deferred Retention Bonuses will be credited to the Participant's Account as of the date the bonus would have otherwise been paid in cash;
- (c) Deferred Equity will be credited to the Participant's Account as of the date the restrictions on such awards lapse or, in the case of Performance Shares, as of the date payment of such award is processed;

- (d) Employer Contribution Credits will be credited to the Participant's Account as of the date specified by the Committee; and
- (e) Incentive Payments will be credited to the Participant's Account as of the last day of the Plan Year specified in Section 4.2 (or as otherwise provided in Sections 4.2(e) and (f)).

A Participant's Account, including earnings credited thereto, will be maintained by the Committee until the Participant's Plan benefits have been paid in full.

3.10 Nature of Accounts.

Each Participant's Account will be used solely as a measuring device to determine the amount to be paid a Participant under this Plan. The Accounts do not constitute, nor will they be treated as, property or a trust fund of any kind. All amounts at any time attributable to a Participant's Account will be, and remain, the sole property of Walmart. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. The Plan represents an unsecured promise by Walmart to pay the benefits provided by the Plan.

3.11 Valuation of Accounts.

Effective April 1, 2008, each Participant's Account will be valued daily as of each Valuation Date.

**ARTICLE IV.
ADDITIONS TO ACCOUNTS -- CREDITED EARNINGS
AND INCENTIVE PAYMENTS**

4.1 Credited Earnings.

Every Valuation Date during a Plan Year, a Participant's Account will be credited with an equivalent of a daily rate of simple interest based on the annual rate on 10-year Treasury notes determined as of the first business day of January preceding such Plan Year, plus 270 basis points.

4.2 Incentive Payments.

The Incentive Payments described below will be credited to a Participant's Account. A Participant's entitlement to an Incentive Payment will be governed by this Section 4.2.

- (a) The Incentive Payments provided in this Section apply to a Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year (other than Deferred Compensation and Deferred Bonuses allocated to the Participant's Scheduled In-Service Accounts) and credited Plan earnings thereon, whether credited to the Participant's Account or Grandfathered Account. For this purpose, Deferred Bonuses shall be treated as being "for a Plan Year" for the Plan Year to which the Deferred Bonus pertains. Incentive Payments are separately awarded based upon a Participant's recognized

Deferred Compensation and Deferred Bonuses for a given Plan Year and credited Plan earnings thereon.

- (b) The amount of an Incentive Payment is based on the Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year (other than Deferred Compensation and Deferred Bonuses allocated to the Participant's Scheduled In-Service Accounts), plus credited Plan earnings on such sums through and including the Incentive Payment award date. The amount by which a Participant's Deferred Compensation and Deferred Bonuses for a Plan Year (other than Deferred Compensation and Deferred Bonuses allocated to the Participant's Scheduled In-Service Accounts) exceed twenty percent (20%) of the Participant's base compensation will not be recognized in computing an Incentive Payment. Base compensation for this purpose means the Participant's annual base rate of compensation for the last full payroll period in such Plan Year. Credited Plan earnings on such nonrecognized Deferred Compensation or Deferred Bonuses are likewise not taken into account in determining the amount of an Incentive Payment. Further, in no event shall Deferred Special Bonuses, Deferred Retention Bonuses, Deferred Equity or any Employer Contribution Credits be taken into account in determining the amount of an Incentive Payment.
- (c) If a Participant remains continuously employed with Walmart or any Employer for a period of ten (10) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, and ending with the last day of the tenth (10th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Account as of the last day of such tenth (10th) Plan Year. The Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for ten (10), but not less than five (5), Plan Years (i.e., the first six (6) Plan Years of such ten (10)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or any Employer, an Incentive Payment will be credited to the Participant's Account as of the last day of such Plan Year. Such Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of the five (5)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date.
- (d) If a Participant remains continuously employed with Walmart or any Employer for a period of fifteen (15) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, and ending with the last day of the fifteenth (15th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Account as of the last day of such fifteenth (15th) Plan Year. The Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and

Deferred Bonuses for fifteen (15), but not less than ten (10), Plan Years (i.e., the first six (6) Plan Years of such fifteen (15)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or any Employer, an Incentive Payment will be credited to the Participant's Account as of the last day of such Plan Year. Such Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of the ten (10)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date. The Incentive Payments provided in this Section 4.2(d) shall not take into account Incentive Payments credited under Section 4.2(c) or credited Plan earnings thereon.

- (e) The Incentive Payments provided in this Section 4.2(e) only apply if a Participant has been a Participant under the Plan (or a Prior Agreement) for five (5) or more full Plan Years and if the Participant dies, becomes Disabled, or has a Separation from Service on or after he or she has been continuously employed with Walmart or an Employer for twenty (20) or more years or after attaining age fifty-five (55) before satisfaction of the ten (10)-year or fifteen (15)-year periods described in Sections 4.2(c) and (d) above, after taking into account the application of Section 4.2(f). In that event, only the Incentive Payment next to be credited (i.e., twenty percent (20%) or ten percent (10%)) will be credited to the Participant's Account as provided in this Section 4.2(e). In the event the Participant had not yet been awarded or credited with a twenty percent (20%) Incentive Payment under Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of: (1) the number of full Plan Years worked since and including the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, to (2) ten (10), multiplied by twenty percent (20%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(c). If the Participant has been awarded a twenty percent (20%) Incentive Payment provided in Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of: (1) the number of full Plan Years worked since the award date of the initial twenty percent (20%) Incentive Payment, to (2) five (5), multiplied by ten percent (10%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(d). The Incentive Payment provided under this Section 4.2(e) will be determined and credited to the Participant's Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. In addition, the Participant's Account will also be credited as of such date with interest pursuant to Section 4.1 determined as though the Incentive Payment provided under this Section 4.2(e) had been credited to the Participant's Account on the last day of the Plan Year preceding the Participant's death, Disability or Separation from Service. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(e) will be

determined and credited to the Participant's Account as of the distribution date of the initial installment.

- (f) This Section 4.2(f) shall not apply with respect to Plan Years beginning after March 31, 2009. With respect to Plan Years beginning before March 31, 2009, the Incentive Payments provided in this Section 4.2(f) apply only with respect to those Participants who: (1) incur a Separation from Service on or after the last day of a Fiscal Year, but before the immediately following last day of a Plan Year (e.g., on or after January 31, but before the next March 31); and (2) who, but for such Separation from Service before the last day of a Plan Year, would have been credited with an Incentive Payment under Section 4.2(c) and/or 4.2(d). In that event, the Incentive Payments which would have been credited to the Participant's Account but for such early Separation from Service will be credited to the Participant's Account as if the Participant had remained employed with Walmart or any Employer through the last day of the Plan Year, with no reduction due to the early Separation from Service. The Incentive Payments provided under this Section 4.2(f) will be determined and credited to the Participant's Account as of the last day of the Plan Year in which the Participant's Separation from Service occurs.

ARTICLE V. PAYMENT OF PLAN BENEFITS

5.1 Scheduled In-Service Benefits.

- (a) **In-Service Benefits** . Each of a Participant's Scheduled In-Service Accounts will be distributed in a lump sum within the 90-day period commencing on the Scheduled Pay Date applicable to such Scheduled In-Service Account. The lump sum amount will be the value of the applicable Participant's Scheduled In-Service Account as of the Scheduled Pay Date.
- (b) **Intervening Separation or Death** . Notwithstanding the preceding, should an event occur prior to the Scheduled Pay Date of any Scheduled In-Service Account that would trigger a distribution under Section 5.2 or 5.3 earlier than the Scheduled Pay Date, such Scheduled In-Service Account or Accounts shall be distributed in accordance with Section 5.2 or 5.3, as applicable, and not in accordance with Section 5.1(a).

5.2 Separation and Retirement Benefits.

- (a) **Separation Benefits** . In the event of a Participant's Separation from Service other than on account of Retirement or death, the Participant's Account will be distributed in a lump sum under Section 5.2(c).
- (b) **Retirement Benefits**. If the Participant's Separation from Service is on account of Retirement, the Participant's Scheduled In-Service Accounts will be distributed in a lump sum under Section 5.2(c) and the Participant's Company Account and Retirement Accounts will be distributed in one of the forms provided in Section 5.2(c) or 5.2(d) below in accordance with the Participant's

distribution election given effect under the provisions of Section 5.4 with respect to each such Account.

(c) **Lump Sum Distributions .**

- (1) Any lump sum to be paid under this Section 5.2(c) shall be paid within the 90-day period commencing on the Participant's Separation Pay Date.
- (2) The lump sum amount will be the value of the Participant's Account, Company Account or Retirement Accounts, as applicable, as of the last day of the month preceding the date of the distribution.

(d) **Installment Distributions .**

- (1) If the Participant's Company Account or Retirement Account, as applicable, is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 following the Participant's Separation from Service; provided, however, that if such January 31 is earlier than the Participant's Separation Pay Date, the first such installment shall be made within the 90-day period commencing on the Participant's Separation Pay Date. Subsequent installments shall be made within the 90-day period commencing on each successive January 31, until the Participant's benefits under such Account are distributed in full.
- (2) The Plan benefits will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of the Participant's Company Account or Retirement Account, as applicable, determined in accordance with Section 5.2(c)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Separation from Service occurs.

5.3 Death Benefits.

- (a) **General .** In the event of the Participant's death before incurring a Separation from Service or before commencement of benefits, the Participant's Account will be distributed in one of the forms provided in Section 5.3(b) or 5.3(c) below in accordance with the Participant's distribution election given effect under the provisions of Section 5.4 below.

A Participant may elect only one form of payment for all beneficiaries (at any level.) If the Participant fails to make an effective election as provided in Section 5.4 below, the Participant will be deemed to have elected distribution in a lump sum under Section 5.3(b) for all beneficiary levels.

(b) **Lump Sum Distributions .**

- (1) Any lump sum to be paid under this Section 5.3(b) shall be paid within the 90-day period commencing on the last day of the month in which the Participant's death occurs.
- (2) The lump sum amount will be the value of the Participant's Account as of the last day of the month preceding the date of distribution.

(c) **Installment Distributions .**

- (1) If the Participant's Account is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 coincident with or next following the Participant's death. Subsequent installments will be made during the 90-day period commencing on each successive January 31, until the Participant's benefits are distributed in full.
- (2) The Plan benefits will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of the Participant's Account determined in accordance with Section 5.3(b)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's death occurs.

(d) **Death After Commencement of Installments.** Notwithstanding the preceding, in the event of a Participant's death after installment payments to the Participant have commenced, such installment payments shall continue to be made to the Participant's designated beneficiary in the same manner as they were being distributed to the Participant prior to his or her death, provided, however, that if the Participant's distribution election applicable to Section 5.3(a) is a lump sum payment, the Participant's remaining installments will be distributed in lump sum to the Participant's designated beneficiary within the 90-day period commencing on the last day of the month in which the Participant's death occurs.

(e) **Designation of Beneficiary.** A Participant may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries (which may be a trust or trusts) to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. Any such designation will apply to both the Participant's Account and his or her Grandfathered Account, if any; a Participant may not designate different beneficiaries for his or her Account and Grandfathered Account. A Participant may change such designation from time to time and the last designation filed with the Committee in accordance with its procedures prior to the Participant's death will control. For this purpose, a Participant's most recent beneficiary designation properly filed under a Prior Agreement shall continue to be given effect until otherwise modified in accordance with the provisions of this Section. In the event no beneficiary is designated, or if all designated beneficiaries predecease the Participant, payment

shall be payable to the following “default” beneficiaries of the Participant in the following order of priority: (1) the Participant’s surviving spouse known to the Committee, if any; (2) the Participant’s living children known to the Committee in equal shares; (3) the Participant’s living parents known to the Committee in equal shares; (4) the Participant’s surviving siblings known to the Committee in equal shares; or (5) the beneficiary’s estate for distribution in accordance with the terms of the beneficiary’s last will and testament or as a court of competent jurisdiction shall determine.

- (f) **Death of Beneficiary** . In the event a beneficiary dies before full payment of the Participant’s benefits under the Plan, benefits that would have been paid to such beneficiary shall continue in the same form in equal shares to the remaining beneficiaries at the same level (i.e., primary, contingent) and, if none, to the next level of beneficiaries. If there are no beneficiaries at the next level, then any remaining benefits shall be paid to the following “default” beneficiaries of the last living beneficiary in the following order of priority: (1) the beneficiary’s surviving spouse known to the Committee, if any; (2) the beneficiary’s living children known to the Committee in equal shares; (3) the beneficiary’s surviving parents known to the Committee in equal shares; (4) the beneficiary’s surviving siblings known to the Committee in equal shares; or (5) the beneficiary’s estate for distribution in accordance with the terms of the beneficiary’s last will and testament or as a court of competent jurisdiction shall determine.

5.4 Form of Distribution.

- (a) **Forms Available.** If a Participant’s Separation from Service is on account of the Participant’s Retirement or is due to death, distribution of his or her Company Account and Retirement Accounts or, in the event of death, his or her Account, may be made, at the Participant’s election per this Section 5.4, in one of the following forms:
- (1) a lump sum;
 - (2) subject to the minimum account value restriction below, substantially equal annual installments over a period not to exceed fifteen (15) years; or
 - (3) solely with respect to distribution of the Participant’s Account in the event of death, partially a lump sum and, subject to the minimum account value restriction below, substantially equal annual installments over a period not to exceed fifteen (15) years;

provided, however, that an installment election will be given effect only if, as of the date on which any lump sum payment would be valued, the value of the Participant’s Company Account or Retirement Account, as applicable, or in the event of death, Account, is at least fifty-thousand dollars (\$50,000). Any Participant whose Company Account or Retirement Account, as applicable, or in the event of death, Account, is valued at less than fifty-thousand dollars (\$50,000) as of the date on which any lump sum payment would be valued shall be defaulted to a lump sum payment.

(b) **Retirement Accounts** .

- (1) The Account balance of a Participant as of December 31, 2008 shall, as of such date, be allocated to his or her Retirement Accounts in a manner determined by Executive Compensation to be consistent with his or her last affirmative form of payment election filed with Executive Compensation on or before December 31, 2008; provided, however, that in no event may any such election made in 2008 defer any amount otherwise payable during 2008 to 2009 or any later year or accelerate any amount otherwise payable during 2009 or any later year into 2008. (Notwithstanding the preceding, in the event a Participant's affirmative form of payment outstanding on December 31, 2008 is an "account balance-driven" election, the Participant's Account shall be allocated as of such date in accordance with his or her election, as though distribution would occur on December 31, 2008.) Deferrals (including Employer Contribution Credits and Incentive Payments) credited to the Participant's Account after December 31, 2008 and through March 31, 2009 shall also be allocated to the Participant's Retirement Accounts in accordance with such election. Any form of payment election filed during 2008 shall be deemed to have been made under applicable Internal Revenue Service transition relief (and thus shall not be subject to Sections 5.4(d)(1), (d)(2) and (d)(3)), unless the Participant specifically waives such transition relief. Any distribution election made after December 31, 2008 shall be subject to Section 5.4(d).
- (2) With respect to any individual who is a Participant as of December 31, 2008, Incentive Payments credited after March 31, 2009, if any, will be allocated to his or her Retirement Accounts in accordance with his or her last affirmative form of payment election filed with Executive Compensation on or before December 31, 2008, which election may be separate from the election provided in Section 5.4(b)(1) above. Such election shall be irrevocable as of December 31, 2008.

(c) **Company Account** . A Participant's Company Account shall be paid in the form of a lump sum, unless the Participant makes a subsequent distribution election in accordance with Section 5.4(d).

(d) **Subsequent Elections** . A Participant may change his or her distribution election (or deemed distribution election) with respect to his or her Company Account or Retirement Account or, in the event of death, his or her Account, per this Section 5.4 at any time by making a new election (referred to in this subsection as a "subsequent election") on a form (which may be electronic) approved by Executive Compensation and filed with Executive Compensation; provided, however, that each such subsequent election shall be subject to the following restrictions:

- (1) A subsequent election made after December 31, 2008 may not take effect until at least twelve (12) months after the date on which such subsequent election is made;

- (2) Payment or initial payment pursuant to a subsequent election made after December 31, 2008 may not be made earlier than five (5) years from the date such payment would have been made absent the subsequent election (but, for this purpose, installment payments shall not commence until the first January 31 after such delay), unless the distribution is made on account of the Participant's death;
- (3) A subsequent election made after December 31, 2008 related to a payment must be made not less than twelve (12) months before the date the payment is scheduled to be paid;
- (4) Payment of a Participant's Company Account or Retirement Account or, in the event of death, Account, pursuant to a subsequent election must be completed by the last day of the Plan Year which contains the twentieth (20th) anniversary of the Participant's Separation Pay Date or the Participant's death;
- (5) For purposes of this Section 5.4(d) and Code Section 409A, the entitlement to annual installment payments is treated as the entitlement to a single payment;
- (6) A Participant may make more than one subsequent election; provided, however, that any Participant who makes a form of payment election during 2008 and who elects to waive transition relief as provided in Section 5.4(b)(1) shall not be permitted to make a subsequent election after December 31, 2008 with respect to his or her Retirement Accounts.

If a Participant's distribution election does not satisfy the requirements of this Section 5.4(d), it will not be recognized or given effect by the Committee. In that event, distribution of the benefit will be made in accordance with the Participant's most recent distribution election which does satisfy the requirements of this Section 5.4(d).

- (e) **Filing of Election** . A Participant's distribution elections under Section 5.2(b) or 5.3(a) must be filed with Executive Compensation on forms (which may be electronic) prescribed by Executive Compensation.

5.5 Distributions for Unforeseeable Emergencies.

- (a) In the event of an Unforeseeable Emergency, the Committee or its delegate, in its sole and absolute discretion and upon written application of a Participant or, following the Participant's death, the beneficiary to whom a Participant's benefits are then being paid, or will be paid, pursuant to Section 5.3, may direct immediate distribution of all or a portion of the Participant's Account (other than Employer Contribution Credits and Incentive Payments). The Committee or its delegate will permit distribution on account of an Unforeseeable Emergency only to the extent reasonably necessary to satisfy the emergency need, plus amounts necessary to pay federal, state or local income taxes and penalties reasonably anticipated to result from the distribution, after taking into

account the extent to which such need is or may be relieved through reimbursement or compensation by insurance, by liquidation of the Participant's or beneficiary's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under the Plan. Any distribution under this Section 5.5 shall first be made from the Participant's Scheduled In-Service Accounts (including earnings thereon), then from his or her Retirement Accounts (including earnings thereon) in the following order: Deferred Equity, Deferred Special Bonuses and Deferred Retention Bonuses, then pro rata from Deferred Compensation and Deferred Bonus. A Participant's Incentive Payments under Section 4.2 shall be ratably adjusted consistent with the above.

- (b) Notwithstanding anything in the Plan to the contrary, if Walmart reasonably anticipates that its deduction with respect to any distribution under this Section 5.5 would not be permitted due to the application of Code Section 162(m); such payment shall be suspended to the extent a deduction would not be permitted until the earliest date at which it reasonably anticipates that the deduction of such distribution would not be barred by application of Code Section 162(m); provided, however, that the conditions of Section 5.5(a) are still satisfied as of such date.

5.6 Reductions Arising from a Participant's Gross Misconduct.

Notwithstanding anything herein to the contrary, a Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with Walmart or any Employer or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. In the event the Committee determines that the Participant has engaged in Gross Misconduct during the prescribed period, then notwithstanding any provisions hereunder to the contrary: (a) the Participant shall forfeit all Employer Contribution Credits and Incentive Payments, and credited Plan earnings thereon; (b) earnings credited to the Participant's Account derived from Deferred Compensation, Deferred Bonuses, Deferred Special Bonuses, Deferred Retention Bonuses and Deferred Equity shall be recalculated for each Plan Year to reflect the amount which would otherwise have been credited if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect for such Plan Year; and (c) if the Participant is then receiving installment payments, any remaining installments shall be recalculated to reflect the amount which would otherwise have been paid if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect with respect to such installment payments. Under no circumstances will a Participant forfeit any portion of the Participant's Deferred Compensation, Deferred Bonuses, Deferred Special Bonuses, Deferred Retention Bonuses or Deferred Equity. Any payments received hereunder by a Participant (or the Participant's beneficiary) are contingent upon the Participant not engaging (or not having engaged) in Gross Misconduct while employed with Walmart or any Employer or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period, the Participant (or the Participant's beneficiary) shall repay to Walmart any amount in excess of that to which the Participant is entitled under this Section 5.6.

**ARTICLE VI.
ADMINISTRATION**

6.1 General.

The Committee is responsible for the administration of the Plan and is granted the following rights and duties:

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Participants (or their beneficiaries) under this Plan;
- (b) The Committee shall have the authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
- (c) The Committee may appoint a person or persons to act on behalf of, or to assist, the Committee in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Committee deems necessary or appropriate;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, any Related Affiliate, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and
- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

6.2 Allocation and Delegation of Duties.

- (a) The Committee shall have the authority to allocate, from time to time, by instrument in writing filed in its records, all or any part of its respective responsibilities under the Plan to one or more of its members as may be deemed advisable, and in the same manner to revoke such allocation of responsibilities. In the exercise of such allocated responsibilities, any action of the member to whom responsibilities are allocated shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall periodically report to the Committee concerning the discharge of the allocated responsibilities.
- (b) The Committee shall have the authority to delegate, from time to time, by written instrument filed in its records, all or any part of its responsibilities under

the Plan to such person or persons as the Committee may deem advisable (and may authorize such person to delegate such responsibilities to such other person or persons as the Committee shall authorize) and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall periodically report to the Committee concerning the discharge of the delegated responsibilities.

ARTICLE VII. CLAIMS PROCEDURE

7.1 General.

Any claim for benefits under the Plan must be filed by the Participant or beneficiary (“claimant”) in writing with the Committee or its delegate within one (1) year of the Participant’s Separation from Service. If the claim is not filed within one (1) year of the Participant’s Separation from Service, neither the Plan nor Walmart or any Related Affiliate shall have any obligation to pay the benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee or its delegate. Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to the pertinent Plan provision upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim; and
- (d) an explanation of the Plan’s claim review procedure.

7.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant’s duly authorized representative:

- (a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;
- (b) may review pertinent documents; and
- (c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable

period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

8.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable; provided, however, that in no event shall a Participant's Account be distributed prior to the Participant's Separation from Service (except in the event of a Participant's Unforeseeable Emergency pursuant to Section 5.5). Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit the Participant's then-existing Account.

Notwithstanding the preceding, Walmart may, by action of the Committee within the thirty (30) days preceding or twelve (12) months following a change in control (within the meaning of Code Section 409A) of a relevant affiliate, partially terminate the Plan and distribute benefits to all Participants involved in such change in control within twelve (12) months after such action, provided that all plans sponsored by the service recipient immediately after the change in control (which are required to be aggregated with this Plan pursuant to Code Section 409A) are also terminated and liquidated with respect to each Participant involved in the change in control.

8.2 Non-Alienability.

No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 Recovery of Overpayments.

In the event any payments under the Plan are made on account of a mistake of fact or law, the recipient shall return such payment or overpayment to Walmart as requested by Walmart.

8.4 No Employment Rights.

Nothing contained herein shall be construed as conferring upon any Participant the right to continue in the employ of Walmart or any Related Affiliate.

8.5 No Right to Bonus.

Nothing contained herein shall be construed as conferring upon the Participant the right to receive a bonus from the MIP and any award under the Walmart Inc. Stock Incentive Plan of 2005. A Participant's entitlement to such a bonus or award is governed solely by the provisions of those plans.

8.6 Withholding and Employment Taxes.

To the extent required by law, Walmart or a Related Affiliate will withhold from a Participant's current compensation such taxes as are required to be withheld for employment taxes. To the extent required by law, Walmart or a Related Affiliate will withhold from a Participant's Plan distributions such taxes as are required to be withheld for federal, Puerto Rican, state or local government income tax purposes.

8.7 Income and Excise Taxes.

The Participant (or the Participant's Beneficiaries) is solely responsible for the payment of all federal, Puerto Rican, state and local income and excise taxes resulting from the Participant's participation in this Plan.

8.8 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart and each Related Affiliate which is a participating employer, their successors and assigns, and the Participant, the Participant's beneficiaries, heirs, and legal representatives.

8.9 Governing Law.

This Plan shall be subject to and construed in accordance with the laws of the State of Delaware to the extent not preempted by federal law.

APPENDIX A

Amounts deferred and vested on or before December 31, 2004 are subject to the terms of the Plan as it existed as of such date, which Plan is set forth in this Appendix A. The terms of this Appendix A shall not be materially modified (as that phrase is defined by Code Section 409A and guidance thereunder), either formally or informally, unless such modification specifically provides that it is intended to be a material modification within the meaning of Code Section 409A and guidance thereunder.

WALMART INC. OFFICER DEFERRED COMPENSATION PLAN

ARTICLE I. GENERAL

1.1 Purpose.

The purpose of the Walmart Inc. Officer Deferred Compensation Plan ("Plan") is to: (a) attract and retain the valuable services of certain officers; (b) recognize, reward, and encourage contributions by such officers to the success of Walmart Inc. ("Walmart") and its Related Affiliates; and (c) enable such officers to defer certain compensation and bonuses, and to be credited with earnings and Incentive Payments with respect to such amounts.

1.2 Applicability to Prior Deferred Compensation Agreements; Effective Date.

This Plan was initially effective February 1, 1996 with respect to compensation and bonuses deferred (and credited earnings thereon) under the Plan on or after February 1, 1996. In addition, prior to February 1, 1995, certain Eligible Officers entered into deferred compensation agreements ("Prior Agreements") with Walmart containing terms similar to those contained in this Plan. Except as expressly provided herein, effective February 1, 1996 the Prior Agreements were amended and restated in the form of this Plan.

The Plan as initially adopted effective February 1, 1996, was amended from time-to-time, most recently by Amendment No. Three to the February 1, 1997 amended and restated Plan. The effective date of this amended and restated Plan is March 31, 2003, except as otherwise expressly provided herein.

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan shall be "unfunded" for tax purposes and for purposes of Title I of ERISA. Any and all payments

under the Plan shall be made solely from the general assets of Walmart and, to the extent such payments or benefits are attributable to services with a respective Related Affiliate or Related Affiliates, such Related Affiliate or Related Affiliates. For this purpose, payments or benefits under the Plan are deemed to be attributable to services with the last Related Affiliate by whom the Participant was employed at or prior to the time benefits become payable under Article V. A Participant's interests under the Plan do not represent or create a claim against specific assets of Walmart or any Related Affiliate. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between Walmart, any Related Affiliate or the Committee, and a Participant, the Participant's beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart or a Related Affiliate under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart or such Related Affiliate.

ARTICLE II. DEFINITIONS

2.1 Definitions.

Whenever used in this Plan, the following words and phrases have the meaning set forth below unless the context plainly requires a different meaning:

- (a) **Code** means the Internal Revenue Code of 1986, as amended from time to time.
- (b) **Committee** means, effective October 1, 2003, the Compensation, Nominating and Governance Committee of the Board of Directors of Walmart Inc.
- (c) **Deferred Bonuses** means the amount deferred from bonuses payable to a Participant under the Walmart Inc. Management Incentive Plan for Officers.
- (d) **Deferred Compensation** means: (1) the compensation deferred by a Participant under Section 3.1 below; and (2) amounts deferred by a Participant under a Prior Agreement(s).
- (e) **Disability** means a Total and Permanent Disability as from time to time defined in the Wal-Mart Stores, Inc. Profit Sharing Plan (or any successor plan thereto). A Participant must establish to the satisfaction of the Committee that a Disability exists. A Participant shall be treated as having a Disability only if such illness or injury results in the Participant's Termination of Employment.

[**NOTE** : The definition of Disability shall be determined in accordance with the following definition in effect under the Wal-Mart Profit Sharing and 401(k) Plan (a successor plan to the Wal-Mart Stores, Inc. Profit Sharing Plan) as of October 3, 2004: a physical or mental disability resulting from a bodily injury or disease or mental disorder which: (a) causes the Participant to be "disabled" within the meaning of Section 223 of the Social Security Act and (b) exists as of the Participant's termination of employment. For this purpose, a Participant who is covered by the Social Security Act must obtain a determination by the Social Security Administration that the Participant is "disabled" in order to have a

Disability under this Plan. A Participant who is not covered by the Social Security Act will be deemed to have a Disability if the Participant provides a written certification by a licensed doctor (medicine or osteopathy) who is not a member of the Participant's family that the Participant is "disabled" within the meaning of Section 223 of the Social Security Act. Such definition shall not be modified on or after October 3, 2004.]

- (f) **Early Retirement** means a Participant's Termination of Employment on or after the date the Participant has been continuously employed with Walmart or a Related Affiliate twenty (20) or more years.
 - (g) **Eligible Officer** means an individual who is a corporate officer of Walmart or a Related Affiliate designated by Walmart as a participating employer, and who holds the title of Vice President or above, Treasurer, Controller, or an officer title of similar rank as determined by the Committee. In addition, Eligible Officer shall include a divisional officer of Walmart or a Related Affiliate designated by Walmart as a participating employer, and who holds the title of Vice President or above or an officer title of similar rank as determined by the Committee. Notwithstanding the preceding sentences, the term "Eligible Officer" shall not include an individual who entered into a Prior Agreement with Walmart unless such individual consents to participation in the Plan on the terms and conditions herein set forth.
 - (h) **Fiscal Year** means the twelve (12)-month period commencing on February 1 and ending on January 31.
 - (i) **Grandfathered Account** means the bookkeeping account established by the Committee to reflect a Participant's Deferred Compensation, Deferred Bonuses, Incentive Payments, and credited earnings thereon, which are deferred and vested on or before December 31, 2004. Such amount shall be governed at all times by the terms of this Appendix A.
 - (j) A Participant is deemed to have engaged in **Gross Misconduct** if the Committee or its delegate determines that the Participant has engaged in conduct detrimental to the best interests of Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
 - (k) **Incentive Payments** means the amounts credited to a Participant's Grandfathered Account: (1) in accordance with Section 4.2 below; and (2) a Participant's Prior Agreement(s).
 - (l) **Participant** means any Eligible Officer who defers compensation or bonuses under the Plan. An individual remains a Participant in the Plan until the Participant's Plan benefits have been fully distributed.
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- (m) **Plan Year** means: (1) for periods before February 1, 1997, the twelve (12)-month period commencing on February 1 and ending on January 31; (2) the period from February 1, 1997 through March 31, 1997; and (3) from and after April 1, 1997, the twelve (12)-month period commencing on April 1 and ending on March 31. Notwithstanding the above, for purposes of the Incentive Payments under Section 4.2, the February 1, 1996 - January 31, 1997 Plan Year and the short February 1, 1997 - March 31, 1997 Plan Year shall be treated as one Plan Year running from February 1, 1996 - March 31, 1997.
- (n) **Related Affiliates** means a business or entity that is, directly or indirectly, fifty-one percent (51%) or more owned by Walmart.
- (o) **Retirement** means a Participant's Termination of Employment on or after the Participant's attainment of age fifty-five (55).
- (p) **Termination of Employment** means a Participant ceasing to be actively employed by Walmart and its Related Affiliates. Termination of Employment does not include the transfer of a Participant from the employ of Walmart to a Related Affiliate or vice versa, a transfer between Walmart's Related Affiliates, or periods while a Participant is on an approved leave of absence.
- (q) **Unforeseeable Emergency** means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a Participant's dependent (as defined in Code Section 152(a)), the loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. An Unforeseeable Emergency does not exist to the extent such hardship is or may be relieved:
- (1) through reimbursement or compensation by insurance or otherwise;
 - (2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would itself not cause severe financial hardship; or
 - (3) by cessation of deferrals under this Plan.

The need to send a Participant's child to college or the desire to purchase a home does not constitute an Unforeseeable Emergency. The existence of an Unforeseeable Emergency will be determined by the Committee, in its sole discretion, based upon the Participant's facts and circumstance and in accordance with restrictions imposed by the Code or guidance thereunder.

- (r) **Annual Valuation Date** means the last day of each Plan Year.
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ARTICLE III.
DEFERRED COMPENSATION AND BONUSES--
ESTABLISHMENT OF ACCOUNTS

3.1 Deferred Compensation.

For each Plan Year, each Eligible Officer may elect to defer all or a portion of what would otherwise be the Eligible Officer's federal taxable base compensation, net of employment taxes and estimated bi-weekly deductions as are determined to be in effect on the first day of the deferral period, to be paid for such Plan Year by Walmart or a Related Affiliate designated by Walmart as a participating employer. Amounts deferred (the "Deferred Compensation") will be deferred pro ratably for each payroll period of the Plan Year. All deferral elections made under this Section 3.1 must be filed with the Committee on forms approved by the Committee. Deferral elections must be (a) filed no later than the day preceding the Plan Year for which the deferral election is to be effective; or (b) with respect to an Eligible Officer appointed during the Plan Year, within thirty (30) days of such appointment. Individuals appointed as Eligible Officers on or after April 1, 2003 and before October 1, 2003 shall have thirty (30) days from such latter date to file a deferral election for the balance of the Plan Year.

Once made for a Plan Year, a deferral election may not be revoked, changed or modified. Notwithstanding the preceding sentence, in the event an Eligible Officer ceases to be employed as an Eligible Officer, such former Eligible Officer's deferral election shall automatically cease with respect to compensation earned on or after the individual ceases to be an Eligible Officer. A deferral election for one (1) Plan Year will not automatically be given effect for a subsequent Plan Year, so that if deferrals are desired for a subsequent Plan Year, a separate election must be made by the Eligible Officer for such Plan Year. An Eligible Officer's deferral election shall remain in effect with respect to any portion of base compensation paid while on a leave of absence, and, if the leave of absence is unpaid, shall resume upon return from the leave of absence during the same Plan Year and shall continue in effect for the balance of such Plan Year.

3.2 Deferred Bonuses.

Each Eligible Officer may elect to defer all or a portion of the Eligible Officer's bonus (if any) for a Fiscal Year under the Walmart Inc. Management Incentive Plan for Officers. All bonus deferral elections made under this Section 3.2 must be made on forms approved by the Committee, and be filed with the Committee: (a) for the 1996-1997 Fiscal Year, no later than January 31, 1996; (b) for Fiscal Years beginning on or after February 1, 1997, no later than the March 31 of the Fiscal Year for which such bonus (if any) is payable; and (c) within thirty (30) days of the individual's appointment as an Eligible Officer if the Eligible Officer is newly appointed after March 31 of the Fiscal Year. Individuals appointed as Eligible Officers on or after April 1, 2003 and before October 1, 2003 shall have thirty (30) days from such latter date to file a bonus deferral election with respect to the February 1, 2003 - January 31, 2004 Fiscal Year.

Once made for a Fiscal Year, a bonus deferral election may not be revoked, changed or modified. Notwithstanding the preceding sentence, in the event an Eligible Officer ceases to be employed as an Eligible Officer but remains employed by Walmart or by one of its Related Affiliates, such former Eligible Officer's bonus deferral election shall automatically cease with respect to that portion of a bonus earned on or after the date the individual ceases to be an

Eligible Officer. For this purpose, the portion of a bonus earned on or after ceasing to be an Eligible Officer shall be determined by multiplying the bonus by a fraction, the numerator of which is the number of calendar days in such Fiscal Year in which the individual ceased to be an Eligible Officer, and the denominator of which is the total calendar days in such Fiscal Year. Effective for those bonuses payable for Fiscal Years beginning on or after February 1, 2003, in the event an Eligible Officer ceases to be employed as an Eligible Officer due to a Termination of Employment, or if an Eligible Officer takes an approved leave of absence, such Eligible Officer's bonus deferral election shall remain in effect with respect to that portion of a bonus earned while an Eligible Officer, even if such bonus is awarded after a Termination of Employment or while an Eligible Officer is on an approved leave of absence.

With respect to those Eligible Officers appointed on or after the first day of a Plan Year and who elect to defer all or a portion of their bonus (if any) for that initial Fiscal Year, such deferral elections shall apply only to that portion of the bonus earned after the date of such election, by multiplying the bonus by a fraction, the numerator of which is the number of calendar days in such Fiscal Year in which the individual elected to defer all or a portion of their bonus after first becoming appointed as an Eligible Officer, and the denominator of which is the total calendar days in such Fiscal Year. A bonus deferral election for one (1) Fiscal Year will not automatically be given effect for a subsequent Fiscal Year, so that if deferrals are desired for a subsequent Fiscal Year, a separate election must be made by the Eligible Officer for such Fiscal Year.

3.3 Establishment of Grandfathered Accounts.

The Deferred Compensation, Deferred Bonuses, and Incentive Payments will be credited to a bookkeeping account ("Grandfathered Account") established by the Committee on behalf of each Participant. The Deferred Compensation will be credited to the Participant's Grandfathered Account as of the last day of the Plan Year during which the Deferred Compensation would otherwise be payable to the Participant. The Deferred Bonus will be credited to the Participant's Grandfathered Account as of the date the bonus would have otherwise been paid in cash. The Incentive Payments will be credited to the Participant's Grandfathered Account as of the last day of the Plan Year specified in Section 4.2. A Participant's Grandfathered Account, including earnings credited thereto, will be maintained by the Committee until the Participant's Plan benefits have been paid in full.

3.4 Nature of Grandfathered Accounts.

Each Participant's Grandfathered Account will be used solely as a measuring device to determine the amount to be paid a Participant under this Plan. The Grandfathered Accounts do not constitute, nor will they be treated as, property or a trust fund of any kind. All amounts at any time attributable to a Participant's Grandfathered Account will be, and remain, the sole property of Walmart and its Related Affiliates. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. The Plan represents an unsecured promise by Walmart and the applicable Related Affiliate to pay the benefits provided by the Plan.

3.5 Annual Valuation of Grandfathered Accounts.

Each Participant's Grandfathered Account will be valued annually as of each Annual Valuation Date. The value of an Grandfathered Account as of any applicable Annual Valuation Date is the sum of the Grandfathered Account value as of the immediately preceding Annual Valuation Date, the Deferred Compensation, Deferred Bonuses and Incentive Payments allocated as of the applicable Annual Valuation Date, and the equivalent of interest credited to the Grandfathered Account under Section 4.1 as of the applicable Annual Valuation Date, less any distributions for Unforeseeable Emergencies since the preceding Annual Valuation Date but on or before the applicable Annual Valuation Date.

[Notwithstanding anything herein to the contrary, effective April 1, 2008, Grandfathered Accounts shall be credited with interest on a daily basis. The amount of interest to be credited each day shall be a daily rate of simple interest based on the interest rate in effect for the Plan Year as provided in Section 4.1. Also, effective January 1, 2009, the Plan Year for such purpose shall be the twelve-month period February 1 through January 31, with the period April 1, 2009 through January 31, 2010 being a short Plan Year. This Appendix A shall be construed in accordance with such modifications. It has been determined that these modifications do not constitute "material modifications" for purposes of Code Section 409A.]

ARTICLE IV. ADDITIONS TO ACCOUNTS -- CREDITED EARNINGS AND INCENTIVE PAYMENTS

4.1 Credited Annual Earnings.

For each Plan Year a Participant's Grandfathered Account will be credited with the equivalent of interest at the per annum rate established for such Plan Year by the Committee; provided, however, for the February 1, 1997 - March 31, 1997 Plan Year, the equivalent of interest shall be credited at one-sixth (1/6) of the per annum rate so established for such period. The per annum rate may be increased or decreased for any Plan Year to reflect changes in prevailing interest rates, as determined at the sole discretion of the Committee. Except for a Plan Year in which a Participant receives a distribution due to an Unforeseeable Emergency, the amount to be credited to a Participant's Grandfathered Account as of any Annual Valuation Date is the sum of: (a) the applicable per annum rate multiplied by the Participant's Grandfathered Account value as of the immediately preceding Annual Valuation Date; (b) fifty percent (50%) of the Participant's Deferred Compensation for the Plan Year ending on the Annual Valuation Date multiplied by the applicable full annum rate; and (c) effective for Deferred Bonuses attributable to Fiscal Years beginning on or after February 1, 2003, a pro rata amount of interest equivalent at the applicable per annum rate based upon the number of days from the date such bonus would have otherwise been paid in cash through the applicable Annual Valuation Date.

[**NOTE** : The annual rate in effect for a Plan Year for this purpose shall be determined in accordance with the following formula in effect as of October 3, 2004: the rate on 10-year Treasury notes determined as of the first business day of January preceding each Plan Year, plus 270 basis points. Such formula shall not be modified on or after October 3, 2004. Notwithstanding the preceding, in light of uncertainty regarding whether adjustment of the

annual rate would constitute a material modification of the Plan for Code Section 409A purposes, the annual rate was not adjusted for 2005. The annual rate for 2006 and future years will be adjusted in accordance with the above formula.]

For a Plan Year in which a Participant receives a distribution due to an Unforeseeable Emergency, the amount to be credited to the Participant's Grandfathered Account as of the applicable Annual Valuation Date is the sum of: (a) an equivalent amount of pro rata interest on the Participant's Grandfathered Account value as of the preceding Annual Valuation Date based upon the number of full calendar months in the Plan Year which the Grandfathered Account was not reduced due to the distribution; (b) an equivalent amount of pro rata interest on the Grandfathered Account value immediately after the distribution based upon the number of calendar months in the Plan Year in which the Participant's Grandfathered Account was reduced; (c) fifty percent (50%) of the Participant's Deferred Compensation for the Plan Year ending on the Annual Valuation Date multiplied by the applicable full annum rate; and (d) effective for Deferred Bonuses attributable to Fiscal Years beginning on or after February 1, 2003, a pro rata amount of interest equivalent at the applicable per annum rate based upon the number of days from the date such bonus would have otherwise been paid in cash through the applicable Annual Valuation Date.

4.2 Incentive Payments.

The Incentive Payments described below will be credited to a Participant's Grandfathered Account. Incentive Payments awarded and credited to a Participant's Grandfathered Account under a Prior Agreement (such Incentive Payments were previously referred to as "incentive bonuses" under the Prior Agreements), and credited interest thereon, will remain credited to a Participant's Grandfathered Account hereunder as of January 31, 1996. Thereafter, a Participant's entitlement to an Incentive Payment will be governed by this Section 4.2, including any Incentive Payment which may be awarded with respect to recognized Deferred Compensation (and credited earnings thereon) deferred under a Prior Agreement. Incentive Payments hereunder shall not duplicate any Incentive Payment awarded and credited under a Prior Agreement as of January 31, 1996.

- (a) The Incentive Payments provided in this Section apply to a Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year and credited Plan earnings thereon. For this purpose, Deferred Bonuses shall be treated as being "for a Plan Year" for the Plan Year in which Deferred Bonuses are allocated to a Participant's Grandfathered Account under Section 3.3. Incentive Payments are separately awarded based upon a Participant's recognized Deferred Compensation and Deferred Bonuses for a given Plan Year and credited Plan earnings thereon. Solely for purposes of this Section 4.2, the February 1, 1996 - January 31, 1997 Plan Year and the short February 1, 1997 - March 31, 1997 Plan Year shall be treated as one Plan Year running from February 1, 1996 - March 31, 1997.
 - (b) The amount of an Incentive Payment is based on the Participant's recognized Deferred Compensation and Deferred Bonuses for a Plan Year, plus credited Plan earnings on such sums through and including the Incentive Payment award date. The amount by which a Participant's Deferred Compensation and Deferred
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Bonuses for a Plan Year exceeds twenty percent (20%) of the Participant's base compensation will not be recognized in computing an Incentive Payment. Base compensation for this purpose means the Participant's annual base rate of compensation for such Plan Year (proportionately increased for the special Plan Year of February 1, 1996 - March 31, 1997). Credited Plan earnings on such nonrecognized Deferred Compensation or Deferred Bonuses are likewise not taken into account in determining the amount of an Incentive Payment.

- (c) If a Participant remains continuously employed with Walmart or its Related Affiliates for a period of ten (10) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, and ending with the last day of the tenth (10th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such tenth 10th Plan Year. The Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for ten (10), but not less than five (5), Plan Years (i.e., the first six (6) Plan Years of such ten (10)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or its Related Affiliates, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such Plan Year. Such Incentive Payment will be equal to twenty percent (20%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of the five (5)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date.
 - (d) If a Participant remains continuously employed with Walmart or its Related Affiliates for a period of fifteen (15) consecutive full Plan Years, beginning with the first day of the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonuses election in effect under this Plan or a Prior Agreement, and ending with the last day of the fifteenth (15th) Plan Year of such period, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such fifteenth (15th) Plan Year. The Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for fifteen (15), but not less than ten (10), Plan Years (i.e., the first six (6) Plan Years of such fifteen (15)-year period), plus credited Plan earnings thereon through the award date. For each full Plan Year thereafter in which the Participant remains continuously employed with Walmart or its Related Affiliates, an Incentive Payment will be credited to the Participant's Grandfathered Account as of the last day of such Plan Year. Such Incentive Payment will be equal to ten percent (10%) of the Participant's recognized Deferred Compensation and Deferred Bonuses for the first Plan Year of a ten (10)-consecutive Plan Year period ending on the award date, plus credited Plan earnings thereon through the award date. The Incentive Payments provided in this Section 4.2(d) shall not take into account Incentive Payments credited under Section 4.2(c) or credited Plan earnings thereon.
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- (e) The Incentive Payments provided in this Section 4.2(e) only apply if a Participant has been a Participant under the Plan (or a Prior Agreement) for five (5) or more full Plan Years and if the Participant incurs a Retirement, Early Retirement, death or Disability before satisfaction of the ten (10)- or fifteen (15)-year periods described in Sections 4.2 (c) and (d) above, after taking into account the application of Section 4.2(f). In that event, only the Incentive Payment next to be credited (i.e., twenty percent (20%) or ten percent (10%)) will be credited to the Participant's Grandfathered Account as provided in this Section 4.2(e). In the event the Participant had not yet been awarded or credited with a twenty percent (20 %) Incentive Payment under Section 4.2(c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of (1) the number of full Plan Years worked since and including the first Plan Year in which the Participant had a Deferred Compensation or Deferred Bonus election in effect under this Plan or a Prior Agreement, to (2) ten (10), multiplied by twenty percent (20%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(c). If the Participant has been awarded a twenty percent (20 %) Incentive Payment provided in Section 4.2 (c), the Incentive Payment provided by this Section 4.2(e) will be based upon the ratio of (1) the number of full Plan Years worked since the award date of the initial twenty percent (20%) Incentive Payment, to (2) five (5), multiplied by ten percent (10%). Such Incentive Payment will be based upon recognized amounts for the Plan Years which would otherwise have been considered in calculating the Participant's first Incentive Payment under Section 4.2(d). The Incentive Payment provided under this Section 4.2(e) will be determined and credited to the Participant's Grandfathered Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(e) will be determined and credited to the Participant's Grandfathered Account as of the January 31 on which installments are based.
- (f) The Incentive Payments provided in this Section 4.2(f) apply only with respect to those Participants who: (1) incur a Termination of Employment on or after the last day of a Fiscal Year, but before the immediately following last day of a Plan Year (e.g., on or after January 31, but before the next March 31); and (2) who, but for such Termination of Employment before the last day of a Plan Year, would have been credited with an Incentive Payment under Section 4.2(c) and/or 4.2(d). In that event, the Incentive Payments which would have been credited to the Participant's Grandfathered Account but for such early Termination of Employment will be credited to the Participant's Grandfathered Account as if the Participant had remained employed with Walmart or its Related Affiliates through the last day of the Plan Year, with no reduction due to the early Termination of Employment. The Incentive Payments provided under this Section 4.2(f) will be determined and credited to the Participant's Grandfathered Account as of the date the Participant's Plan benefits are distributed in a lump sum payment. If, however, a Participant's benefits are to be distributed in installments, the amounts provided under this Section 4.2(f) will be determined and credited to the
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Participant's Grandfathered Account as of the January 31 on which installments are based.

[**NOTE** : Incentive Payments are frozen under this Appendix A. From and after January 1, 2005, all Incentive Payments shall be made under the Plan, not this Appendix A.

**ARTICLE V.
PAYMENT OF PLAN BENEFITS**

5.1 Distribution Restrictions.

Except in the event of a Participant's Unforeseeable Emergency, Plan benefits will not be payable to a Participant prior to the earliest occurrence of the Participant's Retirement, Early Retirement, Termination of Employment, Disability or death.

5.2 Termination Benefits.

(a) General.

In the event of a Participant's Termination of Employment for reasons other than the Participant's Retirement, Early Retirement, Disability or death, the Participant's Plan benefits will be distributed in a lump sum under Section 5.2(b) or Section 5.2(c), as applicable, within sixty (60) days after the end of the calendar month in which the Termination of Employment occurs; provided, however, that if the Participant's Termination of Employment occurs after the Participant has attained age fifty (50), the Participant's Plan benefits will be distributed in a lump sum under Section 5.2(b) or Section 5.2(c), as applicable, or, subject to the minimum account value restrictions of Section 5.6 below, in substantially equal annual installments under Section 5.2(e) over a period not to exceed fifteen (15) years, in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below.

(b) Termination on Last Business Day of Plan Year.

If the Participant's Termination of Employment occurs on the last business day (excluding for this purpose, Saturday and Sunday) of a Plan Year, the lump sum amount will be the sum of: (1) the value of the Participant's Grandfathered Account, as determined under Section 3.5, as of the Annual Valuation Date coincident with or immediately following the Participant's Termination of Employment and (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Plan Year in which distribution occurs) on the amount determined in (1) through the date of distribution based upon the number of calendar days since such Annual Valuation Date.

(c) Termination on Other Than Last Business Day of Plan Year.

If the Participant's Termination of Employment occurs on a date other than the last business day (excluding for this purpose, Saturday and Sunday) of a Plan Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding Termination of Employment; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Plan Year

under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the date of distribution; (3) the Participant's Deferred Compensation for the Plan Year in which Termination of Employment occurs; (4) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Termination of Employment through the date of distribution; and (5) the Participant's Incentive Payments (if any) as provided in Section 4.2(f).

(d) Death.

In the event of a Participant's death before full payment of Plan benefits under this Section 5.2, payment shall be made (or continue to be made) to the Participant's beneficiary designated under Section 5.5 in accordance with Participant's separate election for death benefits under Section 5.6, or, with respect to those Participants in pay status who die on or after October 1, 2003, if the Participant did not designate a beneficiary under Section 5.5 or if no such beneficiary survives the Participant, payment shall be made in the form of a lump sum to the Participant's estate.

(e) Installment Distributions.

If distribution is to be made in the form of annual installments pursuant to Section 5.2(a), the Participant's installments will be based upon the value of the Participant's Grandfathered Account as of the January 31 coincident with or immediately following the Participant's Termination of Employment. For this purpose, the Participant's Grandfathered Account value as of such January 31 shall be equal to the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding the Participant's Termination of Employment; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the January 31; (3) the Participant's Deferred Compensation for the Plan Year in which Termination of Employment occurs; (4) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f); and (5) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Termination of Employment through such January 31.

Notwithstanding the preceding paragraph, if the Participant's Termination of Employment occurs on a January 31 (excluding for this purpose, Saturday and Sunday), the Participant's installments will be based upon the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately following the Participant's Termination of Employment; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately following Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the following

January 31; and (3) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f).

The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the January 31 on which the Participant's Grandfathered Account is valued under this Section), with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Termination of Employment occurs. The first installment will be paid as of the January 31 following the Participant's Termination of Employment, and continue on each successive January 31 until the Participant's benefits are distributed in full. For purposes of the preceding sentence, it is expressly provided that, if a Participant's Termination of Employment occurs on a January 31, the first installment will be paid on the next-following January 31.

5.3 Retirement, Early Retirement, and Disability Benefits.

(a) General.

In the event of a Participant's Termination of Employment due to the Participant's Retirement, Early Retirement or Disability, the Participant's Plan benefits will be distributed in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years, subject to the minimum account value restrictions of Section 5.6 below and in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below.

(b) Lump Sum Distributions.

If distribution is to be made in the form of a lump sum, the Participant's Plan benefits will be distributed within sixty (60) days after the end of the calendar month in which the Retirement, Early Retirement or Disability occurs. If the Participant's Retirement, Early Retirement or Disability occurs on the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will be the sum of: (1) the value of the Participant's Grandfathered Account, as determined under Section 3.5, as of the Annual Valuation Date coincident with or immediately following the Participant's Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Plan Year in which distribution occurs) on the amount determined in (1) through the date of distribution based upon the number of calendar days since such Annual Valuation Date; and (3) the Participant's Incentive Payment (if any) as provided in Section 4.2(e).

If the Participant's Retirement, Early Retirement or Disability occurs on a date other than the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the date of distribution;

(3) the Participant's Deferred Compensation for the Plan Year in which Retirement, Early Retirement or Disability occurs; (4) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f); and (5) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Retirement, Early Retirement or Disability through the date of distribution.

(c) Installment Distributions.

If distribution is to be made in the form of annual installments, the Participant's installments will be based upon the value of the Participant's Grandfathered Account as of the January 31 coincident with or immediately following the Participant's Retirement, Early Retirement or Disability. For this purpose, the Participant's Grandfathered Account value as of such January 31 shall be equal to the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding the Participant's Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately preceding Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the January 31; (3) the Participant's Deferred Compensation for the Plan Year in which Retirement, Early Retirement or Disability occurs; (4) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f); and (5) a pro rata amount of interest equivalent (determined by multiplying fifty percent (50%) of the amount determined in (3) by the applicable full annum rate in effect for a Plan Year under Section 4.1) based upon the number of calendar days since the Annual Valuation Date immediately preceding Retirement, Early Retirement or Disability through such January 31.

Notwithstanding the preceding paragraph, if the Participant's Retirement, Early Retirement or Disability occurs on a January 31 (excluding for this purpose, Saturday and Sunday), the Participant's installments will be based upon the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately following the Participant's Retirement, Early Retirement or Disability; (2) a pro rata amount of interest equivalent (determined at the applicable per annum rate in effect for a Plan Year under Section 4.1) on the Participant's Grandfathered Account value as of such immediately following Annual Valuation Date based upon the number of calendar days since such Annual Valuation Date through the following January 31; and (3) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f).

The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the January 31 on which the Participant's Grandfathered Account is valued under this Section), with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Retirement, Early Retirement or Disability occurs. The first installment will be paid as of the January 31 following the Participant's Retirement, Early Retirement or Disability, and continue on each successive January 31 until the Participant's benefits are distributed in full. For purposes of the preceding sentence, it is expressly provided that, if a Participant's Retirement, Early Retirement

or Disability occurs on a January 31, the first installment will be paid on the next-following January 31.

(d) Death.

In the event of a Participant's death before full payment of Plan benefits under this Section 5.3, payment shall be made (or continue to be made) to the Participant's beneficiary designated under Section 5.5 in accordance with Participant's separate election for death benefits under Section 5.6, or, with respect to those Participants in pay status who die on or after October 1, 2003, if the Participant did not designate a beneficiary under Section 5.5 or if no such beneficiary survives the Participant, payment shall be made in the form of a lump sum to the Participant's estate.

5.4 Death Benefits.

(a) General.

In the event of a Participant's Termination of Employment due to the Participant's death, the Participant's Plan benefits will be distributed in a lump sum or, subject to the minimum account value restrictions of Section 5.6 below, in substantially equal annual installments over a period not to exceed fifteen (15) years, in accordance with the Participant's distribution election given effect under the provisions of Section 5.6 below. Amounts will be distributed to the beneficiary designated under 5.5 below.

(b) Lump Sum Distributions.

If distribution is to be made in the form of a lump sum, the Participant's Plan benefits will be distributed within sixty (60) days after the end of the calendar month in which the Participant's death occurs. If the Participant's death occurs on the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will be the sum of: (1) the value of the Participant's Grandfathered Account, as determined under Section 3.5, as of the Annual Valuation Date coincident with or immediately following the Participant's death; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for the Plan Year in which distribution occurs) on the amount determined in (1) through the date of distribution based upon the number of calendar days since such Annual Valuation Date; and (4) the Participant's Incentive Payment (if any) as provided in Section 4.2(e).

If the Participant's death occurs on a date other than the last business day (excluding for this purpose Saturday and Sunday) of a Plan Year, the lump sum amount will equal the sum of: (1) the value of the Participant's Grandfathered Account as of the Annual Valuation Date immediately preceding the Participant's death; (2) a pro rata amount of interest equivalent (determined at the per annum rate in effect for a Plan Year on the Participant's Grandfathered Account value as of the immediately preceding Annual Valuation Date based upon the number of full calendar days since such Annual Valuation Date through date of distribution; and (3) the Participant's Incentive Payments (if any) as provided in Section 4.2(e) or Section 4.2(f).

(c) **Installment Distributions.**

If distribution is to be made in the form of annual installments, the installments will be based upon the value of the Participant's Grandfathered Account as of the January 31 coincident with or immediately following the Participant's death. For this purpose, a Participant's Grandfathered Account value as of such January 31 shall be determined in accordance with the manner specified in Section 5.3(c). The Plan benefits determined above will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Plan benefits over the period covered by the installment period (such period commencing on the February 1 following the January 31 on which the Participant's Grandfathered Account is valued under this Section), with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's death occurs. The first installment will be paid as of the January 31 coincident with or following the Participant's death; and continue on each successive January 31 until the Participant's benefits are distributed in full. For purposes of the preceding sentence, it is expressly provided that if a Participant dies on a January 31, the first installment will be paid on the next-following January 31.

5.5 Designation of Beneficiary.

A Participant may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. Any such designation will apply to both the Participant's Account (as defined in the Plan) and his or her Grandfathered Account, if any; a Participant may not designate different beneficiaries for his or her Account and Grandfathered Account. A Participant may change such designations from time to time and the last written designation filed with the Committee prior to the Participant's death will control. In the event no beneficiary is designated, or if the designated beneficiary predeceases the Participant, payment shall be payable to the Participant's estate. For this purpose, a Participant's most recent written beneficiary designation properly filed under a Prior Agreement shall continue to be given effect until otherwise modified in accordance with the provisions of this Section.

5.6 Form of Distribution.

If a Participant's Termination of Employment is due to the Participant's Retirement, Early Retirement Disability or death, or occurs after the Participant has attained age fifty (50), distribution may be made, at the Participant's election, in a lump sum or in substantially equal annual installments over a period not to exceed fifteen (15) years; provided, however, with respect to Terminations of Employment occurring on or after October 1, 2003, an installment election will be given effect only if, as of the date on which any lump sum payment would be valued, the participant's Grandfathered Account is valued at greater than fifty-thousand dollars (\$50,000). Any Participant whose Grandfathered Account is valued at less than fifty-thousand dollars as of the date on which any lump sum payment would be valued shall be defaulted to a lump sum payment. A Participant may file a distribution election with the Committee on forms prescribed by the Committee. A distribution election, once given effect under this Section 5.6, will apply to the Participant's total Plan benefits. A Participant may, however, file a separate election for death benefits payable under Section 5.2 - 5.4. To be given effect under this Section

5.6, any distribution election for benefits payable under Section 5.2 or Section 5.3 to the Participant must have been filed with the Committee at least six (6) full calendar months before the occurrence of an event entitling the Participant to a distribution thereunder. If a Participant's distribution election has not been on file with the Committee for the full six (6)-month period, it will not be recognized or given effect by the Plan. In that event, distribution will be made in accordance with the Participant's most recent distribution election which was filed with the Committee at least six (6) months prior to the Participant's Retirement, Early Retirement, Disability, or Termination of Employment after age fifty (50). The six (6)- month period provided above shall not apply to death benefits payable under Section 5.2 - 5.4. For purposes of this Section 5.6, a Participant's last distribution election filed with Walmart under a Prior Agreement will be given effect for the Participant's total Plan benefits until superseded or amended by the Participant in accordance with the provisions of this Section, except that death benefits under Section 5.4 will be paid in a lump sum unless an affirmative election to the contrary is filed by the Participant. If the Participant has not been a Participant in the Plan for at least six (6) months prior to the Participant's Retirement, Early Retirement Disability, or Termination of Employment after age fifty (50), the Participant's initial distribution election filed with Walmart will be given effect. For purposes of this Section 5.6, it is expressly provided that any installment election which would be given effect hereunder for benefits payable under Section 5.3 shall automatically be given effect for Participants who incur a Termination of Employment on or after June 1, 1999 and after attaining age fifty (50), without the consent or ratification of any such Participant.

5.7 Reductions Arising from a Participant's Gross Misconduct.

A Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. Notwithstanding anything herein to the contrary, in the event the Committee determines that the Participant has engaged in Gross Misconduct during the prescribed period: (a) the Participant shall forfeit all Incentive Payments, and credited Plan earnings thereon; and (b) earnings credited to the Participant's Grandfathered Account derived from Deferred Compensation and Deferred Bonuses shall be recalculated for each Plan Year to reflect the amount which would otherwise have been credited if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect for such Plan Year. Under no circumstances will a Participant forfeit any portion of the Participant's Deferred Compensation or Deferred Bonuses. Any payments received hereunder by a Participant (or the Participant's beneficiary) are contingent upon the Participant not engaging (or not having engaged) in Gross Misconduct while employed with Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Business Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period, the Participant (or the Participant's beneficiary) shall repay to Walmart, or the applicable Related Affiliate, any amount in excess of that to which the Participant is entitled under this Section 5.7.

5.8 Distributions for Unforeseeable Emergencies.

In the event of an Unforeseeable Emergency, the Committee, in its sole and absolute discretion and upon written application of such Participant, may direct immediate distribution of

all or a portion of the Participant's Plan benefits. The Committee will permit distribution because of an Unforeseeable Emergency only to the extent reasonably needed to satisfy the emergency need.

Notwithstanding anything herein to the contrary, the provisions of this paragraph apply in the event a Participant receives a distribution under this Section 5.8, the Participant's Termination of Employment for any reason occurs on a date other than the last business day of a Fiscal Year (excluding for this purpose Saturday or Sunday), and the Participant's benefits hereunder for any reason are paid in the same Fiscal Year in which the Participant received a distribution for Unforeseeable Emergencies under this Section 5.8. In that event, the Participant's lump sum amount calculated under Sections 5.2, 5.3, or 5.4 will be reduced by the amount distributed under this Section 5.8 and the applicable interest equivalent will be calculated in a manner consistent with Section 4.1.

ARTICLE VI. ADMINISTRATION

6.1 General.

The Committee is responsible for the administration of the Plan and is granted the following rights and duties:

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Participants (or their beneficiaries) under this Plan;
 - (b) The Committee shall have the authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
 - (c) The Committee may appoint a person or persons to act on behalf of, or to assist, the Committee in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Committee deems necessary or appropriate;
 - (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, any Related Affiliate, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and
 - (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.
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**ARTICLE VII.
CLAIMS PROCEDURE**

7.1 General.

Any claim for benefits under the Plan must be filed by the Participant or beneficiary (“claimant”) in writing with the Committee or its delegate. If a claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee or its delegate. Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to the pertinent Plan provision upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim; and
- (d) an explanation of the Plan’s claim review procedure.

7.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant’s duly authorized representative:

- (a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;
- (b) may review pertinent documents; and
- (c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

**ARTICLE VIII.
MISCELLANEOUS PROVISIONS**

8.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding

sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit the Participant's then-existing Grandfathered Account.

8.2 Non-Alienability.

The rights of a Participant to the payment of benefits as provided in the Plan may not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation. No Participant may borrow against the Participant's interest in the Plan. No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 No Employment Rights.

Nothing contained herein shall be construed as conferring upon the Participant the right to continue in the employ of Walmart or any of its Related Affiliates as an officer or in any other capacity.

8.4 No Right to Bonus.

Nothing contained herein shall be construed as conferring upon the Participant the right to receive a bonus from the Walmart Inc. Management Incentive Plan for Officers. A Participant's entitlement to such a bonus is governed solely by the provisions of that plan.

8.5 Withholding and Employment Taxes.

To the extent required by law, Walmart, or a Related Affiliate will withhold from a Participant's current compensation or from Plan distributions, as the case may be, such taxes as are required to be withheld for federal, state or local government purposes.

8.6 Income and Excise Taxes.

The Participant (or the Participant's beneficiaries or estate) is solely responsible for the payment of all federal, state and local income and excise taxes resulting from the Participant's participation in this Plan.

8.7 Recovery of Overpayments.

In the event any payments under the Plan are made on account of a mistake of fact or law, the recipient shall return such payment or overpayment to Walmart as requested by Walmart.

8.8 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart and each Related Affiliate which is a participating employer, their successors and assigns, and the Participant, the Participant's beneficiaries, heirs, and legal representatives.

8.9 Governing Law.

This Plan shall be subject to and construed in accordance with the laws of the State of Delaware to the extent not preempted by federal law.

WALMART INC.
MANAGEMENT INCENTIVE PLAN
(As amended effective February 1, 2018)

1. GENERAL

1.1 Purpose. The purpose of the Walmart Inc. Management Incentive Plan (the “MIP”) is to advance the interests of the shareholders of the Company by providing performance-based incentives to eligible associates.

1.2 Effective Date. The MIP, which was originally called the Wal-Mart Stores, Inc. Management Incentive Plan of 1998, was originally effective February 1, 1998. It was amended effective February 1, 2003, February 1, 2008, February 1, 2013, and February 1, 2017. It was renamed on February 1, 2018. The MIP is hereby amended, effective for the Fiscal Year beginning February 1, 2018.

1.3 Compliance with Section 162(m). The MIP is designed to permit Incentive Plan Awards to qualify for the Section 162(m) Exemption. Whenever the Committee determines that it is advisable, the Committee may make grants or payments of Incentive Plan Awards that do not qualify for the Section 162(m) Exemption.

2. DEFINITIONS

2.1 “Board” means the Board of Directors of the Company.

2.2 “Committee” means the committee of the Board with responsibilities including executive compensation matters subject to Regulation S-K Item 402, or other committee designated by the Board as the “Committee” under the MIP. The members of the Committee shall be “independent” within the meaning of applicable stock exchange listing requirements. With respect to awards under the MIP intended to qualify for the Section 162(m) Exemption, the Committee must consist of two or more persons each of whom are “outside directors” as defined or interpreted for purposes of the Section 162(m) Exemption. To the extent the Committee delegates authority pursuant to Section 5.2, references to the Committee in the MIP shall, as appropriate, be deemed to refer to the Committee’s delegate.

2.3 “Company” means Walmart Inc. and any successor thereto that adopts the MIP.

2.4 “Covered Employee” has the meaning of that term under Section 162(m)(3).

2.5 “Employer” means the Company and any Related Affiliate that employs a Participant.

2.6 “Fiscal Year” means the Company’s fiscal year, which is the 12-month period beginning on each February 1 and ending on the following January 31, or other fiscal year of the Company that the Company may establish.

2.7 “Incentive Plan Award” means an incentive compensation award for a Performance Period under the MIP.

2.8 “MIP” means this Walmart Inc. Management Incentive Plan, as amended herein, and as it may be amended from time to time.

2.9 “Participant” means an associate of an Employer designated by the Committee under Section 3.1 as a participant in the MIP for a Performance Period as provided in Section 3.1.

2.10 “Performance Goal” means one or more objective performance goals established by the Committee with respect to an Incentive Plan Award for a Performance Period. Any Performance Goal may be based upon the performance of the Company, of any Related Affiliate, of a division or unit thereof, or of an individual Participant, or groups of individual Participants, or of a store or groups of stores, using one or more of the Performance Measures selected by the Committee. Performance Goals may be absolute, or may be relative to the comparable measure at comparison companies or a defined index. Different Performance Measures may be given different weights.

2.11 “Performance Measure” means one or more of the following criteria, on which Performance Goals may be based, subject to Section 4.1(c):

- (a) earnings (either in the aggregate or on a per-share basis (“EPS”), reflecting dilution of shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends or net of or including the after-tax cost of capital) before or after interest and taxes (“EBIT”) or before or after interest, taxes, depreciation and amortization (“EBITDA”); (b) pre-tax operating earnings after interest and before incentives, service fees and extraordinary or special items; (c) earnings growth or growth in EPS; (d) EPS from continuing operations, operating earnings, growth in operating earnings; (e) value of assets; (f) economic value added (net operating profit after tax minus the product of capital multiplied by the cost of capital); (g) operating margin, pre-tax operating margin, or operating efficiency; (h) operating profits; (i) operating or administrative expenses; (j) net income or net operating income; (k) operating cost management; (l) gross or net revenue, changes in annual revenues; (m) revenue per associate, revenue per full time employee (“FTE”), revenue per square foot or other real estate measure; (n) same store sales, or comparable store sales, or total sales levels; (o) cash flow(s) (including either operating or net cash flows or free cash flows); (p) cash flow on investment; (q) financial return ratios; (r) total shareholder return, shareholder return based on growth measures or the attainment by the shares of a specified value for a specified period of time, share price or share price appreciation;
- (s) dividends; (t) net worth; (u) return measures, including return or net return on assets, net assets, equity, capital, gross sales, committed capital, or invested capital; (v) adjusted pre-tax margin; (w) pre-tax profits or gross profits; (x) volume, market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (y) aggregate product price and other product measures; (z) expense or cost levels, in each case, where applicable, determined either on a Company-wide basis or in respect of any one or more specified divisions or products; (aa) reduction of losses, loss ratios, or expense ratios; (bb) reduction in fixed costs; (cc) cost of capital, working capital targets, or change in working capital; (dd) debt reduction; (ee) productivity measures; (ff) average inventory turnover or inventory controls, on-shelf availability, inventory metrics, asset quality; (gg) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (hh) regulatory ratings; (ii) customer satisfaction based on specified objective goals or a Company-sponsored customer survey; (jj) employee diversity goals; (kk) supplier diversity goals; (ll) employee turnover; (mm) attraction of employees; (nn) specified objective social goals; (oo) safety record; or (pp) business integration.

2.12 “Performance Period” means a Fiscal Year or other period of time (which may be longer or shorter than a Fiscal Year) set by the Committee.

2.13 “Potential Covered Employee” means an associate designated by the Committee at the time an award is granted who, in the Committee’s judgment, may be a Covered Employee at the time the award is paid.

2.14 “Related Affiliate” means a business or entity that is, directly or indirectly, controlled by the Company.

2.15 “Section 162(m)” means section 162(m) of the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

2.16 “Section 162 (m) Exemption” means the exemption from the limitation on deductibility imposed by Section 162(m) as set forth in Section 162(m)(4)(c) of the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

3. PARTICIPATION

3.1. Eligibility. Associates eligible to participate in the MIP shall consist of those officers and other management associates of an Employer and those select non-management associates whom the Committee determines have the potential to contribute significantly to the success of the Company or its Related Affiliates. For each Performance Period the Committee shall determine which officers, other management associates, and select non-management associates shall participate in the MIP. At any time, including during a Performance Period, the Committee may add additional classes or delete classes of associates for participation in the MIP as it deems appropriate for the Performance Period.

4. INCENTIVE PLAN AWARDS

4.1. Determination of Incentive Plan Awards.

- (a) *Committee to Establish Basis for Awards*. In connection with the grant of an Incentive Plan Award, for each Performance Period, the Committee shall establish the Performance Goal(s) and the Performance Measure(s) applicable to such Incentive Plan Award, and shall either:
- (i) establish the formula for determining the amounts payable based on the level of achievement of the applicable Performance Goal; or
 - (ii) for any one or more Participants, subject to Section 4.2(a), establish a formula for determining the maximum amount payable (an “umbrella plan”) based on the level of achievement of the applicable Performance Goal, and set a methodology for determining the actual amount payable (a “plan within a plan”) which may, but need not, be based on Performance Measures; or
 - (iii) for any two or more Participants (“Pool Participants”), establish a performance award pool, which shall be an unfunded pool, the aggregate amount of which shall be based upon the achievement of the Performance

Goal. The Committee may specify the amount of the pool as a percentage of any such Performance Measure, a percentage thereof in excess of a threshold amount, or an another amount that need not bear a mathematical relationship to such Performance Measure(s). The maximum amount payable to any Pool Participant may be a stated percentage of the pool, or a percentage (or multiple) of the Pool Participant's target Incentive Plan Award, or of the Pool Participant's compensation or any element(s) thereof; provided the sum of the amounts allocable to Pool Participants as Incentive Plan Awards shall not exceed the aggregate amount of the pool, and shall not exceed the per-person award limit in Section 4.2(a).

- (iv) With respect to each Incentive Plan Award, the Committee shall: (A) determine the consequences for the Incentive Plan Award of the Participant's change in employment status as provided in Section 4.2(b); (B) specify the consequences for the Award of the occurrence of a change in control of the Employer during a Performance Period; and (C) establish such other terms and conditions for the Incentive Plan Award as the Committee deems appropriate.
- (v) For Incentive Plan Awards intended to qualify for the Section 162(m) Exemption, each of the foregoing shall be accomplished within the time period required to qualify for the Section 162(m) Exemption. With respect to Participants who are not Potential Covered Employees, and for Incentive Plan Awards not intended to qualify for the Section 162(m) Exemption, the Committee may establish other subjective or objective goals, including individual Performance Goals, as it deems appropriate, which need not be based on Performance Measures.
- (b) *Certification of Performance Goal Achievement.* The Committee shall, promptly after the date on which the necessary financial, individual, or other information for a particular Performance Period becomes available, and in any event prior to the payment of any Incentive Plan Award intended to qualify for the Section 162(m) Exemption to a Covered Employee, determine and certify the degree to which each of the Performance Goals has been attained.
- (c) *Permitted Adjustments.* Except as permitted under Section 4.2, Incentive Plan Awards shall be paid solely in accordance with the applicable formula or umbrella plan or the pool for the Performance Period, based upon the level of achievement of Performance Goals. Performance Goals, to the extent determined based on accounting standards or principles, shall be based upon generally accepted accounting principles, or international financial accounting standards, as applicable. However, unless the Committee specifies otherwise within the time period required to qualify for the Section 162(m) Exemption, Performance Goals shall be adjusted by the Committee to take into account the effect of the following, to the extent the adjustment items exceed thresholds for adjustment established by the Committee when the Performance Goals are established: changes in accounting standards that may be required by the Financial Accounting Standards Board after the Performance

Goal is established; realized investment gains and/or losses; extraordinary, unusual, non-recurring or infrequent items; currency fluctuations; acquisitions; divestitures; litigation losses; financing activities; expenses for restructuring or productivity initiatives; other non-operating items; new laws, cases, or regulatory developments that result in unanticipated items of gain, loss, income, or expense; executive severance arrangements; investment returns relating to investment vehicles which are unaffiliated with a Company or divisional operating strategy; bonus expense; the impact on pre-tax income of interest expense attributable to the repurchase of Company stock; extraordinary dividends or stock dividends; the effect of corporate reorganizations or restructuring, spinoff, or a sale of a business unit; and other items as the Committee determines at the time the Performance Goal is established to be required so that the operating results of the Company, division, or a Related Affiliate shall be computed on a comparative basis from Performance Period to Performance Period; in each case as those terms are defined under generally accepted accounting principles or, if applicable, international financial accounting standards, and provided in each case that such excluded items are objectively determinable by reference to the Company's financial statements, notes to the Company's financial statements, and/or management's discussion and analysis in the Company's financial statements. Determination by the Committee or its designee shall be final and conclusive on all parties, but shall be based on relevant objective information or financial data.

4.2. Maximum Incentive Plan Award; Committee Discretion.

- (a) *Maximum Incentive Plan Award.* In no event will an Incentive Plan Award for a Covered Employee intended to qualify for the Section 162(m) Exemption exceed \$20,000,000 for a 12-month Performance Period (or in the case of a Performance Period other than 12 months long, an amount that bears the same ratio to \$20,000,000 as the length of the Performance Period bears to 12 months).
- (b) *Change in Employment Status.* The Committee shall have the discretion and authority to determine the consequences for the Incentive Plan Award of a Participant's: (i) termination of employment for various reasons or the Participant's disability, or the Participant's demotion or promotion during the Performance Period; (ii) leaving the Employer and being rehired as a Participant; (iii) being hired, promoted, or transferred into a position eligible for MIP participation; (iv) transferring between eligible MIP positions with different incentive percentages or Performance Goals; (v) transferring to a position not eligible to participate in the MIP; (vi) becoming eligible for an incentive from another incentive plan maintained by the Company or Related Affiliate; (vii) being on a leave of absence; and (viii) similar circumstances deemed appropriate by the Committee, consistent with the purpose and terms of the MIP; provided however, that the Committee shall not be authorized to increase the amount of the Incentive Plan Award payable to a Covered Employee that is intended to qualify for the Section 162(m) Exemption. If a Participant is on administrative suspension at the time payment would otherwise be made, no payment shall be made until the matter is resolved by the Employer, and it is determined whether the Incentive Plan Award shall be paid or forfeited.

- (c) *Committee Discretion.* The Committee shall have the discretion to reduce, eliminate, or increase any Incentive Plan Award for any individual or group, to reflect individual performance and/or unanticipated factors, including but not limited to those described in Section 4.1(c), or in the case of a plan within a plan, to implement the methodology for determining the actual amount of a Participant's Incentive Plan Award. Notwithstanding the foregoing, and subject to the following sentence, with respect to the Incentive Plan Awards of Potential Covered Employees intended to qualify for the Section 162(m) Exemption, the Committee shall not increase such awards above the amount determined under the applicable formula, umbrella plan, or pool for the Performance Period, or (except in case of death or a change in control) waive the achievement of applicable Performance Goals. In the event a Potential Covered Employee is determined at the end of the Performance Period not to be a Covered Employee, and to the extent it would not cause the Potential Covered Employee to become a Covered Employee, the Committee may exercise its discretion to increase the amount of such Potential Covered Employee's Incentive Plan Award above the amount generated under the applicable formula for the Performance Period.

4.3. Payment of Award.

- (a) *Usual Timing.* For any recipient subject to U. S. federal income tax, unless payment of the Incentive Plan Award is duly deferred by the Participant under an applicable deferred compensation arrangement, Incentive Plan Awards will be paid by the Participant's Employer in cash or cash equivalent no later than two and one-half months after the later of (a) the end of the calendar year in which the applicable Performance Period ends or (b) the end of the Fiscal Year in which the Performance Period ends. The Committee may establish different payment schedules for different Participants. Notwithstanding the foregoing, it is contemplated that for any Performance Period ending on January 31, payment to recipients subject to U. S. federal income tax will be made by the following April 15. If any portion of an Incentive Plan Award payable to a Covered Employee that is intended to qualify for the 162(m) Exemption for any reason is not deductible under Section 162(m), payment of that portion shall, in the Committee's discretion, be deferred until the earliest date it may be paid and deducted.

Unless otherwise provided by the Committee, Incentive Plan Awards will be paid without interest.

- (b) *Certain Participants not Eligible.* To be eligible for payment of any Incentive Plan Award, the Participant must (i) be employed by the Company or a Related Affiliate on the last day of the Performance Period to which the Incentive Plan Award pertains, except that in the event of a Participant's death, the Incentive Plan Award shall be prorated based upon the number of full payroll periods worked as a Participant during the Performance Period prior to death, (ii) have performed the Participant's duties to the satisfaction of the Committee, (iii) have not engaged in any act deemed by the Committee to be inimical to the best interest of the Company or a Related Affiliate, (iv) have not breached any restrictive covenant or confidentiality requirement to which the Participant is subject, and (v) otherwise have complied with Company and

Employer policies at all times prior to the actual payment of the Incentive Plan Award.

- (c) *Recoupment.* If the Committee determines within twelve months following the date an Incentive Plan Award is paid (i) that the Participant, prior to the date of payment of such Incentive Plan Award, (A) engaged in any act the Committee deems inimical to the best interest of the Company or a Related Affiliate, or (B) violated any of the requirements of Section 4.3(b), or (ii) that the Participant, whether before or after payment of such Incentive Plan Award failed to comply with Company and Employer policies, the recipient of the Incentive Plan Award shall be obligated, upon demand, to return the amount of such Incentive Plan Award to the Employer that paid it. In addition, all Incentive Plan Awards, whether or not previously paid, and whether or not previously deferred, shall be subject to the Company's policies or requirements or applicable law (including regulations and other applicable guidance) regarding clawbacks (recoupment) as in effect from time to time.

5. ADMINISTRATION

5.1. Administration. The MIP shall be administered by the Committee. Subject to the provisions of the MIP, the Committee shall have full discretionary authority to administer and interpret the MIP, to exercise all powers either specifically granted to it under the MIP or as are necessary or advisable in the administration of the MIP, to decide the facts in any case arising under the MIP, to prescribe, amend and rescind rules and regulations relating to the MIP, to correct errors or omissions, to require performance reports on which it can base its determinations under Section 4.1, and to make all other determinations necessary or advisable for the administration of the MIP (including but not limited to determinations with respect to whether and under what circumstances or conditions a Participant has had a termination of employment for purposes of the MIP), all of which shall be binding on all persons, including the Company, Related Affiliates, the Participants (or any person claiming any rights under the MIP from or through any Participant), and any shareholder of the Company. The Committee's administration of the MIP, including all rules and regulations, interpretations, selections, determinations, approvals, decisions, delegations, amendments, terminations, and other actions, shall be final and binding on the Company and its shareholders, Related Affiliates, and all associates of any Employer, including Participants and their beneficiaries. A majority of the Committee shall constitute a quorum, and, provided a quorum is present, the Committee shall act pursuant to a majority vote of those present or by unanimous written consent. No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the MIP or any Incentive Plan Award.

5.2. Allocation and Delegation; Sub-Plans.

- (a) *Allocation.* Except to the extent prohibited by applicable law (including regulations and other applicable guidance) or the applicable listing standards of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members.
- (b) *Delegation; Sub-Plans.* Provided that the Committee shall not delegate authority or responsibility for Incentive Plan Awards of Potential Covered Employees intended to

qualify for the Section 162(m) Exemption, the Committee may delegate all or any part of its responsibilities and powers under the MIP to one or more persons as the Committee deems appropriate. Delegates need not meet the independence or outside director requirements applicable to the Committee. The Committee may establish and administer sub-plans for such groups or classes of eligible associates as the Committee may specify, and may establish different Performance Periods, Performance Measures, and Performance Goals and payment schedules thereunder, which may be modified as deemed appropriate to conform to foreign law or practice. The Committee may *also* delegate responsibility and authority to such persons as it deems appropriate for establishing and administering any such sub-plans, including with respect to such sub-plans, authority to exercise upward or downward discretion in determining the final amount of an Incentive Plan Award thereunder.

- (c) *Revocation.* The Committee may at any time revoke any allocation or delegation.

6. MISCELLANEOUS

6.1. Amendment and Termination.

- (a) *Amendment and Termination.* The Board may at any time amend or terminate the MIP (in whole or in part) without the approval of the shareholders of the Company, except as otherwise provided in this Section 6.1. Neither the Company nor any Related Affiliate is obligated to continue this MIP.
- (b) *Shareholder Approval.* Any amendment to the MIP that changes the class of associates of an Employer eligible to participate, changes the Performance Goals, Performance Measures, or increases the maximum dollar amount that may be paid to a Participant for a Performance Period shall not be effective with respect to Incentive Plan Awards to Covered Employees intended to qualify for the Section 162(m) Exemption unless the amendment is approved by shareholders as provided in Section 1.3 before the Incentive Plan Award is paid.

6.2. Effect of Incentive Plan Awards on Other Compensation.

- (a) *Not Taken into Account Under Other Plans.* Awards shall not be considered eligible pay under other plans, benefit arrangements, or fringe benefit arrangements of the Company or a Related Affiliate, unless otherwise provided under the terms of other plans.
- (b) *Compensation Reduction and Compensation Deferral Elections Apply to Incentive Plan Awards.* To the extent provided in the applicable benefit or deferred compensation plan or arrangement of the Company or a Related Affiliate, amounts payable as Incentive Plan Awards will be reduced or deferred in accordance with the Participant's compensation reduction election or compensation deferral election, if any, in effect under other plans and arrangements at the time the Incentive Plan Award is paid.

- (c) *Sole Incentive Plan.* Unless determined otherwise by the Committee, associates shall not be eligible to participate in the MIP for any period they are participating in any other incentive program maintained by the Company or any Related Affiliate.

6.3. No Guarantee, No Funding. The payment of an Incentive Plan Award for any Performance Period does not guarantee any person eligibility for or payment of an Incentive Plan Award for any other Performance Period. Incentive Plan Awards shall be paid solely from the general assets of the Participant's Employer, to the extent the payments are attributable to services for the Employer. To the extent any person acquires a right to receive payments from an Employer under the MIP, the right is no greater than the right of any other unsecured general creditor. No absolute right to any Incentive Plan Award shall be considered as having accrued to any Participant prior to the payment of the Incentive Plan Award.

6.4. Taxes.

- (a) *Withholding.* The Participant's Employer shall have the right to deduct from all payments made under the MIP any federal, state, or local taxes required by law to be withheld with respect to the payments.
- (b) *Section 409A.* The MIP is intended to comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986 ("Section 409A") and, accordingly, to the maximum extent permitted, the MIP shall be construed and interpreted in accordance with such intent. If payment of any amount of "deferred compensation" (as defined under Section 409A, after giving effect to the exemptions thereunder) is triggered by a separation from service (as defined under Section 409A) that occurs while the Participant is a "specified employee" with respect to the Company (as defined under Section 409A), and if such amount is scheduled to be paid within six (6) months after such separation from service, the amount shall accrue without interest and shall be paid the first business day after the end of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Participant's estate following the Participant's death.
- (c) *Participant Solely Responsible.* Notwithstanding the foregoing, the Participant shall be solely responsible for the satisfaction of any federal, state, local, or foreign taxes on payments under the MIP. By way of example and not limitation, in no event whatsoever shall the Company be liable for any additional tax, interest, or penalties that may be imposed on the Participant by Code Section 4999 (golden parachute payments) or by Code Section 409A or any damages for failing to comply with Code Section 409A

6.5. Governing Law. The MIP and all rights to an Incentive Plan Award hereunder shall be construed in accordance with and governed by the laws of the State of Delaware to the extent not preempted by federal law.

6.6. Awards Not Transferable. Subject to Section 6.8, a Participant's rights and interest under the MIP may not be assigned or transferred. Any attempted assignment or transfer shall

be null and void and shall extinguish, in the Committee's sole discretion, the Employer's obligation under the MIP to pay Incentive Plan Awards with respect to the Participant.

6.7. Employment. Neither the adoption of the MIP nor its operation shall in any way affect the rights and power of the Company or any Related Affiliate to dismiss or discharge any Participants. The MIP is not a contract between the Company or any Related Affiliate and any associate of the Company or Related Affiliate or Participant.

6.8. Beneficiary. In the event of a Participant's death prior to the payment of any Incentive Plan Award to which the Participant is otherwise entitled, payment shall be made to the Participant's then-effective beneficiary or beneficiaries under the Employer-paid group term life insurance arrangement.

Walmart Inc.

2016 Associate Stock Purchase Plan

(As amended effective February 1, 2018)

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Walmart Inc. 2016 Associate Stock Purchase Plan

I. Definitions

- 1.1 **“Account”** shall mean a Participant’s account which holds his or her shares of Stock pursuant to the Plan.
- 1.2 **“Account Administrator”** shall mean the third party administrator for the Accounts as may be from time to time appointed by the Committee.
- 1.3 **“Account Closure”** shall mean the closing of a Participant’s Account by one of the following means:
- (a) **“Automatic Account Closure”** shall mean the closure of a Participant’s Account by the Committee (or the Account Administrator if applicable) at the time such Participant’s Account balance contains no shares (or fractional shares) of Stock on or after his or her termination of employment with the Employer.
 - (b) **“Participant Account Closure”** shall mean the closure of a Participant’s Account pursuant to a request by the Participant to have his or her Account closed and to have all Stock or proceeds from the sale thereof distributed.
- 1.4 **“Affiliate”** shall mean any entity that is more than 50% owned or controlled, directly or indirectly, by the Company.
- 1.5 **“Associate”** shall mean any common law employee of an Employer, but shall not include independent contractors. An individual classified by the Employer as either an independent contractor or an individual who provides services to the Employer through another entity shall not be eligible to participate in this Plan during the period that the individual is so classified, even if such individual is later retroactively reclassified as an Associate during all or any part of such period pursuant to applicable law or otherwise.
- 1.6 **“Award Program”** shall mean a program established by the Company or a Participating Employer that results in its Associates receiving shares of Stock as an award for job performance.
- 1.7 **“Board”** shall mean the Board of Directors of the Company.
- 1.8 **“Committee”** shall mean the Global Compensation Committee of the Board, or such other committee as may be appointed by the Board.
- 1.9 **“Company”** shall mean Walmart Inc., a Delaware corporation.
- 1.10 **“Contribution”** shall mean any of the types of contributions that may be made to a Participant’s Account under the Plan, either by the Company, a Participating Employer or a Participant as set forth in Section III.
- 1.11 **“Employer”** shall mean the Company and its Affiliates.
- 1.12 **“Participant”** shall mean any Associate of the Company or a Participating Employer who satisfies the eligibility requirements in Section II and who has an Account established under the Plan, and Participant shall also include any former Associate of the Company or a Participating Employer who was a Participant in the Plan at the time of his or her termination of employment until such time as an Account Closure occurs.
- 1.13 **“Participating Employer”** shall mean an Affiliate whose participation in the Plan has been approved by the Committee. The Committee may require the Participating Employer to make corresponding contributions under the Plan in accordance with rules and procedures established by the Committee. The Committee, in its sole discretion, may terminate any such Affiliate’s Participating Employer status at any time and the Accounts of those Participants who are Associates of such Affiliate will be treated as if such Participants had transferred employment to an Affiliate that is not a Participating Employer as described in Section 5.3 of the Plan.
- 1.14 **“Payroll Deduction”** shall mean the payroll deduction from a Participant’s biweekly or weekly regular compensation (including from vacation pay and pay from any paid leave of absence) of an amount authorized by the Participant as a Payroll Deduction Contribution.
- 1.15 **“Plan”** shall mean the Walmart Inc. 2016 Associate Stock Purchase Plan (formerly known as the Wal-Mart Stores, Inc. 2016 Associate Stock Incentive Plan, and the Wal-Mart Stores, Inc. 2004 Associate Stock Purchase Plan), as amended, restated and renamed herein, or as it may be further amended from time to time.
- 1.16 **“Plan Year”** shall mean April 1 of a calendar year to March 31 of the following calendar year, or such other period as set by the Committee.
- 1.17 **“Section 16 Officers”** shall mean those officers of the Company who are subject to subsection 16(a) of
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the Securities Exchange Act of 1934, as amended.

1.18 “Stock” shall mean the common stock, \$.10 par value per share, of the Company.

II. Eligibility

2.1 In General. All Associates (including Section 16 Officers) of the Company or a Participating Employer are eligible to participate in the Plan, subject to the following limitations:

- (a) Associates who are restricted or prohibited from participating in the Plan under the applicable law of their state or country of residence may not participate in the Plan, except as may be provided in accordance with rules and procedures established by the Committee.
- (b) Associates of the Company and its Affiliates who are members of a collective bargaining unit whose benefits were the subject of good faith collective bargaining are excluded from participation in the Plan.
- (c) Participation by Associates of non-U.S. Participating Employers shall only be permitted upon approval by the Committee, which approval may be limited to groups or categories of Associates designated by the non-U.S. Participating Employer.
- (d) Section 16 Officers may be restricted in their ability to acquire or sell shares of Stock in order to comply with Section 16 of the Securities Exchange Act of 1934, as amended, in accordance with rules and procedures adopted by the Company's Audit Committee.

2.2 Leaves of Absence. Participants continue to be eligible to participate in the Plan while on a bona fide leave of absence from the Company or a Participating Employer in accordance with applicable policies of the Company or Participating Employer, or under such other circumstances with the approval of the Committee.

III. Plan Contributions

3.1 Shares Available for Contributions. Subject to stockholder approval of this Plan: (i) 10,943,171 shares of Stock shall be available for purchase from the Company under the Plan for credit to Accounts or for purchase in open market transactions over a national securities exchange under the Plan for credit to Accounts; (ii) 20,000,000 shares of Stock shall be available for purchase from the Company under the Plan for credit to Accounts; and (iii) 100,000,000 shares of Stock shall be available for purchase in open market transactions over a national securities exchange under the Plan for credit to Accounts.

3.2 Plan Contributions. The definitions of the types of Contributions which may be made pursuant to the Plan are as follows (subject to the limits provided in Section 3.3 as applicable):

- (a) **“Award Contribution”** means a contribution under the Plan on behalf of a Participant by the Company or a Participating Employer, as applicable, made pursuant to the Award Program in the sole discretion of the Committee.
- (b) **“Matching Contribution”** means a cash contribution to the Plan on behalf of a Participant by the Company or a Participating Employer, as applicable, which is equal to fifteen percent (15%) of the amount of the Participant's Payroll Deduction (up to a maximum dollar limit).
- (c) **“Payroll Deduction Contribution”** means a contribution to the Plan by a Participant pursuant to a valid authorization for a Payroll Deduction.
- (d) **“Voluntary Contribution”** means a contribution, if and to the extent permitted by the Committee from time to time, of shares of Stock or cash by the Participant to the Participant's Account which is not made by Payroll Deduction.

3.3 Maximum Limits on Contributions.

- (a) Matching Contributions and “Outstanding Performance” awards under the Award Program are subject to a maximum dollar limit for the Plan Year as set by the Committee from time to time in its discretion.
- (b) During any Plan Year, the combination of Payroll Deduction Contributions and Voluntary Contributions made in cash (not Stock) by a Participant shall not exceed \$125,000.

3.4 Payroll Deductions.

- (a) Subject to the Committee's authority to adjust the following amounts, a Participant's authorization for Payroll Deduction shall be for a minimum amount of \$2.00 per biweekly pay period or \$1.00 per weekly pay period, as applicable to the Participant, and such Payroll Deduction shall be in even multiples of \$.50.
 - (b) A Participant's request for Payroll Deduction (or a request for a revision thereto) will become effective as soon as practicable after receipt of such request by the Company or the Participating Employer, as
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applicable.

- (c) A Participant's Payroll Deduction authorization may be revised or terminated at any time by the Participant's request to the Company or the Participating Employer, as applicable.
- (d) A Participant's authorization for Payroll Deduction shall remain effective until the earlier of the Participant's (1) request to revise or terminate the Payroll Deduction authorization or (2) termination of employment with the Company or a Participating Employer, subject to Section 8 of the Plan.
- (e) All requests to initiate, revise or terminate an authorization for Payroll Deduction as described in this Section 3.4 shall be made in writing or in such other form acceptable to the Committee or its delegate from time to time.
- (f) The Senior Vice President, Benefits, or any successor position, in his or her discretion, may prohibit a Payroll Deduction from the final paycheck of a Participant. This Section applies to the Participant's final paycheck even if the Participant made a valid Payroll Deduction election applicable to prior paychecks. If a Payroll Deduction is prohibited from a Participant's final paycheck, any corresponding Matching Contributions shall also be prohibited.

3.5 Matching Contributions. The Company or Participating Employer, as applicable, shall make Matching Contributions as provided under the Plan and subject to the limits set forth in Section 3.3.

3.6 Award Contributions. Award Contributions shall be made, in the Committee's sole discretion, by either (1) the Company or the Participating Employer, as applicable, remitting to the Account Administrator on behalf of the Participant funds sufficient to purchase any shares or fractional shares of Stock that have been granted to such Participant under the Award Program or (2) the Participant receiving the Award Contribution directly as a certificate for a share or shares (as applicable) of Stock.

3.7 Voluntary Contributions. Participants may make Voluntary Contributions to the Plan subject to the terms and limitations described herein or that may be prescribed by the Committee from time to time.

3.8 Remittance of Contributions.

- (a) The Company or a Participating Employer, as applicable, will forward the total of all Payroll Deductions for the applicable payroll period along with the corresponding Matching Contributions, a list of Participants for whom the Contributions are being made and the amount allocable to each such Participant's Account to the Account Administrator as soon as practicable.
- (b) Voluntary Contributions, whether made in cash or shares of Stock, shall be remitted to the Account Administrator directly by the Participant.
- (c) As soon as practicable following a grant of an Award Contribution, an Award Contribution shall be made in the Committee's sole discretion as described in Section 3.6 of the Plan.
- (d) Prior to the time a Participant's Payroll Deduction and corresponding Matching Contribution is distributed to the Account Administrator, such amounts are considered general assets of the Company or Participating Employer (as applicable) and, as such, are subject to the claims of the Company's or Participating Employer's (as applicable) creditors in the event of insolvency or bankruptcy. In addition, no interest shall be paid on such amounts and all Participants assume the risk of fluctuations in the value or market price of Stock.

IV. Account Purchases, Maintenance & Sales

4.1 Account Establishment. The Account Administrator shall establish an Account in accordance with the Plan for any Associate who becomes a Participant. Upon the Committee's (or its delegate's) request, the Account Administrator shall establish an Account for an Associate who is to be awarded shares under an Award Program and who is not then a Participant.

4.2 Share Purchases. No later than five business days after the Account Administrator receives the remittance of funds for Contributions (including Voluntary Contributions made in cash) made to the Plan, the Account Administrator shall purchase shares of Stock from the Company, which may be purchases from the Company of authorized, but unissued, shares of Stock, shares of Stock held as treasury shares of Stock, in open market transactions over a national securities exchange, or in a combination of the foregoing. Notwithstanding the foregoing, the Committee may from time to time provide instructions to the Account Administrator with respect to the purchase of such shares of Stock but, absent such instructions, the Account Administrator shall determine the source of such Stock purchases in its discretion.

- (a) In the case of purchases from the Company of authorized but unissued or treasury shares of Stock, the
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price of such shares is equal to the Volume Weighted Average Price (VWAP) as reported on the New York Stock Exchange - Composite Transactions on the relevant date of purchase; provided, however, that the Committee may, in its discretion, designate some other methodology for determining the fair market value of such shares of Stock purchased from the Company.

- (b) The Account Administrator's purchase of shares of Stock in open market transactions over a national securities exchange and the price per share shall be in accordance with rules and procedures established by the Committee from time to time, the rules of the national securities exchange over which the shares of Stock are purchased and the rules of the Financial Industry Regulatory Authority.
- (c) As determined in the discretion of the Account Administrator (in accordance with any applicable rules and procedures of the Committee), funds received as Voluntary Contributions may be bundled into a group for the purpose of purchasing shares of Stock and such shares may be purchased over a time period that is greater than one day. If such shares of Stock are purchased as part of a bundled group, a Participant's purchase price for each share of Stock shall be the average price of all shares of Stock purchased within that group as determined by the Account Administrator.
- (d) No provision of this Plan shall limit the ability of the Committee to implement a real-time trading (or other) mechanism for the purchase or sale of shares of Stock under the Plan and, to the extent determined by the Committee, shall replace any other methodology for valuing and allocating shares of Stock purchased or sold under the Plan.

4.3 Share Purchases for Non-U.S. Participants. With respect to non-U.S. Participants, the amounts (1) withheld from such a Participant's compensation pursuant to an authorization for Payroll Deduction or (2) contributed as either a Matching Contribution or an Award Contribution made directly to a Participant's Account shall be converted from the applicable foreign currency to U.S. dollars for the purpose of purchasing shares of Stock, and such conversion shall be pursuant to the exchange rate published in The Wall Street Journal (or other similar source) on a date as soon as practicable prior to the effective date of the cash transfer from the Company or the Participating Employer, as applicable, to the Account Administrator. All such Participants assume the risk of fluctuations in the value or market price of shares of Stock and applicable currency exchange rates. With respect to non-U.S. Participants making Voluntary Contributions in cash, such amounts must be tendered to the Account Administrator in U.S. dollars unless otherwise determined by the Committee.

Notwithstanding anything to the contrary contained in the terms of this Plan, at the discretion of the Committee, purchases of shares of Stock for, or the participation in the Plan by, non-U.S. Participants may be suspended or discontinued if the applicable laws of a country or another governmental authority (such as the European Union) governing such purchases of shares of Stock or participation in the Plan would require the Company to register or qualify such shares of Stock, or its deemed offer or sale of shares of Stock under the Plan to, or to otherwise comply with procedures under such laws with respect to any deemed offer and sale of shares of Stock by the Company under the Plan to, such non-U.S. Participants or the Company would otherwise become subject to the laws of such country or other governmental authority as a result of such purchases of shares of Stock by or on behalf of a non-U.S. Participant unless the Company is already subject in all respects to the jurisdiction of such country or governmental authority.

4.4 Allocation to Accounts. The number of shares (whole and fractional shares) of Stock shall depend upon the purchase price as described in Section 4.2 at the time such purchases are made. Purchases of Stock will be allocated by the Account Administrator based upon the applicable purchase price to each applicable Participant's Account in proportion to the respective amount of Contributions received for each Participant's Account. Allocations of Stock will be made in full shares and in fractional interests in shares to the thousandths of a share.

4.5 Share Ownership. At the time shares of Stock are credited to a Participant's Account, he or she will acquire full ownership of all such shares (as well as any fractional interests) of Stock.

- (a) All shares of Stock will be registered in the name of the Account Administrator and will remain so registered until delivery is requested by the Participant. The Participant may request from the Account Administrator that a certificate for any or all full shares of Stock be delivered to the Participant or that the Participant be reflected as the record owner of such shares of Stock in the Direct Registration System of the Depository Trust Company, if the Company participates in that system, at no cost to such Participant at any time.
 - (b) The Account Administrator shall cause to be delivered at no cost to each Participant as promptly as practicable, by mail, electronic mail, or otherwise, all notices of shareholders' meetings, proxy statements
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and other material distributed by the Company to its stockholders. The full shares of Stock in each Participant's Account shall be voted in accordance with the Participant's signed proxy voting instructions timely delivered to the Account Administrator. In the event that a Participant does not timely provide the Account Administrator with proxy voting instructions, the Account Administrator may direct the voting of such shares of Stock held in an Account to the extent such action or direction would comply with applicable law and any applicable listing standards of a national securities exchange.

- (c) A Participant may not assign or hypothecate any interest in the Plan; provided, however, that upon purchase of shares under the Plan, such shares may be sold, assigned, pledged, hypothecated or otherwise dealt with as would be the case with respect to any other shares of Stock the Participant might otherwise own, subject to the Participant's compliance with the Walmart Inc. Insider Trading Policy.
- (d) Neither the Company nor any Participating Employer may make any deductions from amounts properly credited to a Participant's Account. Neither the Company nor any Participating Employer shall have any security interest on the shares of Stock held in a Participant's Account. Notwithstanding the foregoing, a lender may have a security interest on the shares of Stock held in a Participant's Account if the Participant has pledged such Stock as collateral in connection with a line of credit that may be obtained by certain Participants (other than Section 16 Officers) through the Account Administrator's Stock Secured Line of Credit Program, if any.

4.6 Account Statements. Each Participant will be sent at least an annual statement reflecting all Account activity during the period covered by the statement.

4.7 Risk of Loss. There is no guarantee of the value or market price of shares of Stock acquired pursuant to the Plan. In seeking potential benefits of Stock ownership, each Participant bears the risks associated with Plan participation and ownership of Stock, including the risk of any decrease in the value of market price of shares of Stock acquired pursuant to the Plan.

4.8 Commission & Maintenance Charges.

- (a) No brokerage commissions are charged to Participants for purchases of Stock under the Plan, however, brokerage commissions and other applicable fees shall be charged to the Participant for all sales of Stock from his or her Account. Such commissions and other applicable fees for sales of Stock held in a Participant's Account shall be at the rates posted by the Account Administrator, which may be changed from time to time by the Account Administrator with approval of the Committee (or its delegate).
- (b) The Company or Participating Employer, as applicable, shall pay the applicable periodic maintenance fees (if any) for the Participant's Account until the earlier of (1) a Participant Account Closure occurs or (2) the Participant incurs a termination of employment with the Company or Participating Employer, as applicable, subject to Section 5.3. Any services requested of the Account Administrator by the Participant that are not covered by the Company's arrangement with the Account Administrator shall be paid for solely by the Participant.
- (c) At such time as the Company or Participating Employer, as applicable, ceases to pay the applicable Account maintenance fees as set forth subsection (b) above, the Participant shall become responsible for any applicable Account maintenance fees. In this case, periodic maintenance fees and other applicable charges to the Account shall be paid from time to time to the Account Administrator automatically from the proceeds of a sale of a sufficient number of shares of Stock held in the Participant's Account to cover such fees and charges until the earlier of a Participant Account Closure or an Automatic Account Closure occurring.

4.9 Account Sales. The Participant may instruct the Account Administrator in writing (or any other method acceptable to the Committee or its delegate) at any time to sell any portion or all of his or her full shares of Stock and the fractional interest in any shares of Stock allocable to his or her Account, and the timing for such sale of Stock shall be in accordance with rules and procedures established by the Committee from time to time. Any account sales shall be subject to the Walmart Inc. Insider Trading Policy, including, but not limited to, the Trading Windows and trading restrictions on Section 16 Officers.

- (a) The sale price for a share of Stock under the Plan shall be the average price of all shares of Stock sold by the Account Administrator on the date of the Participant's sale transaction; provided, however, that the Committee reserves the right to implement a real-time trading or similar mechanism for Participants' sales of shares of Stock from their respective Accounts under the Plan and the valuation of shares of
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Stock would be in accordance with any such mechanism.

- (b) Upon such sale, the Account Administrator shall mail to the Participant a check (or such method of payment as approved by the Committee or its delegate) for the proceeds, less the brokerage commission, and other normal charges such as sales fees, which are payable by the Participant.
- (c) Such instruction to the Account Administrator, or a request for delivery of Stock certificates held in the Participant's Account, will not affect the Participant's status as a Participant under the Plan unless the delivery of such certificates results in an Account Closure.
- (d) With respect to non-U.S. Participants, shares of Stock are sold or traded in U.S. dollars and such amounts can be converted for the purpose of remitting the proceeds to the non-U.S. Participant. If the proceeds from the sale of shares of Stock held in the Participant's Account are converted to a currency other than U.S. dollars, such conversion shall be made pursuant to the applicable exchange rate published in The Wall Street Journal (or other similar source) on the date such transaction is executed. All such Participants assume the risk of fluctuations in the value or market price of shares of Stock and applicable currency exchange rates.

V. Account Closure & Termination of Employment

- 5.1 Account Closure.** A Participant who elects to discontinue Payroll Deductions under the Plan shall continue to be a Participant until the earlier of a Participant Account Closure or an Automatic Account Closure occurring. In connection with a Participant Account Closure, the Participant must elect to have his or her Account fully distributed in either (1) Stock (except that the value of any fractional shares of Stock will be distributed in cash) less any applicable fees or (2) cash by directing all full shares (and fractional interests) of Stock to be sold with the proceeds, less applicable brokerage commissions and other applicable fees, being distributed in accordance with the terms, provisions, and conditions of the Plan.
- 5.2 By Termination of Employment Other Than Due to Death of Participant.** The Account of a Participant who incurs a termination of employment (other than by reason of death) with the Company or a Participating Employer will continue to be maintained with the periodic fees and any other applicable charges being paid by the Participant in accordance with Section 4.8(c) of the Plan.
- 5.3 By Transferring Employment from the Company or a Participating Employer to an Affiliate.** A Participant who transfers employment from the Company or a Participating Employer to an Affiliate who does not sponsor or participate in the Plan may continue to have his or her Account maintained at the expense of the Company while still employed with an Affiliate until the earlier of a Participant Account Closure or an Automatic Account Closure occurring (provided that such Automatic Account Closure can only occur following termination of employment with such Affiliate). In connection with a Participant Account Closure, the Participant must elect to have his or her Account fully distributed in either (1) Stock (except that the value of any fractional shares of Stock will be distributed in cash less any applicable fees) or (2) cash by directing all full shares (and fractional interests) of Stock to be sold with the proceeds, less applicable brokerage commissions and other applicable fees, being distributed, in accordance with the terms, provisions, and conditions of the Plan. Unless and until such Participant re-establishes eligibility to participate in the Plan, such Participant shall no longer be eligible to make or receive Contributions to the Plan (including by Payroll Deduction or Voluntary Contribution).
- 5.4 Termination Due to Death of Participant.** Following a Participant's death, the Company or Participating Employer, as applicable, shall cease making Payroll Deductions and Matching Contributions to such Participant's Account as soon as practicable. In addition, as soon as practicable following the Participant's death, the Account Administrator will distribute the proceeds of the deceased Participant's Account less applicable brokerage commissions and other applicable fees in accordance with rules and procedures established by the Committee (which may include a designation by a Participant of a beneficiary or a joint tenant with respect to a Participant's Account) and, in the absence of applicable rules and procedures (or such designations), to the Participant's estate.

VI. Award Program

- 6.1 Scope of the Award Program.** The Award Program is designed to provide an incentive to Associates of the Company and Participating Employers who provide exceptional customer service and job performance. Awards under the Award Program are not intended to be given to those who satisfy, but do not exceed, expectations. The Award Program includes an "Outstanding Performance" component.
 - 6.2 Outstanding Performance Component.** An "Outstanding Performance" award is an award of Stock to an
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Associate in recognition of the individual's consistently outstanding performance in his or her specific job-related roles over a month, a quarter, or a year.

- (a) Associates who receive "Outstanding Performance" awards may either be issued certificates for shares of Stock or, at the discretion of the Committee, the Company (or Participating Employer) may have the Account Administrator purchase shares of Stock to be credited to the Participant's Account as described in Section 3.6 of the Plan.
- (b) "Outstanding Performance" awards are either approved directly by the Committee or by its delegate in accordance with rules and procedures established by the Committee, and are subject to individual maximum dollar limitations as set by the Committee from time to time.

6.3 Former Great Job Component. This component of the Plan was discontinued in 2007 and all outstanding Great Job buttons were cancelled on September 1, 2008.

VII. Administration

7.1 Committee.

- (a) Subject to Section 7.2, the Plan shall be administered by the Committee.
- (b) The Committee may delegate to officers or managers of the Company or any Affiliate the authority, subject to such terms as the Committee shall determine, to perform specified functions under the Plan. The Committee also may revoke any such delegation of authority at any time.

7.2 Powers of the Committee. Subject to and consistent with the provisions of the Plan, the Committee has full and final authority and sole discretion as follows:

- (a) to determine when, to whom and in what types and amounts Contributions should be made;
- (b) to make Contributions to eligible Associates in any number, and to determine the terms and conditions applicable to each Contribution;
- (c) to determine whether any terms and conditions applicable to a Contribution have been satisfied;
- (d) to set minimum and maximum dollar, share or other limitations on the various types of Contributions under the Plan;
- (e) to determine whether an Affiliate should be designated as a Participating Employer and whether an Affiliate's Participating Employer status should be terminated;
- (f) to determine whether Associates of non-U.S. Participating Employers should be eligible to participate in the Plan;
- (g) to construe and interpret the Plan and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;
- (h) to make, amend, suspend, waive and rescind rules and regulations relating to the Plan (including, but not limited to, such rules and regulations that would allow designations for beneficiaries and/or joint tenants to be made by Participants in connection with Accounts under the Plan);
- (i) to appoint such agents as the Committee may deem necessary or advisable to administer the Plan;
- (j) to correct any defect or supply any omission or reconcile any inconsistency, and to construe and interpret the Plan, the rules and regulations, and award agreements or any other instrument entered into or relating to a Contribution under the Plan; and
- (k) to take any other action with respect to any matters relating to the Plan for which it is responsible and to make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

Any action of the Committee with respect to the Plan shall be final, conclusive and binding on all persons, including the Company, its Affiliates, any Associate, any person claiming any rights under the Plan from or through any Participant, and stockholders, except to the extent the Committee may subsequently modify, or take further action not consistent with, its prior action. If not specified in the Plan, the time at which the Committee must or may make any determination shall be determined by the Committee, and any such determination may thereafter be modified by the Committee. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee.

VIII. Amendment & Termination

- 8.1 Right to Amend or Terminate.** The Board, or a duly authorized committee thereof, reserves the right to amend, modify, suspend or discontinue the Plan at any time in its sole discretion without the approval of the Company's stockholders, except that (a) any amendment or modification shall be subject to the approval of the Company's stockholders if such stockholder approval is required by any federal or state law or regulation or the rules of any securities exchange or automated quotation system on which the shares of Stock may then be listed or quoted, and (b) the Board may otherwise, in its discretion, determine to submit other such amendments or modifications to stockholders for approval.
- 8.2 Limitation on Right to Amend or Terminate.** Any such amendment, modification, suspension or termination will not result in the forfeiture of (1) subject to Section 3.8(d), any funds contributed but not yet invested in the Participant's Account, (2) any shares (or fractional interests) of Stock purchased on behalf of the Participant under the Plan, or (3) subject to Section 3.8(d), any dividends or other distributions in respect of such shares that are declared subsequent to a Participant's Contribution but prior to the effective date of the amendment, modification, suspension or termination of the Plan.

IX. Miscellaneous Provisions

- 9.1 Successors.** All obligations of the Company under the Plan with respect to Contributions made hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business and/or assets of the Company.
- 9.2 Severability.** If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.
- 9.3 Requirements of Law.** The granting of awards, the making of Contributions, and the delivery of shares of Stock under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any provision of the Plan, Participants shall not be entitled to receive benefits under the Plan, and the Company (and any Affiliate) shall not be obligated to deliver any shares of Stock or deliver benefits to a Participant, if such delivery would constitute a violation by the Participant or the Company or any of its Affiliates of any applicable law or regulation.
- 9.4 Securities Law Compliance.**
- (a) If the Committee deems it necessary to comply with any applicable securities law or the requirements of any securities exchange upon which shares of Stock may be listed, the Committee may impose any restriction on Contributions, shares of Stock acquired pursuant to Contributions or purchases of shares of Stock under the Plan as it may deem advisable. Shares of Stock credited to the Account of a Participant, delivered to a Participant in certificated form or registered to a Participant in the Direct Registration System that may not be reoffered and resold by such Participant under applicable securities laws except pursuant to an effective registration statement covering or with respect to, or a qualification of, such shares of Stock or of such reoffer and resale of such shares of Stock or in accordance with another compliance procedure permitting a public reoffer and resale of such shares of Stock, in each case, in accordance with applicable securities laws, shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under applicable securities laws and the listing requirements and rules for listed companies of any securities exchange upon which shares of Stock are then listed and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions and, if so requested by the Company, such Participant shall make a written representation to the Company that he or she will not reoffer or resell any shares of Stock held by him or her except in compliance with all applicable requirements for the registration or qualification of such shares of Stock or of such reoffer and resale of such shares of Stock or in accordance with such other compliance procedure permitting the public reoffer and resale of such shares of Stock unless he or she shall have furnished to the Company an opinion of an experienced securities attorney licensed in the jurisdiction whose securities laws govern such reoffer and resale that such registration, qualification or other compliance actions regarding such reoffer and resale are not required for such reoffer and resale of such shares of Stock to be effected in compliance with the applicable securities laws, which opinion shall be in form and substance satisfactory to the Company in its sole discretion.
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- (b) If the Committee determines that the nonforfeitability of, or delivery of benefits pursuant to, any Contribution or any purchase of shares of Stock, either from the Company or in an open market purchase over a national securities exchange, would result in a violation of any provision of any applicable securities laws or the listing requirements or rules for listed companies of any securities exchange on which the Stock is listed for trading, then the Committee may postpone any such nonforfeitability or delivery, as applicable, and may suspend the purchase of shares of Stock under the Plan, but the Company shall use all reasonable efforts to cause such nonforfeitability or delivery to comply with all such provisions at the earliest practicable date and to permit the Account Administrator to make purchases of shares of Stock in accordance with the Plan at the earliest practicable date; provided that the Company may, in its sole discretion, suspend the participation in the Plan of any Participant or any or all Participants to the extent necessary for the Company to comply or remain in compliance with the securities laws of any jurisdiction, including the United States, and may suspend purchases of shares of Stock that would be deemed to be the offer and sale of shares of Stock by the Company in a transaction that is not registered pursuant to, or exempt from registration under, Section 5 of the Securities Act of 1933, as amended, or is not qualified or otherwise permitted to be made under the securities laws of any jurisdiction outside of the United States, for such period as the Company deems appropriate in order for the Company to file a registration statement with the U.S. Securities and Exchange Commission with respect to the offer and sale of shares of Stock under the Plan and to have such registration statement declared effective by the U.S. Securities and Exchange Commission and to effect all necessary qualifications and to comply with any other compliance procedures required to be adhered to in order for such purchases of such shares of Stock on behalf of Participants to comply with all applicable securities laws, rules, and regulations.
- 9.5 No Rights as a Stockholder.** No Participant shall have any rights as a stockholder of the Company with respect to the shares of Stock which may be deliverable to the Participant's Account in connection with a Contribution (other than a Voluntary Contribution of previously-owned shares of Stock) under the Plan until such shares of Stock have been credited to his or her Account or have been delivered to him or her.
- 9.6 Nature of Payments.** Matching Contributions and Award Contributions shall be special incentive payments to the Participant and shall not be taken into account in computing the amount of salary or compensation of the Participant for purposes of determining any pension, retirement, death or other benefit under (a) any pension, retirement, profit-sharing, bonus, insurance or other employee benefit plan of the Company or any Affiliate, except as such plan shall otherwise expressly provide, or (b) any agreement between (i) the Company or any Affiliate and (ii) the Participant, except as such agreement shall otherwise expressly provide.
- 9.7 Non-Exclusivity of the Plan.** Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other compensatory arrangements for Associates as it may deem desirable.
- 9.8 Military Service.** The Plan shall be administered in accordance with Section 414(u) of the Internal Revenue Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.
- 9.9 Construction.** The following rules of construction will apply to the Plan: (a) the word "or" is disjunctive but not necessarily exclusive, and (b) words in the singular include the plural, words in the plural include the singular, and words in the neuter gender include the masculine and feminine genders and words in the masculine or feminine gender include the other neuter genders.
- 9.10 Headings.** The headings of articles and sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.
- 9.11 Stockholder Approval.** All Contributions made on or after the effective date of the amended and restated Plan and prior to the date the Company's stockholders approve the amended and restated Plan are expressly conditioned upon and subject to approval of the amended and restated Plan by the Company's stockholders.
- 9.12 Taxes.** All Payroll Deduction Contributions, Matching Contributions and Award Contributions are subject to withholding for applicable federal, state and local income taxes and will be reported as wage income by the Company. When a Participant authorizes a Payroll Deduction of a specific amount, more than that amount will actually be withheld from his or her compensation to cover the withholding taxes due on the Payroll Deduction Contribution and Matching Contribution. Unless set forth otherwise by applicable law, rule, or regulation, the distribution of shares of Stock from a Participant's Account to a Participant, or cash in lieu of fractional shares, will not be a taxable event.
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- 9.13 Company-Associate Relationships.** Nothing contained in this Plan shall in any way affect the rights of the Company (including any of its Affiliates) in its relationship with any Associate or affect the Company's (including any of its Affiliates') right to discharge any Associate or increase or reduce any Associate's compensation.
- 9.14 Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the State of Delaware, except to the extent it is governed by the federal securities laws or the choice of laws provision contained in the Company's agreement with the Account Administrator.

WALMART INC.
STOCK INCENTIVE PLAN OF 2015
(As amended effective February 1, 2018)

1.1 Purpose and Effective Date. Walmart Inc. (“Walmart”) believes it is important to provide incentives to Walmart’s Associates, and Non-Management Directors, through participation in the ownership of Walmart and otherwise. The Walmart Inc. Stock Incentive Plan of 2015 was originally established under the name Wal-Mart Stores, Inc. Stock Incentive Plan of 1998 (“1998 Plan”). The 1998 Plan was amended, restated and renamed from time to time, and approved and re-approved by Walmart stockholders, as the Wal-Mart Stores, Inc. Stock Incentive Plan of 2005 (“2005 Plan”) and the Wal-Mart Stores, Inc. Stock Incentive Plan of 2010 (“2010 Plan”), as amended and restated in 2013 (“2013 Restatement”), and most recently on June 5, 2015, as the Wal-Mart Stores, Inc. Stock Incentive Plan of 2015 (“Plan”). The Plan, as heretofore amended, was further amended on February 23, 2016 and February 1, 2017. The plan was renamed effective on February 1, 2018. The purpose of the Plan is to provide incentives to certain Associates and Non-Management Directors to enhance their job performance, to motivate them to remain or become associated with Walmart and its Affiliates, and to increase the success of Walmart. The Plan is not limited to Associates who are executive officers of Walmart, but will be available to provide incentives to any Associate or Non-Management Director that the Committee believes has made or may make a significant contribution to Walmart or an Affiliate of Walmart.

DEFINITIONS

2.1 “Affiliate” means any corporation, partnership, limited liability company, business trust, other entity or other business association that is now or hereafter controlled by Walmart; provided that if a Plan Award provides for the deferral of compensation within the meaning of Code Section 409A, and if the applicable Notice of Plan Award does not contain a definition of “Affiliate” that satisfies the requirements of Code Section 409A, then for purposes of such Plan Award, “Affiliate” means the entity for which the Recipient performs services and with respect to which the legally binding right to deferred compensation arises, and all persons that would be considered a single employer with such entity under section 414(b) of the Code (employees of controlled group of corporations), or section 414(c) of the Code (employees of partnerships, etc. under common control); provided that the applicable standard of control for purposes of such determination shall be “at least 50 percent”; and provided further that the entity is one with respect to which Shares will qualify as “service recipient stock” under Code Section 409A.

2.2 “Associate” means any person employed by Walmart or any Affiliate.

2.3 “Board” means the Board of Directors of Walmart.

2.4 “Cause” means a Recipient’s commission of any act deemed inimical to the best interest of Walmart or any Affiliate, as determined in the sole discretion of the Committee.

2.5 “Code ” means the Internal Revenue Code of 1986, as amended.

2.6 “Committee ” means the committee of the Board with responsibilities including

executive compensation matters subject to Regulation S-K Item 402, or other committee designated by the Board as the “Committee” under the Plan. Where such committee of the Board has delegated duties, powers or authority hereunder, the term “Committee” shall refer to the delegate.

2.7 “Continuous Status” means the absence of any interruption or termination of the employment relationship between an Associate and Walmart or an Affiliate or the absence of any termination of services as a Non-Management Director. Continuous Status shall not be considered interrupted in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence approved by Walmart or an Affiliate; provided that leave does not exceed one year, unless re-employment upon the expiration of that leave is guaranteed by contract or law or unless provided otherwise by a policy of Walmart or an Affiliate. Notwithstanding the preceding definition, if a Plan Award provides for the deferral of compensation within the meaning of Code Section 409A, and if the applicable Notice of Plan Award does not define a term that is a “separation from service” within the meaning of Code Section 409A, then for purposes of such Plan Award the Recipient’s Continuous Status will terminate if it is reasonably anticipated that no further services would be performed by the Recipient after a certain date or that the level of bona fide services the Recipient would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an Associate or Non-Management Director, or in any other capacity) over the immediately preceding 36-month period (or the full period of services to the Walmart or an Affiliate if the Recipient has been providing services to the Walmart or an Affiliate less than 36 months).

2.8 “Covered Employee” has the meaning set forth in Code Section 162(m)(3).

2.9 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations adopted thereunder.

2.10 “Fair Market Value” means, as of any date, the closing sales price for a Share (a) on the NYSE (or if no trading in Shares occurred on that date, on the last day on which Shares were traded) or (b) if the Shares are not listed for trading on the NYSE, but if there is a public market for the Shares, the closing sales price of the Shares on such other national exchange on which the Shares are principally traded (or if no trading in Shares occurred on that date, on the last day on which Shares were traded), or (c) as reported by the National Market System, or similar organization, or (d) if no such quotations are available, the average of the high bid and low asked quotations in the over-the-counter market as reported by the National Quotation Bureau Incorporated or similar organizations; or (e) in the event that there is no public market for the Shares, the value of a Share as determined by the reasonable application of a reasonable valuation method, determined good faith by the Committee; provided that for purposes of tax withholding, for purposes of a “net exercise” procedure for Options, and for such other purposes as the Committee deems appropriate, the Committee may apply a different method for calculating Fair Market Value determined in good faith by the Committee for such purpose.

2.11 “Fiscal Year” means the 12-month period beginning on each February 1 and ending on the following January 31.

2.12 “Gross Misconduct” is conduct that the Committee determines is detrimental to the best interests of Walmart or any Affiliate. Examples of conduct detrimental to the best interests of Walmart or any Affiliate include, without limitation, violation of Walmart’s Statement of Ethics or other Walmart policy governing behavior while providing services to Walmart or an Affiliate,

or applicable period thereafter, or theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses while providing services to Walmart or an Affiliate.

2.13 “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Code Section 422.

2.14 “Non-Management Director” means a member of the Board who is not employed by Walmart or a consolidated subsidiary of Walmart.

2.15 “Nonqualified Option” means an Option not intended to be treated as an Incentive Stock Option or that in fact does not qualify as an Incentive Stock Option.

2.16 “Notice of Plan Award” means the agreement or other document evidencing and governing any Plan Award.

2.17 “NYSE” means the New York Stock Exchange or any successor organization thereto.

2.18 “Option” means a stock option to acquire a certain number of the Subject Shares granted pursuant to the Plan.

2.19 “Parent/Subsidiary Corporation” means a “parent corporation” (within the meaning of Code Section 424(e)) or a “subsidiary corporation” (within the meaning of Code Section 424(f)) of Walmart, in each case determined as of the date of grant.

2.20 “Performance Goals” means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of Walmart, of any Affiliate, or a division or unit thereof, or of an individual Recipient, or groups of Recipients, or of a store or groups of stores, using one or more of the Performance Measures selected by the Committee. Separate Performance Goals may be established by the Committee for Walmart or any Affiliate, or division or unit thereof, or an individual Recipient, or groups of Recipients, or of a store or groups of stores, using one or more of the Performance Measures selected by the Committee and different Performance Measures may be given different weights. The Performance Goals shall include one or more threshold Performance Goals under which no portion of the Plan Award shall become vested, be transferred, retained, or the value of which is to be paid as provided by the Plan and Notice of Plan Award, if the threshold goal or goals are not achieved. With respect to Recipients who are not Covered Employees, the Committee may establish other subjective or objective goals, including individual Performance Goals, which it deems appropriate. The preceding sentence shall also apply to Covered Employees with respect to any Plan Awards not intended at the time of grant to be Qualified Performance Based Awards.

Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies, business units, divisions or individuals or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following, to the extent determined by the Committee prior to the grant: changes in applicable accounting standards after the Performance Goal is established; realized investment gains and/or losses; extraordinary, unusual, non-recurring or infrequent items; currency fluctuations; acquisitions; divestitures; litigation losses; financing activities; expenses for restructuring or productivity initiatives; other non-operating items; new laws, cases or regulatory developments that result in unanticipated items of gain, loss, income or expense; executive severance arrangements; investment returns relating to investment vehicles which are

unaffiliated with a corporate or divisional operating strategy; bonus expense; the impact on pre-tax income of interest expense attributable to the repurchase of Shares; extraordinary dividends or stock dividends; the effect of corporate reorganizations or restructuring, spinoff, or a sale of a business unit; and other items as the Committee determines to be required so that the operating results of Walmart, a division, or an Affiliate shall be computed on a comparative basis from Performance Period to Performance Period; in each case as those terms are defined under generally accepted accounting principles and provided in each case that such excluded items are objectively determinable by reference to Walmart's financial statements, notes to Walmart's financial statements, and/or management's discussion and analysis in Walmart's financial statements. Determination by the Committee or its designee shall be final and conclusive on all parties, but shall be based on relevant objective information or financial data.

2.21 "Performance Measures" means one or more of the following criteria, on which Performance Goals may be based, each a "Performance Measure": (a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends or net of or including the after-tax cost of capital) before or after interest and taxes ("EBIT") or before or after interest, taxes, depreciation and amortization ("EBITDA"); (b) gross or net revenue, or changes in annual revenues, same store sales, or comparable store sales, average ticket sales; (c) cash flow(s) (including either operating or net cash flows or free cash flows); (d) economic value added; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, (f) Share price or Share price appreciation; (g) market capitalization or changes in market capitalization; (h) earnings growth or growth in earnings per Share; (i) return measures, including financial return ratios, return or net return on assets, net assets, equity, investment, capital or gross sales, sales per square foot; (j) adjusted pre-tax margin; (k) pre-tax profits; (l) operating and gross margins; (m) operating profits; (n) operating or administrative expenses; (o) dividends; (p) net income or net operating income; (q) growth in operating earnings or growth in earnings per Share; (r) value of assets; (s) volume, unit volume, market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas, market capitalization or changes in market capitalization; (t) aggregate product price, including markdown goals, and other product measures; (u) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (v) reduction of losses, loss ratios or expense ratios; (w) reduction in fixed costs; (x) operating cost management and budget comparisons; (y) cost of capital; (z) debt reduction; (aa) balance sheet measures and financial ratings (including maintenance of specified credit availability levels, compliance with credit covenants, inventory measurements and receivables/payables metrics, credit rating, capital expenditures, debt, debt reduction, working capital, average invested capital, leverage ratio, coverage ratio); (bb) productivity improvements and store payroll goals (including stocking and other labor hours goals); (cc) average inventory turnover or inventory controls and net asset turnover; (dd) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures, including implementation or completion of strategic initiatives or critical projects; (ee) customer satisfaction based on specified objective goals or a Walmart-sponsored customer survey designed and administered by an independent surveyor, and customer growth, number of customers; (ff) employee diversity goals; (gg) employee engagement; (hh) employee turnover; (ii) specified objective social goals, including specified goals in corporate ethics and integrity; (jj) compliance objectives; (kk)

environmental and health and safety goals and record; (ll) workers' compensation goals; (mm) business integration; or (nn) succession plan development and implementation; (oo) store constructions, openings, remodels, and/or closings.

Performance Measures may be applied on a pre-tax or post-tax basis, and based upon the performance of Walmart, of any Affiliate, of a division thereof, or other business unit, or of an individual Recipient. The Committee may, at time of grant, in the case of a Plan Award intended to be a Qualified Performance Based Award, and in the case of other grants, at any time, provide that the Performance Goals for such Plan Award shall include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual nonrecurring gain or loss.

2.22 “**Performance Period**” means that period established by the Committee during which the attainment of Performance Goals specified by the Committee with respect to a Plan Award are to be measured. A Performance Period may be a 12-month period or a longer or shorter period.

2.23 “**Performance Share Unit**,” “Performance Unit” or “PSU” means the right to receive the value of a Share, whether settled in Shares or in cash, upon attainment of specified Performance Goals. For Plan Awards granted prior to the 2013 Restatement, the term “Performance Share” referred to a Performance Share Unit (as defined above) payable in Shares, and “Performance Share Unit” referred to a Performance Share Unit (as defined above) to be settled in cash. To the extent that Notices of Plan Award granted prior to the 2013 Restatement use the term “Performance Share,” the term “Performance Share” as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Performance Share Units (as defined above) payable in Shares. To the extent that Notices of Plan Award granted prior to the 2013 Restatement use the term “Performance Share Unit,” the term “Performance Share Unit” as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Performance Share Units (as defined above) to be settled in cash.

2.24 “**Plan**” means this Walmart Inc. Stock Incentive Plan of 2015, as amended from time to time.

2.25 “**Plan Award**” means an award or right granted under the Plan consisting of an Option, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, Performance Unit, or Stock. The terms and conditions applicable to a Plan Award shall be set forth in the applicable Notice of Plan Award.

2.26 “**Qualified Performance Based Award**” means a Plan Award to a Covered Employee or to an Associate that the Committee determines may be a Covered Employee at the time Walmart or an Affiliate would be entitled to a deduction for such Plan Award, which is intended to provide “qualified performance-based compensation” within the meaning of Code Section 162(m). For any Performance Period for which a Plan Award is intended to be a Qualified Performance Based Award, Performance Goals shall be established by the Committee no later than 90 days after the beginning of the Performance Period to which the Performance Goals pertain and while the attainment of the Performance Goals is substantially uncertain, and in any event no later than the date 25% of the Performance Period has elapsed.

2.27 “**Recipient**” means an Associate or Non-Management Director who has received a Plan Award that has not yet been settled.

- 2.28 “Restricted Stock,” or “Restricted Shares”** means Shares awarded to a Recipient pursuant to a Plan Award of Restricted Stock that are subject to a Restriction and all non-cash proceeds of those Shares that are subject to a Restriction.
- 2.29 “Restricted Stock Unit” or “RSU”** means a right denominated in Shares, awarded under the Plan that, subject to Section 8.2, may result in payment to the Recipient in Shares or cash upon, but not before, the lapse of Restrictions related thereto. To the extent that Notices of Plan Award granted prior to the 2013 Restatement use the term “Restricted Stock Right,” the term “Restricted Stock Right” as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Restricted Stock Units (as defined above) payable in Shares. To the extent that Notices of Plan Award granted prior to the 2013 Restatement use the term “Restricted Stock Unit,” the term “Restricted Stock Unit” as used in such Notices of Plan Award shall, without formal amendment, be deemed to refer to Restricted Stock Units (as defined above) to be settled in cash.
- 2.30 “Restriction”** means any restriction on a Recipient’s free enjoyment of the Shares or other rights underlying a Plan Award. Restrictions may be based on the passage of time or the satisfaction of performance criteria or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Committee shall specify. Plan Awards subject to a Restriction shall be forfeited if the Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as the Committee shall determine.
- 2.31 “Rule 16b-3”** means Rule 16b-3 promulgated by the SEC under the Exchange Act, as amended from time to time, together with any successor rule, as in effect from time to time.
- 2.32 “SEC”** means the United States Securities and Exchange Commission, or any successor thereto.
- 2.33 “Section 16 Person”** means any individual who is required to file reports under Section 16 of the Exchange Act.
- 2.34 “Securities Act”** means the Securities Act of 1933, as amended and the rules and regulations adopted thereunder.
- 2.35 “Share”** means a share of the common stock, \$.10 par value per share, of Walmart.
- 2.36 “Stock Appreciation Right”** means a right granted to a Recipient pursuant to the Stock Appreciation Rights feature of the Plan.
- 2.37 “Subject Shares”** means such term as defined in Section 3.1.

SHARES SUBJECT TO THE PLAN

3.1 Shares Subject to the Plan. Subject to Section 11.9, the sum of (a) 50,000,000 Shares plus (b) the number of remaining Shares under the 2005 Plan (not subject to outstanding Plan Awards and not delivered out of Shares reserved thereunder) as of the date of stockholder approval of the Plan (collectively, the “Subject Shares”) are reserved for delivery under the Plan. The Subject Shares may be authorized, but unissued Shares, treasury Shares held by Walmart or an Affiliate, or Shares acquired on the open market, including shares acquired on the open market by forwarding cash to an independent broker who will purchase Shares on behalf, and in the name of the Recipient. Shares reserved for delivery pursuant to a Plan Award or any rights

thereto that expire, are forfeited or otherwise are no longer exercisable may be the subject of a new Plan Award.

Notwithstanding the foregoing, (a) Shares already owned by a Recipient and used to pay all or a portion of the exercise price of Shares subject to an Option, and (b) any other Shares reacquired by Walmart after such Shares have been issued (or, in the case of Open Market Shares, have been delivered), other than Restricted Stock that is forfeited or reacquired by Walmart without lapse of the Restrictions, shall not become Subject Shares to the extent such Shares are withheld, tendered, or reacquired by Walmart, or are otherwise no longer exercisable. For avoidance of doubt, pursuant to the preceding sentence, (i) when Stock Appreciation Rights are settled in shares, the full number exercised shall cease to be Subject Shares, (ii) when Options are “net exercised,” the full number exercised shall cease to be Subject Shares, and (iii) shares withheld to satisfy tax withholding obligations shall cease to be Subject Shares.

3.2 Limits on Shares. No Recipient may be granted a Plan Award denominated in Shares with respect to a number of Shares in any one Fiscal Year which when added to the Shares subject to any other Plan Award denominated in Shares granted to such Recipient in the same Fiscal Year would exceed 2,000,000 Shares; provided, however, that if the Performance Period applicable to a Plan Award exceeds twelve months, the 2,000,000 Share limit shall apply to each 12-month period in the Performance Period. If a Plan Award denominated in Shares is cancelled, the cancelled Plan Award continues to count against the maximum number of Shares for which a Plan Award denominated in Shares may be granted to a Recipient in any Fiscal Year. The Share limit shall be adjusted to the extent necessary to reflect adjustments to Shares required by Section 11.9.

Notwithstanding the foregoing, no Non-Management Director may be granted a Plan Award denominated in Shares with respect to a number of Shares in any one Fiscal Year which when added to the Shares subject to any other Plan Award denominated in Shares granted to such Non-Management Director in the same Fiscal Year would exceed a Share value of \$500,000; provided, however, that if the Performance Period applicable to a Plan Award granted to a Non-Management Director exceeds twelve months, the \$500,000 limit shall apply to each 12-month period in the Performance Period. For sake of clarity, the \$500,000 annual limit on Shares subject to any Plan Award granted to a Non-Management Director applies to Options granted under Section 6.1, Stock granted under Section 7.1, Restricted Stock granted under Section 7.2, Restricted Stock Units granted under Section 8.1, Stock Appreciation Rights granted under Section 9.1, and Performance Units granted under Section 10.1, but shall not include any Shares granted in lieu of cash compensation earned by a Non-Management Director or any Shares received by a Non-Management Director in settlement a Plan Award pursuant to Sections 6.3, 7.4, 8.3, 9.5, and 10.6.

ADMINISTRATION

4.1 Administration. The Committee will administer the Plan and will grant all Plan Awards; provided that solely for purposes of granting Plan Awards to Non-Management Directors, “Committee” shall mean the full Board. The Plan and Plan Awards to Section 16 Persons shall be administered by the Committee in compliance with Rule 16b-3.

4.2 Duties and Powers. The Committee shall have these duties and powers as to the Plan:

- (a) to establish rules, procedures, and forms governing the Plan;
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- (b) to interpret and apply the provisions of the Plan and any Plan Award;
- (c) to recommend amendments of the Plan to the Board;
- (d) to determine those individuals who will be Recipients and what Plan Awards will be made to them;
- (e) to set the terms and conditions of any Plan Award and to determine and certify whether, and the extent to which, any such terms and conditions have been satisfied;
- (f) to determine the Fair Market Value of the Shares for any purpose;
- (g) to amend the terms of any Plan Award without the consent of the Recipient or any other person or to waive any conditions or obligations of a Recipient under or with respect to any Plan Award; provided that no amendment that, in the judgment of the Committee would materially adversely affect the Recipient shall be made without the Recipient's consent; provided further that no amendment that changes the timing of taxation of the Plan Award shall be deemed to materially adversely affect the Recipient;
- (h) to make such adjustments or modifications to Plan Awards to Recipients who are working outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law and to establish, amend and terminate sub-plans for individuals outside the United States with such provisions as are consistent with the Plan as may be suitable in other jurisdictions to the extent permitted under local law;
- (i) to correct any defect or supply any omission; and
- (j) take any other action it deems necessary or advisable.

Notwithstanding the authority of the Committee under this Section 4.2 and notwithstanding any other discretionary power granted to the Committee under the Plan, except in connection with any corporate transaction involving Walmart, the terms of outstanding Plan Awards may not be amended to reduce the exercise price of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Plan Awards or Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights without the prior approval of Walmart stockholders.

4.3 Delegation. Except for the administration of Qualified Performance Based Awards and matters under the Plan affected by Section 16 of the Exchange Act and the rules adopted thereunder, the Committee may delegate ministerial duties under the Plan (including but not limited to the duties described in Section 4.2(h)) to one or more administrators, who may be Associates of Walmart, and may delegate non-ministerial duties to an officer of Walmart; provided that the delegate of non-ministerial duties shall not be authorized to make Plan Awards to himself or herself.

The Committee has delegated its powers, duties, and authority under the Plan (including the power to delegate, but not including the power to recommend amendments under Section 4.2(c)) with respect to Associates who are not Section 16 Persons, and other than Covered Employees whose awards are intended to be Qualified Performance Based Awards, to the Global Compensation Committee of the Board.

The Board may also delegate administration of the Plan or a particular feature of the Plan to another Committee of the Board.

Any delegated authority, duty or power may be revoked at any time by the delegator as it deems

appropriate. Any delegated authority, duty or power may be exercised by the delegator as well as the delegate; provided, however, that in the event of any conflict between the exercise of any authority, duty or power by the delegator and the exercise of any authority, duty or power by the delegate, the exercise by the delegator shall govern.

4.4 Determinations Binding. All actions taken or determinations made by the Committee, in good faith, with respect to the Plan, a Plan Award or any Notice of Plan Award shall not be subject to review by anyone, but shall be final, binding and conclusive upon all persons interested in the Plan or any Plan Award.

PARTICIPATION

5.1 All Associates and Non-Management Directors who the Committee determines have the potential to contribute significantly to the success of Walmart or an Affiliate, are eligible to participate in the Plan, except that Non-Management Directors may not receive Incentive Stock Options. An Associate may be granted one or more Plan Awards, unless prohibited by applicable law and subject to the limitations under Code Section 422 with respect to Incentive Stock Options. For any Performance Period for which Plan Awards are intended to be Qualified Performance Based Awards, the Committee shall designate the Associates eligible to be granted Plan Awards no later than the 90th day of the Fiscal Year (or in the case of a Performance Period other than a Fiscal Year, after not later than the date 25% of the Performance Period has elapsed).

STOCK OPTIONS

6.1 Term of Options. Walmart may grant Options covering Subject Shares to Associates and Non-Management Directors. The term of each Option shall be the term stated in the Notice of Plan Award; provided, however, that in the case of an Incentive Stock Option, the term shall be no more than 10 years from the date of grant unless the Incentive Stock Option is granted to a Recipient who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of Walmart or any Parent/Subsidiary Corporation, in which case the term may not exceed 5 years from the date of grant.

Each Option shall be a Nonqualified Option unless designated otherwise in the Notice of Plan Award. Notwithstanding the designation of an Option, if the aggregate Fair Market Value of Shares subject to Incentive Stock Options that are exercisable for the first time by a Recipient during a calendar year exceeds \$100,000 (whether due to the terms of the Plan Award, acceleration of exercisability, miscalculation or error), or if such Option for any other reason fails to qualify as an Incentive Stock Option, the excess Options shall be treated as Nonqualified Options.

6.2 Option Exercise Price and Consideration. The per Share exercise price of an Option shall be determined by the Committee in its discretion, except that the per Share exercise price for an Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant except that, with respect to an Incentive Stock Option granted to an Associate who owns stock representing more than 10% of the voting power of all classes of stock of Walmart or any Parent/Subsidiary Corporation at the time of the grant, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant. The type of consideration in which the exercise price of an Option is to be paid shall be determined by the Committee in its discretion, and, in the case of an Incentive Stock Option, shall be determined at

the time of grant.

6.3 Exercise of Options. An Option shall be deemed to be exercised when the person entitled to exercise the Option gives notice of exercise to Walmart in accordance with the Option's terms and Walmart receives full payment for the Shares as to which the Option is exercised or other provision for such payment is made in accordance with rules and procedures established by the Committee from time to time. Except with respect to Incentive Stock Options, such rules and procedures may include procedures for a "net-share settlement" method of exercise, under which, subject to the method requirements in the rules and procedures, the Recipient provides an irrevocable notice of exercise of the Option and Walmart retains a number of Shares sufficient to cover the exercise price and the minimum required withholding, and delivers the net number of Shares to the Recipient. In addition, if determined by the Committee in its discretion, which may be applied differently among Recipients or Plan Awards, an Option will be deemed exercised by the Recipient (or in the event of the death of the Recipient then by the person authorized to exercise the Recipient's Option under Section 11.6) on the expiration date of the Option, or if the NYSE is not open on the expiration date, on the last day prior to the expiration date on which the NYSE is open, using a net share settlement method of exercise to the extent that as of such expiration date the Option is vested and exercisable and the per Share exercise price of the Option is below the Fair Market Value of a Share on such expiration date.

6.4 Termination of Employment. If a Recipient's Continuous Status is terminated for any reason other than Cause, the Recipient may exercise Options that are not subject to Restrictions as of the termination date to the extent set out in the Recipient's Notice of Plan Award. Incentive Stock Options may be exercised only within 60 days (or other period of time determined by the Committee at the time of grant of the Option and not exceeding 3 months) after the date of the termination (but in no event later than the expiration date of the term of that Option as set forth in the Notice of Plan Award), and only to the extent that Recipient was entitled to exercise the Incentive Stock Option at the date of that termination. To the extent the Recipient is not entitled to or does not exercise an Option at the date of that termination or within the time specified herein or in the Notice of Plan Award, the Option shall terminate. In addition, the Recipient's right to exercise Options will be tolled pending any period initiated by the Committee to determine the existence of Cause with respect to the Recipient regardless of whether the commencement of such period is prior to, coincident with, or subsequent to the termination of the Recipient's Continuous Status. If the Committee determines there is no Cause, then the tolling period will end and the Recipient's right to exercise Options will be reinstated; provided, however, in no event will the exercise date of an Option be later than the earlier of (a) 90 days following the termination of the Recipient's Continuous Status plus the tolling period, or (b) the expiration date of the Option as set forth in the Notice of Plan Award. Notwithstanding any provision in the Plan to the contrary, an Associate's Continuous Status is not terminated for purposes of the Associate's Options if immediately upon the termination of the Associate's employment relationship with Walmart or an Affiliate the Associate becomes a Non-Management Director.

6.5 Administrative Suspension from Employment. During a period for which the Recipient is subject to administrative suspension from employment, the Recipient's right to exercise Options will be suspended. If upon the conclusion of the administrative suspension the Recipient returns to employment, then the Recipient's right to exercise Options will be reinstated subject to Restrictions set forth in the Notice of Plan Award; provided, however, in no event will

the exercise date of an Option be later than the expiration date of the term of that Option as set forth in the Notice of Plan Award.

6.6 Disability of Recipient. Notwithstanding the provisions of Section 6.4, in the case of an Associate's Incentive Stock Option, if the Recipient's Continuous Status is terminated as a result of his or her total and permanent disability (as defined in Code Section 22(e)(3)), the Recipient may, but only within 12 months from the date of that termination (but in no event later than the expiration date of the term of that Option as set forth in the Notice of Plan Award), exercise an Incentive Stock Option to the extent otherwise entitled to exercise it at the date of that termination. To the extent the Recipient is not entitled to exercise an Incentive Stock Option at the date of termination, or if Recipient does not exercise that Incentive Stock Option to the extent so entitled within the time specified herein, the Incentive Stock Option shall terminate.

6.7 Non-transferability of Options . An Option may not be sold, pledged, hedged, assigned, hypothecated, transferred or disposed of in any manner except by testamentary devise or by the laws of descent or distribution or, in those circumstances expressly permitted by the Committee, to a Permitted Transferee. For this purpose, a "Permitted Transferee" means any member of the Immediate Family of the Recipient, any trust of which all of the primary beneficiaries are the Recipient or members of his or her Immediate Family or any partnership of which all of the partners or members are the Recipient or members of his or her Immediate Family. The "Immediate Family" of a Recipient means the Recipient's spouse, children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, nieces and nephews, or the spouse of any of the foregoing individuals.

6.8 Withholding. The Committee may withhold, or provide for the payment of, any amounts necessary to collect any withholding taxes upon any taxable event relating to an Option in accordance with Section 11.10 except to the extent otherwise provided under Section 6.3.

SHARES AND RESTRICTED STOCK

7.1 Grant of Shares. Walmart may grant Shares without Restrictions or payment to those Non-Management Directors as the full Board may determine in its sole discretion.

7.2 Grant of Restricted Stock. Walmart may grant Restricted Stock to those Associates and Non-Management Directors as the Committee may select in its sole discretion. Each Plan Award of Restricted Stock shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and any other terms and conditions as the Committee may determine in its discretion.

7.3 Dividends; Voting. While any Restriction applies to any Recipient's Restricted Stock, (a) unless the Committee provides otherwise, the Recipient shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to Walmart in the event of the forfeiture of the Restricted Stock, (b) the Recipient shall have the right to, subject to all Restrictions then existing as to the Recipient's Restricted Stock, receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of Walmart, which proceeds shall automatically and without need for any other action become Restricted Stock and be delivered as provided in Section 7.4, and (c) the Recipient shall be entitled to vote the Restricted Stock during the Restriction period.

7.4 Delivery of Shares. Subject to any deferral election under Section 7.8, a Share will be delivered to the Recipient upon, or as soon as practicable after, the lapse of the Restrictions on a

Share of Restricted Stock. Shares awarded under Section 7.1 shall be delivered immediately upon issuance of any such Plan Award. During the period of Restriction applicable to Restricted Stock, the Recipient shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber the Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by Walmart, except as required by any law, neither any Shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hedge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

7.5 Forfeiture. Unless expressly provided for in the Plan Award, any Restricted Stock held by the Recipient at the time the Recipient ceases to be an Associate or Non-Management Director for any reason shall be forfeited by the Recipient to Walmart and automatically re-conveyed to Walmart.

7.6 Withholding. The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to a Plan Award or the exercise or settlement thereof.

7.7 Evidence of Share Ownership. The Restricted Stock will be book-entry Shares held for the benefit of the Recipient with stop transfer instructions on Walmart's stop transfer records until the Restrictions lapse, at which time Walmart will remove stop transfer instructions from the Shares on its stock transfer records.

7.8 Deferral of Shares or Restricted Stock. At the time of grant of Shares or Restricted Stock (or at such earlier or later time as the Committee determines to be appropriate in light of the provisions of Code Section 409A) the Committee may permit a Recipient of a Plan Award of Shares or a Plan Award of Restricted Stock to defer his or her Stock or Restricted Stock in accordance with rules and procedures established by the Committee. Alternatively, the Committee may, in its discretion and at the times provided above, permit an individual who would have been a Recipient of a Plan Award of Shares or a Plan Award of Restricted Stock to elect instead to receive an equivalent Plan Award of Restricted Stock Units to be settled in Shares and may permit the Recipient to elect to defer receipt of Shares under such Plan Award of Restricted Stock Units in accordance with Section 8.7.

RESTRICTED STOCK UNITS

8.1 Grant of Restricted Stock Units. Walmart may grant Restricted Stock Units to those Associates and Non-Management Directors as the Committee may select in its sole discretion. Each Plan Award of Restricted Stock Units shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Notice of Plan Award, as the Committee may determine in its discretion. The Restrictions imposed shall take into account potential tax treatment under Code Section 409A.

8.2 Beneficial Ownership. Until the Restricted Stock Unit is released from Restrictions and settled in Shares or cash, the Recipient shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the Recipient have the right to sell, transfer, assign,

convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hedge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

8.3 Settlement of Restricted Stock Units. Upon the lapse of the Restrictions, the Recipient of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Plan Award that are no longer subject to Restrictions, (b) in cash in an amount equal to the Fair Market Value of the number of Shares subject to the Plan Award that are no longer subject to Restrictions, or (c) any combination of cash and Shares, as the Committee shall determine in its sole discretion and specify at the time the Plan Award is granted. Where in the judgment of the Committee, it is in the interests of Walmart to do so, a grant of Restricted Stock Units may provide that Walmart or an Affiliate may purchase Shares on the open market on behalf of a Recipient in accordance with Section 11.1 ("Open Market Shares").

8.4 Forfeiture. Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of an Associate or Non-Management Director to such Restricted Stock Units and the Shares thereunder will terminate if the applicable Restrictions are not satisfied.

8.5 Limitation of Rights. A Recipient of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan. The Committee may, however, provide in the Notice of Plan Award that the Recipient shall be entitled to receive dividend equivalent payments on Restricted Stock Units, on such terms and conditions as the Notice of Plan Award shall specify.

8.6 Withholding. The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock Units.

8.7 Deferral of Restricted Stock Units . At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee determines to be appropriate in light of the provisions of Code Section 409A) the Committee may permit the Recipient to elect to defer receipt of the Shares or cash to be delivered upon lapse of the Restrictions applicable to the Restricted Stock Units in accordance with rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

STOCK APPRECIATION RIGHTS

9.1 Grant. Walmart may grant Stock Appreciation Rights to those Associates and Non-Management Directors as the Committee selects in its sole discretion, on any terms and conditions the Committee deems desirable. A Recipient granted a Stock Appreciation Right will be entitled to receive payment as set forth in the Notice of Plan Award in an amount equal to (a) the excess of the Fair Market Value of a Share on the date on which the Recipient properly exercises Stock Appreciation Rights that are no longer subject to Restrictions over the Fair

Market Value of a Share on the date of grant of the Recipient's Stock Appreciation Rights, (b) a predetermined amount that is less than that excess, or (c) with respect to Recipients who are exempt from U.S. taxation and who are expected to remain exempt from U.S. taxation until the Plan Award is settled, any other amount as may be set by the Committee, multiplied by the number of Stock Appreciation Rights as to which the Recipient exercises the Stock Appreciation Right. The Committee may provide that payment with respect to an exercised Stock Appreciation Right may occur on a date which is different than the exercise date, and may provide for additional payment in recognition of the time value of money and any delay between the exercise date and the payment date.

9.2 Award Vesting and Forfeiture. The Committee shall establish the Restrictions, if any, applicable to Stock Appreciation Rights. Stock Appreciation Rights and the entitlement to Shares thereunder will be forfeited and all rights of the Recipient to such Stock Appreciation Rights and the Shares thereunder will terminate if any applicable Restrictions in the Plan or Notice of Plan Award are not satisfied.

9.3 Beneficial Ownership. The Recipient of any Stock Appreciation Rights shall not have any beneficial ownership in any Shares subject to such Plan Awards until Shares are delivered in satisfaction of the Plan Award nor shall the Recipient have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Stock Appreciation Rights or any interest therein. Except as required by any law, neither the Stock Appreciation Rights nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hedge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

9.4 Election to Receive Payments. A Recipient of a Stock Appreciation Right may elect to receive a payment to which the Recipient is entitled under the Plan Award by giving notice of such election to the Committee in accordance with the rules established by the Committee. In addition, if determined by the Committee in its discretion, which may be applied differently among Recipients or Plan Awards, a Stock Appreciation Right will be deemed exercised by the Recipient (or in the event of the death of the Recipient then by the person authorized to exercise the Recipient's Stock Appreciation Right under Section 11.6) on the expiration date of the Stock Appreciation Right, or if the NYSE is not open on the expiration date, on the last day prior to the expiration date on which the NYSE is open, to the extent that as of such expiration date the Stock Appreciation Right is vested and exercisable and to the extent that, if the Recipient exercised such Stock Appreciation Right, the Recipient would receive a payment under Section 9.5.

9.5 Payments to Recipients. Subject to the terms and conditions of the Notice of Plan Award granting the Stock Appreciation Rights, a payment to a Recipient with respect to Stock Appreciation Rights may be made (a) in cash, (b) in Shares having an aggregate Fair Market Value on the date on which the Stock Appreciation Rights are settled equal to the amount of the payment to be made under the Plan Award, or (c) any combination of cash and Shares, as the Committee shall determine in its sole discretion and specify at the time the Plan Award is granted. The Committee shall not make any payment in Shares if such payment would result in any adverse tax or other legal effect as to this Plan or Walmart.

9.6 Termination of Continuous Status. If a Recipient's Continuous Status is terminated for any reason other than Cause, then, Recipient may elect payment with respect to Stock Appreciation Rights that are not subject to Restrictions as of the termination date to the extent set out in the Recipient's Notice of Plan Award. To the extent the Recipient is not entitled to or does not elect payment with respect to a Stock Appreciation Right at the date of termination or within the time specified herein or in the Notice of Plan Award, the Stock Appreciation Right shall terminate. In addition, the Recipient's right to exercise Stock Appreciation Rights will be tolled pending any period initiated by the Committee to determine the existence of Cause with respect to the Recipient regardless of whether the commencement of such period is prior to, coincident with, or subsequent to the termination of the Recipient's Continuous Status. If the Committee determines there is no Cause, then the tolling period will end and the Recipient's right to elect payment of Stock Appreciation Rights will be reinstated; provided, however, in no event will the exercise date of a Stock Appreciation Right be later than the earlier of (a) 90 days following the termination of the Recipient's Continuous Status plus the tolling period, or (b) the expiration date of the Stock Appreciation Right as set forth in the Notice of Plan Award. Notwithstanding any provision in the Plan to the contrary, an Associate's Continuous Status is not terminated for purposes of the Associate's Stock Appreciation Rights if immediately upon the termination of the Associate's employment relationship with Walmart or an Affiliate the Associate becomes a Non-Management Director.

9.7 Administrative Suspension from Employment. During a period for which the Recipient is subject to administrative suspension from employment, the Recipient's right to elect payment of Stock Appreciation Rights will be suspended. If upon the conclusion of the administrative suspension the Recipient returns to employment, then the Recipient's right to elect payment of Stock Appreciation Rights will be reinstated subject to Restrictions set forth in the Notice of Plan Award; provided, however, in no event will the date of the payment election be later than the expiration date of the term of the Stock Appreciation Right as set forth in the Notice of Plan Award.

9.8 Limitation of Rights. A Recipient of Stock Appreciation Rights is not entitled to any rights of a holder of the Shares (e.g., voting rights and dividend rights), prior to the receipt of such Shares pursuant to the Plan.

9.9 Withholding. The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to the Stock Appreciation Rights.

9.10 Deferral of Stock Appreciation Rights. At the time of grant of a Plan Award of Stock Appreciation Rights the Committee may permit a Recipient who is exempt from U.S. taxation and who is expected to remain exempt from U.S. taxation until the Plan Award is settled to elect to defer the Shares or cash to be delivered in settlement of a Stock Appreciation Right in accordance with rules and procedures established by the Committee.

PERFORMANCE UNITS

10.1 Grant. Walmart may grant Performance Units to those Associates and Non-Management Directors as it may select in its sole discretion, on any terms and conditions the Committee deems desirable. Each Plan Award of Performance Units shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and Notice of Plan Award.

10.2 Performance Goals. The Committee shall set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Units that will be earned by the Recipient at the end of the Performance Period. The Performance Goals shall be set at threshold, target and maximum performance levels, with the number of Performance Units to be earned tied to the degree of attainment of the various performance levels under the various Performance Goals during the Performance Period. No Performance Units will be earned if the threshold performance level is not attained.

10.3 Beneficial Ownership. The Recipient of Performance Units shall not have any beneficial ownership in any Shares subject to the Performance Units unless and until Shares are delivered in satisfaction of the Performance Units nor shall the Recipient have the right to sell, transfer, assign, convey, pledge, hedge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Units or any interest therein. Except as required by any law, neither the Performance Units nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Recipient, whether as the direct or indirect result of any action of the Recipient or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

10.4 Determination of Achievement of Performance Goals. The Committee shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

10.5 Settlement of Performance Units. After the applicable Performance Period has ended, the Recipient of Performance Units shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Performance Units. The Committee may, in its sole discretion, reduce, eliminate or increase any amount of Shares or cash earned under Performance Units for any individual or group, except that such amount of Shares or cash intended to be a Qualified Performance Based Award may not be increased above the amount provided in the Notice of Plan Award. Unless deferred in accordance with Section 10.9, Performance Units shall be settled as soon as practicable after the Committee determines and certifies the degree of attainment of Performance Goals for the Performance Period.

The Committee shall have the discretion and authority to make adjustments to any Performance Units in circumstances where, during the Performance Period: (a) a Recipient leaves Walmart or an Affiliate and is subsequently rehired; (b) a Recipient transfers between positions with different incentive percentages or Performance Goals; (c) a Recipient transfers to a position not eligible to participate in the Plan; (d) a Recipient becomes eligible, or ceases to be eligible, for an incentive from another incentive plan maintained by Walmart or an Affiliate; (e) a Recipient is on a leave of absence; and (f) similar circumstances deemed appropriate by the Committee, consistent with the purpose and terms of the Plan; provided however, that the Committee shall not be authorized to increase the amount of Performance Units payable to a Covered Employee that would otherwise be payable if the amount was intended to be Qualified Performance Based Award.

10.6 Payments to Recipients. Subject to the terms and conditions of the Notice of Plan Award, payment to a Recipient with respect to Performance Units may be made (a) in Shares, (b)

in cash or by check equal to the Shares' Fair Market Value on the date the Performance Units are settled, or (c) any combination of cash and Shares, as the Committee shall determine at any time in its sole discretion.

10.7 Limitation of Rights. A Recipient of Performance Units is not entitled to any rights of a holder of the Shares (e.g. voting rights and dividend rights), prior to the receipt of Shares pursuant to the settlement of the Plan Award (if the Plan Award is settled in Shares). No dividend equivalents will be paid with respect to Performance Units.

10.8 Withholding. The Committee may withhold in accordance with Section 11.10 any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Units.

10.9 Deferral of Shares or Cash Payout. At the time of grant of Performance Units (or at such earlier or later time as the Committee determines to be appropriate in light of Code Section 409A) the Committee may permit the Recipient to elect to defer delivery of Shares (or payment of cash) with respect to the Plan Award in accordance with such rules and procedures established by the Committee. Such rules and procedures shall take into account potential tax treatment under Code Section 409A.

MISCELLANEOUS

11.1 Issuance of Stock Certificates; Book-Entry; or Purchase of Shares.

- (a) If a Recipient has the right to the delivery of any Shares pursuant to any Plan Award, Walmart shall issue or cause to be issued a stock certificate or a book-entry crediting Shares to the Recipient's account promptly upon the exercise of the Plan Award or the right arising under the Plan Award.
- (b) A Recipient's right to Open Market Shares pursuant to settlement of a Plan Award of Restricted Stock Units or Performance Units shall not be satisfied by Walmart's delivery of Shares but rather Walmart or an Affiliate shall purchase the Shares on the open market on behalf of the Recipient by forwarding cash to an independent broker who will in turn purchase the Shares on the open market on behalf of the Recipient.

11.2 Compliance with Code Section 162(m).

- (a) To the extent awards to Covered Employees are intended to be Qualified Performance Based Awards, the material terms of the Performance Goals under which awards are paid (and any material changes in material terms) shall be disclosed to and approved by Walmart's stockholders in a separate vote. Material terms include the eligible Recipients specified in Section 5.1, the Performance Measures pursuant to which the Performance Goals are set, and the maximum amount of compensation that could be paid to any Covered Employee or the formula used to calculate the amount of compensation to be paid to the Covered Employee if the Performance Goal is attained.
 - (b) Performance Measures must be disclosed to and reapproved by the stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which stockholders previously approved the Performance Measures. If applicable laws change to permit Committee discretion to alter the governing Performance Measures without conditioning deductibility on obtaining stockholder approval (or reapproval) of any changes, the Committee shall have sole discretion to make changes without obtaining
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stockholder approval or reapproval.

- (c) Whenever the Committee determines that it is advisable to grant or pay awards that do not qualify as Qualified Performance Based Awards, the Committee may make grants or payments without satisfying the requirements of Code Section 162(m).
- (d) The Committee may, but shall not be required to, establish rules and procedures providing for the automatic deferral of Shares or other Plan payouts of Recipients who are Covered Employees as necessary to avoid a loss of deduction under Code Section 162(m)(1).

11.3 Termination of Employment or Interruption or Termination of Continuous Status. Except as otherwise expressly set forth in the Plan, the Committee shall determine the effect of the termination of an Associate's employment, or a Recipient's disability or death, or any other interruption or termination of Continuous Status, on the lapse of any Restrictions contained in a Plan Award made to the Recipient. During a period for which the Recipient is subject to administrative suspension, a Recipient's right to exercise or receive payment for any rights under any Plan Award or the vesting of any rights under any Plan Award shall be suspended to the extent permitted under local law.

11.4 Forfeiture for Cause. Notwithstanding anything to the contrary contained in the Plan, any Recipient upon a finding of "Cause" by the Committee shall forfeit all Plan Awards (and rights thereunder) granted under the Plan, whether or not vested or otherwise exercisable.

11.5 Repayment Obligation.

- (a) Notwithstanding anything to the contrary contained in the Plan, in the event the Committee or its delegate (which expressly may include any officer of Walmart or a non-Associate third party (such as counsel to Walmart)) determines that a Recipient has engaged in Gross Misconduct, then the Recipient shall forfeit all Plan Awards then outstanding, and the Recipient shall repay to Walmart any payments received from Walmart with respect to any Plan Awards subsequent to the date which is twenty-four (24) months prior to the date of the behavior serving as the basis for the finding of Gross Misconduct. Any amount to be repaid by a Recipient pursuant to this Section 11.5 shall be held by the Recipient in constructive trust for the benefit of Walmart and shall be paid by the Recipient to Walmart with interest at the prime rate (as published in The Wall Street Journal) as of the date the Committee or its delegate determines the Recipient engaged in Gross Misconduct. The amount to be repaid pursuant to this Section 11.5 shall be determined on a gross basis, without reduction for any taxes incurred, as of the date of payment to the Recipient, and without regard to any subsequent change in the Fair Market Value of a Share.
 - (b) If the Committee determines at any time that the Recipient of a Plan Award, prior to or within one year after the date of settlement of such Plan Award, (A) engaged in any act the Committee deems inimical to the best interest of Walmart or an Affiliate, (B) breached any restrictive covenant or confidentiality requirement to which the Recipient was subject; or (C) otherwise failed to comply with applicable policies of Walmart or an Affiliate at all times prior to the settlement of the Plan Award, the Recipient shall be obligated, upon demand, to return the amount paid or distributed in settlement of such Plan Award to Walmart. In addition, all Plan Awards, whether or not previously settled, and whether or not previously deferred, shall be subject to Walmart's policies, including
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Walmart's Statement of Ethics or requirements of applicable law (including regulations and other applicable guidance) regarding clawbacks (recoupment) as in effect from time to time.

11.6 Death of Recipient. To the extent permitted in the Notice of Plan Award or under Committee rules and procedures, a Recipient may name a beneficiary or beneficiaries to whom the Recipient's Plan Award may be paid, or who is authorized to exercise the Recipient's Plan Award, in the event of the death of the Recipient, subject to Committee rules and procedures. If no such beneficiary is effectively named by the Recipient for any reason, then except to the extent otherwise provided in the Notice of Plan Award or Committee rules and procedures, if the Recipient dies, the Recipient's Plan Award may be paid to the Recipient's estate or may be exercised, in accordance with its terms or as allowed by law, by the Recipient's estate or by the beneficiary or person to whom the award devolves by bequest or inheritance. Unless otherwise provided in the Notice of Plan Award, (a) Plan Awards may be exercised after death only to the extent the Recipient was otherwise entitled to exercise the Plan Award at the date of the Recipient's death and only if exercised within 12 months after the Recipient's death, and (b) to the extent a Plan Award was unvested at the date of death, the Plan Award shall terminate.

11.7 Limitations on Liability and Award Obligations. Receiving a Plan Award or being the owner of any Option, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, or Performance Unit shall not:

- (a) give a Recipient any rights except as expressly set forth in the Plan or in the Plan Award and except as a stockholder of Walmart as set forth herein as to the Restricted Stock only;
- (b) as to Shares deliverable on the exercise of Options or Stock Appreciation Rights, or in settlement of Performance Units or Restricted Stock Units, until the delivery (as evidenced by the appropriate entry on the books of Walmart of a duly authorized transfer agent of Walmart) of such Shares, give the Recipient the right to vote, or receive dividends on, or exercise any other rights as a stockholder with respect to such Shares, notwithstanding the exercise (in the case of Options or Stock Appreciation Rights) of the related Plan Award;
- (c) be considered a contract of employment or give the Recipient any right to continued employment, or to hold any position, with Walmart or any Affiliate;
- (d) create any fiduciary or other obligation of Walmart or any Affiliate to take any action or provide to the Recipient any assistance or dedicate or permit the use of any assets of Walmart or any Affiliate that would permit the Recipient to be able to attain any performance criteria stated in the Recipient's Plan Award;
- (e) create any trust, fiduciary or other duty or obligation of Walmart or any Affiliate to engage in any particular business, continue to engage in any particular business, engage in any particular business practices or sell any particular product or products;
- (f) create any obligation of Walmart or any Affiliate that shall be greater than the obligations of Walmart or that Affiliate to any general unsecured creditor of Walmart or the Affiliate; or
- (g) give a Recipient any right to receive any additional Plan Award of any type.

If Walmart or an Affiliate terminates a Recipient's employment with Walmart or the Affiliate,

the potential value of any Plan Award that must be returned to Walmart will not be an element of any damages that the Recipient may have for any termination of employment or other relationship in violation of any contractual or other rights the Recipient may have.

11.8 No Liability of Committee Members. Walmart shall indemnify and hold harmless each member of the Committee and each other officer and director of Walmart or any Affiliate that has any duty or power relating to the administration of the Plan against any liability, obligation, cost or expense incurred by that person arising out of any act or omission to act in connection with the Plan or any Plan Award if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of Walmart. Indemnification of Associates, directors, and agents shall be determined pursuant to the requirements of Article VI of Walmart's Amended and Restated Bylaws.

11.9 Adjustments upon Changes in Capitalization or Merger. Subject to any required action by the Walmart stockholders, the number and type of Shares (or other securities or property) covered by each Plan Award, and the number and type of Shares (or other securities or property) which have been authorized for delivery under the Plan but as to which no Plan Awards have yet been granted or which have been returned to the Plan upon cancellation or expiration of a Plan Award, the price per Share covered by any outstanding Plan Award that includes in its terms a price per Share, and the number of Shares with respect to which Plan Awards may be granted to an individual shall be proportionately adjusted to reflect an extraordinary dividend or other distribution (whether in the form of cash, Shares or other securities or property), stock split, reverse stock split, merger, reorganization, subdivision, consolidation or reduction of capital, recapitalization, consolidation, split-up, spin-off, combination or reclassification of the Shares, or any other increase or decrease in the number of outstanding Shares effected without receipt of consideration by Walmart, issuance or warrants or other rights to purchase Shares or other securities of Walmart or other similar corporate transaction or event that affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. That adjustment shall be made by the Committee, whose determination shall be final, binding and conclusive as to every person interested under the Plan. Except as expressly provided herein, no issuance by Walmart of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to a Plan Award.

11.10 Tax Withholding. Whenever taxes are to be withheld in connection with the grant, vesting, lapse of restrictions, exercise or settlement of a Plan Award or for any other reason in connection with a Plan Award (the date on which such withholding obligation arises being hereinafter referred to as the "Tax Date"), the Committee may decide, in its sole discretion, to provide for the payment for the withholding of federal, state and local taxes (including Social Security and Medicare ("FICA") taxes by one or a combination of the following methods and may (but need not) permit the Recipient to elect the method or methods: (a) payment in cash of the amount to be withheld, (b) requesting Walmart to withhold from Shares that would otherwise be delivered in settlement of a Plan Award payable in Shares (or upon the lapse of Restrictions on a Plan Award) a number of Shares having a Fair Market Value on the Tax Date or the last NYSE trading day prior to the Tax Date no greater than the amount to be withheld, (c) transfer of unencumbered Shares owned by the Recipient in circumstances permitted by the Committee

valued at their Fair Market Value on the Tax Date or the last NYSE trading day prior to the Tax Date, (d) withholding from any cash compensation otherwise due to the Recipient; or (e) such other method as authorized by the Committee in its discretion. The Committee may set limits on the amount of withholding to be satisfied through withholding of Shares; e.g., the Committee may require that only the minimum withholding be satisfied in Shares, and may prohibit withholding from Open Market Shares or using a particular method if necessary or advisable in a particular country. Any fractional share amount must be paid in cash or withheld from compensation otherwise due to the Recipient.

11.11 Amendment and Termination of the Plan. The Board may amend or terminate the Plan at any time without the approval of the Recipients or any other person, except to the extent any action of that type is required to be approved by the stockholders of Walmart under applicable law, listing standards, or in connection with any outstanding Qualified Performance Based Awards. Notwithstanding the foregoing, no amendment that, in the judgment of the Board would materially adversely affect a Recipient holding an Award shall be made without the Recipient's consent; provided that no amendment that changes the timing of taxation of a Plan Award shall be deemed to materially adversely affect the Recipient.

11.12 Compliance with Law. The making of any Plan Award or delivery of any Shares is subject to compliance by Walmart with all applicable laws as determined by Walmart's legal counsel. Walmart need not issue or transfer any Plan Award or Shares pursuant to the Plan unless Walmart's legal counsel has approved all legal matters in connection with the delivery of any Plan Award or Shares.

11.13 No Representation or Warranty Regarding Tax Treatment. Notwithstanding any language contained in the Plan or any Plan Award, Walmart does not represent or warrant that any particular tax treatment will be achieved.

11.14 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

11.15 Superseding Existing Plans, Effective Date, and Transition. The Plan, as set forth herein, was approved by the Board on February 6, 2015, to be effective on June 5, 2015, subject to the approval of Walmart's stockholders. The 2013 Restatement was approved by the Board on April 12, 2013, to be effective August 12, 2013. The 2010 Plan was effective January 1, 2010, and approved by Walmart's stockholders on June 4, 2010. The 2005 Plan was effective January 1, 2005, and was approved by Walmart's stockholders on June 3, 2005. The 1998 Plan was effective as of March 5, 1998, and was approved by Walmart's stockholders on June 5, 1998. Shares made available for delivery in settlement of Plan Awards shall also be available for delivery in settlement of amounts payable under the provisions of the Walmart Inc. Director Compensation Deferral Plan.

11.16 Funding. To the extent the Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), it is intended to be (and will be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. It is intended that the Plan be unfunded for federal tax purposes and for purposes of Title I of ERISA.

11.17 Code Section 409A. Plan Awards are intended to be exempt from the definition of "nonqualified deferred compensation" within the meaning of Code Section 409A, or to the extent

not so exempt, to satisfy the requirements of Code Section 409A, and the Plan and Plan Awards shall be interpreted accordingly.

WALMART INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(February 1, 2011)
Renamed effective February 1, 2018

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WALMART INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I
GENERAL

1.1 Purpose.

The purpose of this Supplemental Executive Retirement Plan is to supplement the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan. This Plan is intended to be in compliance with Code Section 409A and shall be interpreted, applied and administered at all times in accordance with Code Section 409A and guidance issued thereunder.

1.2 Effective Date.

This Plan was initially effective January 31, 1990. The Plan has been amended from time to time, most recently effective January 1, 2009. The Plan is hereby further amended and restated as of February 1, 2011 (except as otherwise specifically stated herein).

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. The Plan shall be “unfunded” for tax purposes and for purposes of Title I of ERISA. Any and all payments under the Plan shall be made solely from the general assets of Walmart. A Participant’s interests under the Plan do not represent or create a claim against specific assets of Walmart or any Employer. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Committee, Walmart or any Employer and a Participant, a Participant’s Beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart.

ARTICLE II
DEFINITIONS

2.1 Definitions.

Except as otherwise expressly provided below, capitalized terms used in the Plan shall have the same meanings as set forth for such terms in the 401(k) Plan, and such 401(k) Plan definitions and operative terms are incorporated herein by reference. Should there be any conflict between the meanings of terms used in the Plan and the meaning of terms used in the 401(k) Plan, the meaning as set forth in the Plan shall prevail.

- (a) **Account** means the bookkeeping account established by the Committee to reflect a Participant’s contribution credits pursuant to Section 4.2, if any, and credited earnings thereon in accordance with Section 4.3.
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- (b) **Beneficiary** means a person to whom all or a portion of a deceased Participant's Account is payable, as determined in Section 5.3.
- (c) **Code** means the Internal Revenue Code of 1986, as amended.
- (d) **Committee** means the Compensation, Nominating and Governance Committee of the Board of Directors of Walmart, or any successor committee of the Board of Directors granted responsibility and authority for recommending associate compensation.
- (e) **Disability** means, as determined by the Committee or its delegate, the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- (f) **Employer** means Walmart and all persons with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.
- (g) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- (h) **401(k) Plan** means, collectively, the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan.
- (i) A Participant is deemed to have engaged in **Gross Misconduct** if the Committee or its delegate determines that the Participant has engaged in conduct detrimental to the best interests of Walmart or any Employer or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
- (j) **Normal Retirement Age** shall mean age sixty-five (65).
- (k) **Participant** means any eligible individual who becomes a participant of the Plan in accordance with Section 3.2. An individual remains a Participant until the Participant's Account has been fully distributed.
- (l) **Pay Date** means the last day of the calendar month in which falls the date that is six (6) months after a Participant's Separation from Service.

- (m) **Plan** means the Walmart Inc. Supplemental Executive Retirement Plan, as herein set forth, and as may be amended from time to time.
- (n) **PR Code** means the Internal Revenue Code of Puerto Rico, as amended from time to time.
- (o) **Retirement** means Separation from Service after the Participant attains Normal Retirement Age.
- (p) **Separation from Service** means the Participant has a termination of employment with the Employer. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and Employer reasonably anticipate that no further services will be performed by the Participant for the Employer; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she would perform for the Employer after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Employer (whether as an employee or independent contractor) over the immediately preceding thirty-six (36)-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer for less than thirty-six (36) months). For this purpose, a Participant is not treated as having a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Employer under an applicable statute or by contract.
- (q) **Valuation Date** means the last day of each Plan Year quarter and, solely for purposes of valuing a Participant's Account under Article V, the date specified therein as a Valuation Date. Valuation Date shall also include such other dates as the Committee may designate from time to time.
- (r) **Vested Percentage** means the percentage determined as of the Participant's Separation from Service in accordance with the schedule then effective with respect to Profit Sharing Contributions under the Walmart 401(k) Plan or the Walmart Puerto Rico 401(k) Plan, as applicable, and based on the Participant's Years of Service with the Employer (as defined herein) as of such date. For this purpose, a Participant's Vested Percentage shall be one hundred percent (100%) upon his or her Normal Retirement Age, Disability or death if he or she is employed by Walmart or an Employer upon the occurrence of such event.
- (s) **Walmart** means Walmart Inc.

ARTICLE III PARTICIPATION

3.1 Eligibility.

The following individuals shall be eligible to participate in the Plan:

- (a) 401(k) Plan participants whose allocation of Profit Sharing Contributions to their Profit Sharing Contribution Account in the 401(k) Plan, had Walmart made such contributions for such Plan Year, would have been limited due to the application of Code Section 415 and/or Code Section 401(a)(17), or any like provision of the PR Code; and/or
- (b) 401(k) Plan participants who have elected to defer salary and/or bonuses under the Officer Deferred Compensation Plan or successor plan (and expressly excluding any 401(k) Plan participant who has been credited with incentive payments under the Walmart Inc. Officer Deferred Compensation Plan or successor plan, but who have not made a voluntary election to defer salary or bonuses under such Plan).

Notwithstanding the above, Participants shall not include 401(k) Plan participants who are primarily compensated on a commission basis.

3.2 Participation.

An eligible individual under Section 3.1 shall become a Plan Participant on the later of:

- (a) January 31, 1990; or
- (b) January 31 of the Plan Year in which the individual satisfies the requirements of Section 3.1;

provided, however, that no new Participant shall be added to the Plan on or after February 1, 2013.

Once amounts are credited to a Participant's Account under Section 4.2, such individual shall remain a Participant until his or her Account is distributed in full in accordance with Article V; provided, however, in order for the Participant's Account to be credited with employer contributions credits for a Plan Year, the Participant must satisfy the requirements of Section 4.2 for such Plan Year.

ARTICLE IV PLAN ACCOUNTS AND CREDITS

4.1 Nature of Plan Accounts.

A Participant's Account shall be used solely as a measuring device to determine the amount (if any) to be paid to a Participant. No amounts shall actually be set aside with respect to any Account. All amounts at any time attributable to an Account shall be, and remain, the sole property of Walmart. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. An Account represents an unsecured promise by Walmart to pay the benefits provided by the Plan.

4.2 Contribution Credits.

- (a) For the Plan Year ending January 31, 2012, Walmart shall credit as of the last day of such Plan Year to each Participant's Account:
- (1) the amount of Profit Sharing Contributions which would have been (but were not) allocated to such Participant's Profit Sharing Contribution Account in the 401(k) Plan for such Plan Year had such contributions not been limited by application of Code Section 415 and/or Code Section 401(a)(17), or like Sections (if any) of the PR Code, calculated as if Walmart had made a four percent (4%) Profit Sharing Contribution to the 401(k) Plan for such Plan Year;
 - (2) with respect to Participants who during the Plan Year elected to defer salary and/or bonuses under the Walmart Inc. Officer Deferred Compensation Plan or successor plan, the amount of Profit Sharing Contributions which would have been (but were not) allocated to such Participant's Profit Sharing Contribution Account in the 401(k) Plan for the Plan Year but for such Participant's deferral election in the Walmart Inc. Officer Deferred Compensation Plan or successor plan, calculated as if Walmart had made a four percent (4%) Profit Sharing Contribution to the 401(k) Plan for such Plan Year; and
 - (3) an amount determined in the sole discretion of the Committee, which may differ among Participants or categories of Participants designated by the Committee.
- (b) For the Plan Year ending January 31, 2013, Walmart shall credit as of the last day of such Plan Year to the Account of each Participant who receives a bonus under the Walmart Inc. Management Incentive Plan for the fiscal year ending January 31, 2013 and who would have been entitled to receive a Profit Sharing Contribution in the 401(k) Plan for such year had one been made, an amount equal to four percent (4%) of such bonus to the extent such bonus when added to the Participant's Compensation for such Plan Year exceeds the Code Section 401(a)(17) or like Section (if any) of the PR Code.
- (c) No contribution credits shall be made to any Participant's Account under this Section 4.2 with respect to any Plan Year beginning on or after February 1, 2013.

Notwithstanding anything in this Section 4.2 to the contrary, in no event will an initial contribution be made to a Participant's Account unless the aggregate of such initial contributions is at least one hundred dollars (\$100).

4.3 Income or Loss Adjustment on Plan Accounts.

Except as otherwise provided in Article V, each Account shall be adjusted as of each Valuation Date as follows:

- (a) for the Plan Year ending on January 31, 2012, based on the overall rate of return on the Participant's accounts in the 401(k) Plan since the preceding Valuation Date or, if the Participant did not have any accounts in the 401(k) Plan for any portion of the period since the preceding Valuation Date, based on the rate of return of the default investment option as in effect under the 401(k) Plan since the preceding Valuation Date; and
- (b) for Plan Years beginning on or after February 1, 2012, by the equivalent of the yield on United States Treasury securities (not indexed for inflation) with a constant maturity of ten (10) years, as of the the first Business Day of January preceding such Plan Year, plus two-hundred seventy (270) basis points. This rate shall be determined on the basis of Federal Reserve Statistical Release H-15 (or any successor statistical release of the Federal Reserve) and, if there is no such statistical release, on the basis of such other generally recognized source of information concerning the market for United States Treasury securities as the Committee selects.

**ARTICLE V
PAYMENT OF PLAN BENEFITS**

5.1 Benefits in the Event of Retirement, Disability or Death.

- (a) Upon a Participant's Separation from Service due to Retirement or Disability, the Participant's Account shall be distributed to the Participant in a lump sum cash payment during the ninety (90)-day period commencing on the Participant's Pay Date. The lump sum amount distributed shall equal:
 - (1) if the Participant's Separation from Service occurs on or before January 31, 2012, the sum of:
 - (i) the value of the Participant's Account as of the Participant's Separation from Service, valued in accordance with Section 4.3, but using such date as the last Valuation Date, and
 - (ii) interest on the amount determined in subsection (i) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the Participant's Separation from Service through the date of distribution; or
 - (2) if the Participant's Separation from Service occurs on or after February 1, 2012, the value of the Participant's Account through the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date.
- (b) Upon a Participant's death (whether before or after the Participant's Separation from Service), the Participant's Account shall be distributed to the Participant's Beneficiary in a lump sum cash payment during the ninety (90)-day period following the last day of the calendar month in which such death occurs.

- (1) If the Participant's death occurs prior to his or her Separation from Service, the lump sum amount distributed shall be:
 - (i) if the Participant's death occurs on or before January 31, 2012, the sum of: (i) the value of the Participant's Account as of the date of the Participant's death, valued in accordance with Section 4.3, but using the date of the Participant's death as the last Valuation Date, and (2) interest on the amount determined in (1) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the Participant's death through the date of distribution.
 - (ii) if the Participant's death occurs on or after February 1, 2012, the lump sum amount distributed shall be the value of the Participant's Account through the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date.
- (2) If the Participant's death occurs after his or her Separation from Service, the lump sum amount distributed shall be:
 - (i) if the Participant's Separation from Service occurs on or before January 31, 2012, the sum of: (i) the value of the Participant's Account as of the Participant's death, valued in accordance with Section 5.1(a) or 5.2, as applicable, but using such date as the last Valuation Date, and (ii) interest on the amount determined in (i) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the date of the Participant's death through the date of distribution.
 - (ii) if the Participant's Separation from Service occurs on or after February 1, 2012, the value of the Participant's Account as of the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date.

5.2 Benefits Due to Separation from Service.

Upon a Participant's Separation from Service for reasons other than Retirement, Disability or death, the Participant's Account shall be distributed to the Participant in a lump sum cash payment during the ninety (90)-day period commencing on the Participant's Pay Date. The lump sum amount distributed shall equal:

- (a) if the Participant's Separation from Service occurs on or before January 31, 2012, the sum of:
 - (1) the value of the Participant's Account as of the Participant's Separation from Service, valued in accordance with Section 4.3, but using such date

as the last Valuation Date, multiplied by the Participant's Vested Percentage, and

- (2) interest on the amount determined in subsection (1) above at the mid-term applicable federal rate (defined pursuant to Code Section 1274(d) for January 1 of the calendar year, compounded annually) during the period from the Participant's Separation from Service through the date of distribution; or
- (b) if the Participant's Separation from Service occurs on or after February 1, 2012, the value of the Participant's Account through the date of distribution, valued in accordance with Section 4.3, but using such date as the last Valuation Date, multiplied by the Participant's Vested Percentage.

5.3 Beneficiary Designations.

A Participant may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. A Participant may change such designation from time to time and the last written designation filed with the Committee prior to the Participant's death will control. In the event no beneficiaries are designated, or if the designated beneficiaries die before the Participant's Account is distributed, the Account shall be paid to the Participant's beneficiary given effect with respect to the Participant's Profit Sharing Contribution Account under the 401(k) Plan, whether an affirmative or default election. In the event the Participant has a beneficiary designation in effect with respect to a Profit Sharing Contribution Account under both the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan, the beneficiary designation for the Plan in which the Participant was a participant immediately preceding his or her death shall apply.

5.4 In-Service Withdrawals.

In no event shall benefits hereunder be payable to a Participant prior to the Participant's Separation from Service.

ARTICLE VI GROSS MISCONDUCT -- REDUCTION IN PLAN BENEFITS

6.1 Impact of Gross Misconduct.

Notwithstanding anything herein to the contrary, a Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with Walmart, any Employer, or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. In the event the Committee determines that a Participant has engaged in Gross Misconduct during the prescribed period, then notwithstanding anything herein to the contrary, the Participant's Account shall be recalculated as if no employer contributions were credited to the Participant's Account under Section 4.2 (including adjustments for earnings or losses thereon under Section 4.3) on or after January 31, 1996. Notwithstanding anything herein to the contrary, such a Participant's Plan benefits (if any)

shall be based upon the amount recalculated under the preceding sentence. Any payments received hereunder by a Participant (or the Participant's Beneficiary) are contingent upon the Participant not engaging (or not having engaged) in Gross Misconduct while employed with Walmart or any Employer, or during such additional period as provided in Walmart's Statement of Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant has engaged in Gross Misconduct during the prescribed period, the Participant (or the Participant's Beneficiary) shall repay to Walmart any amount in excess of that to which the Participant is entitled under this Section 6.1.

ARTICLE VII ADMINISTRATION

7.1 Administration.

The Committee is responsible for the management, interpretation and administration of the Plan. The Committee shall have discretionary authority with respect to the determination of benefits under the Plan and the construction and interpretation of Plan provisions. In such capacity, the Committee is granted the following rights and duties:

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount (including the vested percentage) of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Participants (or their Beneficiaries) under this Plan;
- (b) The Committee shall have the sole and complete authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
- (c) The Committee may appoint a person or persons to assist the Committee in the day-to-day administration of the Plan;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart and any Employer, and the Participant, such Participant's Beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VIII; and
- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

7.2 Allocation and Delegation of Duties.

- (a) The Committee shall have the authority to allocate, from time to time, by instrument in writing filed in its records, all or any part of its respective responsibilities under the Plan to one or more of its members as may be deemed advisable, and in the same manner to revoke such allocation of responsibilities. In the exercise of such allocated responsibilities, any action of the member to whom responsibilities are allocated shall have the same force and effect for all

purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall periodically report to the Committee concerning the discharge of the allocated responsibilities.

- (b) The Committee shall have the authority to delegate, from time to time, by written instrument filed in its records, all or any part of its responsibilities under the Plan to such person or persons as the Committee may deem advisable (and may authorize such person to delegate such responsibilities to such other person or persons as the Committee shall authorize) and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall periodically report to the Committee concerning the discharge of the delegated responsibilities.

ARTICLE VII CLAIMS AND APPEALS PROCEDURES

8.1 General.

A Participant or Beneficiary (“claimant”) who believes he or she is entitled to Plan benefits which have not been paid may file a written claim for benefits with the Committee within one (1) year of the Participant’s Separation from Service. If any such claim is not filed within one (1) year of the Participant’s Separation from Service, neither the Plan nor Walmart or any Employer shall have any obligation to pay the disputed benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee within a reasonable period of time, not to exceed sixty (60) days (or forty-five (45) days in the event of a claim involving a Disability determination), after receipt of the claim by the Committee. The Committee may extend the initial period up to any additional sixty (60) days (or thirty (30) days, in the case of a claim involving a Disability determination), provided the Committee determines that the extension is necessary due to matters beyond the Plan’s control and the claimant is notified of the extension before the end of the initial sixty (60)-day (or, as applicable, forty-five (45)-day) period and the date by which the Committee expects to render a decision. (In the case of a claim involving a Disability determination, the Committee may extend this period for an additional thirty (30) days if the claimant is notified of the extension before the end of the initial thirty (30)-day extension.) Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to the pertinent Plan provision upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim; and
- (d) an explanation of the Plan’s appeals procedure.

8.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant's duly authorized representative:

- (a) may request a review by written application to the Committee not later than sixty (60) days (or one-hundred eighty (180) days in the case of a claim involving a Disability determination) after receipt by the claimant of the written notification of denial of a claim;
- (b) may review pertinent documents; and
- (c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days (or forty-five (45) days in the event of a claim involving a Disability determination) after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days (or ninety (90) days in the event of a claim involving a Disability determination) after receipt of a request for review. The decision on review will be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit his or her then-existing Account. In the event of a complete or partial termination of the Plan, the Vested Percentage applicable to the Accounts of the Participants affected by such complete or partial termination shall be one hundred percent (100%), and such Accounts shall be paid at the time and in the manner provided in Article V (subject to the provisions of Article VI). No amendment or termination of the Plan may accelerate the date of payment of a Participant's benefit as provided herein except as permitted by law.

Notwithstanding the preceding, Walmart may, by action of the Committee within the thirty (30) days preceding or twelve (12) months following a change in control (within the meaning of Code Section 409A) of a relevant affiliate, partially terminate the Plan and distribute benefits to all Participants involved in such change in control within twelve (12) months after such action, provided that all plans sponsored by the service recipient immediately after the change in control which are required to be aggregated with this Plan pursuant to Code Section 409A are also terminated and liquidated with respect to each Participant involved in the change in control.

9.2 Non-Alienability.

The rights of a Participant to the payment of benefits as provided in the Plan may not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation. No Participant may borrow against his or her interest in the Plan. No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

9.3 No Employment Rights.

Nothing contained herein shall be construed as conferring upon a Participant the right to continue in the employ of Walmart or any Employer in the Participant's current position or in any other capacity.

9.4 Withholding and Employment Taxes.

To the extent required by law, Walmart or an Employer shall withhold from a Participant's current compensation such taxes as are required to be withheld for employment taxes. To the extent required by law, Walmart or an Employer shall withhold from a Participant's Plan distributions such taxes as are required to be withheld for federal, Puerto Rican, state or local government income or employment tax purposes.

9.5 Income and Excise Taxes.

Each Participant (or the Participant's Beneficiaries or estate) is solely responsible for the payment of all federal, Puerto Rican, state, and local income and excise taxes resulting from the Participant's participation in this Plan.

9.6 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart, each Employer which then has a Participant in the Plan, their successors and assigns, and each Participant, such Participant's Beneficiaries, heirs, and legal representatives.

9.7 Governing Law.

This Plan shall be subject to and construed in accordance with the laws of the State of Delaware to the extent not preempted by federal law.

9.8 Recovery of Overpayments.

In the event any payments under the Plan are made on account of a mistake of fact or law, the recipient shall return such payment or overpayment to Walmart as requested by Walmart.

WALMART INC.
DIRECTOR COMPENSATION DEFERRAL PLAN

**(Amended and Restated Effective June 4, 2010 and
Renamed as of February 1, 2018)**

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WALMART INC.
DIRECTOR COMPENSATION DEFERRAL PLAN

ARTICLE I
GENERAL

1.1 Purpose of Plan.

Prior to June 4, 2010, the purpose of the Walmart Inc. Director Compensation Plan was to: (a) provide a structure for determining the amount and form of fees (whether paid in cash or Shares); (b) allow Directors to participate in the ownership of Walmart through equity for their services as Walmart Directors; and (c) allow Directors to defer all or a portion of their Fees (whether paid in cash or Shares). Effective June 4, 2010, the purpose of this Plan is simply to allow Directors to defer all or a portion of their Fees (whether paid in cash or Shares), whether awarded or determined by the Board under the Stock Incentive Plan or otherwise.

1.2 Background; Effective Dates.

- (a) This Plan was initially adopted on March 7, 1991 and ratified by the stockholders of Walmart on June 5, 1992. The Plan was subsequently amended and restated effective January 1, 1997 and approved by stockholders at Walmart's 1997 Annual Shareholders' Meeting. The Plan was most recently amended and restated as of January 1, 2009. Walmart reserved and authorized for issuance pursuant to the terms and conditions of the Plan 1,000,000 shares of Common Stock (which number shall be proportionately adjusted to reflect any stock split, reverse stock split, merger, reorganization, spin-off or other similar transaction).
 - (b) At its meeting on March 3, 2010, the Committee approved the amendment of this Plan to provide that no further Fees shall be paid or Shares awarded under this Plan on or after June 4, 2010. From and after that date, cash Fees will be paid to Directors as approved by the Board from time to time and Share grants to Directors will be awarded by the Board under the Stock Incentive Plan (subject to approval of an amendment to the Stock Incentive Plan by stockholders).
 - (c) The Committee has authority pursuant to Section 7.8 of the Stock Incentive Plan to adopt procedures as it deems appropriate to allow Directors to defer their Fees (whether in cash or Shares) paid or awarded on or after June 4, 2010, in accordance with Code Section 409A. Pursuant to such authority, the Committee amended and restated this Plan to provide for deferral of Fees paid or awarded on or after June 4, 2010 and renamed the Plan the Wal-Mart Stores, Inc. Director Compensation Deferral Plan. This Plan was renamed the Walmart Inc. Director Compensation Deferral Plan effective February 1, 2018.
 - (d) The terms of the Plan as stated herein (other than Appendix A) shall apply to all Fees deferred under the Plan on or after January 1, 2005 (whether paid or awarded pursuant to this Plan prior to June 4, 2010 or paid or awarded by the Board under the Stock Incentive Plan or otherwise on or after June 4, 2010). This Plan (other than Appendix A) shall be interpreted and applied at all times in accordance with Code Section 409A, and guidance issued thereunder.
-

- (e) Fees deferred under the Plan on or before December 31, 2004, and earnings thereon, shall continue to be governed at all times by the Plan as in effect on such date, which Plan is attached hereto as Appendix A. Appendix A shall not be materially modified (as that phrase is defined by Code Section 409A and guidance thereunder), formally or informally (including by interpretation), unless such modification expressly provides that it is intended to be a material modification within the meaning of Code Section 409A and guidance issued thereunder.
- (f) To the extent Shares are distributed pursuant to this Plan on or after June 4, 2010, such Shares shall be treated as being authorized from the plan under which they were awarded, that is, for Shares awarded prior to June 4, 2010, the Director Compensation Plan prior to this amendment and restatement, and for Shares awarded on or after June 4, 2010, the Stock Incentive Plan. In the event there are insufficient Shares under the Plan (including Appendix A), Shares from the Stock Incentive Plan shall be used to pay any benefits under the Plan to be paid in Shares.

1.3 Nature of Accounts.

This Plan is intended to be (and shall be administered as) an unfunded program for federal tax purposes. Cash Deferral Accounts and Share Deferral Accounts are entries in the Special Ledger only and are merely a promise to make payments in the future. Walmart's obligations under this Plan are unsecured, general contractual obligations of Walmart.

ARTICLE II DEFINITIONS

2.1 Definitions.

Whenever used in this Plan, the following words and phrases have the meaning set forth below unless the context plainly requires a different meaning:

- (a) **Affiliate** means any corporation, company limited by shares, partnership, limited liability company, business trust, other entity, or other business association with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.
- (b) **Board** means the Board of Directors of Walmart.
- (c) **Business Day** means a day on which trading is conducted on the New York Stock Exchange.

- (d) **Cash Deferral Account** means an account maintained in the Special Ledger for a Director to which cash equivalent amounts allocable to the Director under this Plan are credited.
- (e) **Code** means the Internal Revenue Code of 1986, as amended from time to time. References to Code sections hereunder shall also include regulations and other guidance issued under such section.
- (f) **Committee** means the Compensation, Nominating and Governance Committee of the Board, or any successor committee of the Board granted responsibility and authority for recommending director compensation.
- (g) **Common Stock** means the common stock, \$0.10 par value per share, of Walmart.
- (h) **Fees** means the amount credited to the Special Ledger for a Director at any particular time
- (i) **Director** means any director of Walmart who is not an employee of Walmart or an Affiliate at the time of service as a director.
- (j) **Disability** means, as determined by the Committee, the Director is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- (k) **Distribution Date** means the last day of the month in which the Director's Separation from Service occurs.
- (l) **Fair Market Value** means, as of any date, the closing sales price for a Share: (1) on the New York Stock Exchange (or if no trading in Shares occurred on that date, on the last day on which Shares were traded) or (2) if the Shares are not listed for trading on the New York Stock Exchange, the value of a Share as determined in good faith by the Committee.

On or before March 31, 2006, Fair Market Value means, as of any date: (A) for purposes of determining the number of Units to be credited to a Share Deferral Account upon a Director's election to defer all or any portion of his or her Retainer to such account, the average of the highest and lowest prices quoted for a Share on the New York Stock Exchange on that day, or if no such prices were quoted for Shares on the New York Stock Exchange for that day for any reason, the average of the highest and lowest prices quoted on the last Business Day on which prices were quoted, and (B) for purposes of determining the number of Units to be credited to a Share Deferral Account as a dividend equivalent, the closing price for a Share on the New York Stock Exchange on that day, or if no such prices were quoted for the Shares on the New York Stock Exchange for that day for any reason, the closing price on the last Business Day on which prices were quoted. The highest and lowest prices for Shares shall be those published in the edition of The Wall Street Journal or any successor publication for the next Business Day.

- (m) **Fees** means the annual or quarterly retainer (including annual or quarterly retainers for service as the chairperson of a Board committee or as a member of a Board committee) and per-meeting fees that would, but for an election made under this Plan, be payable to a Director in Shares or in cash.
- (o) A Director is deemed to have engaged in **Gross Misconduct** if it is determined that the Director has engaged in conduct detrimental to the best interests of Walmart or any Affiliate. Examples of conduct detrimental to the best interests of Walmart or any Affiliate include, without limitation, violation of Walmart's Statement of Ethics or other Walmart policy governing a Director's behavior while serving as a Director or applicable period thereafter, or theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses while serving as a Director or otherwise performing services related to Walmart.
- (p) **Interest Rate** means, for each Plan Year, the yield on United States Treasury securities (not indexed for inflation) with a constant maturity of ten (10) years, as of the first Business Day of January of such Plan Year, plus 270 basis points. The Interest Rate shall be determined on the basis of Federal Reserve Statistical Release H-15 (or any successor statistical release of the Federal Reserve) and, if there is no such statistical release, on the basis of such other generally recognized source of information concerning the market for United States Treasury securities as the Committee selects.
- (q) **Plan** means the Walmart Inc. Director Compensation Deferral Plan (formerly the Wal-Mart Stores, Inc. Director Compensation Deferral Plan and the Wal-Mart Stores, Inc. Director Compensation Plan), as set forth herein, and as may hereafter be amended from time to time.
- (r) **Plan Year** means the twelve (12)-month period beginning on each January 1 and ending on each following December 31.
- (s) **Separation from Service** means a Director ceases to be a director of Walmart or any Affiliate, unless immediately upon such cessation the Director enters into a relationship with Walmart or any Affiliate which would not be a Separation from Service under Code Section 409A, in which case a Separation from Service will be deemed to occur upon the cessation of such relationship as provided in Code Section 409A.
- (t) **Share Deferral Account** shall mean the account maintained in the Special Ledger for a Director to which Units allocable to the Director under this Plan are credited.
- (u) **Shares** means shares of the Common Stock.
- (v) **Special Ledger** means a record established and maintained by Walmart in which Cash Deferral Accounts and Share Deferral Accounts, and all amounts credited thereto and transferred or paid therefrom, are noted.

- (w) **Stock Incentive Plan** means the Walmart Inc. Stock Incentive Plan of 2015, as amended from time to time.
- (x) **Unit** means a credit to a Share Deferral Account representing one Share.
- (y) **Walmart** means Walmart Inc., a Delaware corporation.

**ARTICLE III
DEFERRAL ELECTIONS**

3.1 Deferral Election.

- (a) For each Plan Year, each Director may elect to defer all or any portion of his or her Fees to be paid during the Plan Year. Fees that would have been paid in Shares but for the Director's election hereunder shall be credited to the Director's Share Deferral Account. Fees that would have been paid in cash but for the Director's election hereunder shall be credited to the Director's Share Deferral Account or Cash Deferral Account, as elected by the Director.
- (b) The Director's election to defer Fees under this Plan (and the election as to which Account such Fees shall be credited, if applicable) must be made and filed in accordance with procedures established by the Committee no later than the December 31 preceding the Plan Year for which the election is to be effective. Notwithstanding the preceding, with respect to an individual who becomes a new Director during a Plan Year (either by election or appointment), the Director's election must be made and filed:
 - (1) with respect to Fees to be paid as an annual retainer, prior to the date the individual becomes a Director (either by election or appointment), and
 - (2) with respect to per-meeting Fees or Fees to be paid on a quarterly basis, within thirty (30) days of the date the individual becomes a Director (either by election or appointment), but such election shall only apply, in the case of a-per-meeting Fees, with respect to meetings which occur after the date of such deferral election).

For purposes of the preceding sentence, an individual who at one point was a Director, ceased being a Director, and again becomes a Director (either by election or appointment), shall be considered a new Director only if:

- (A) he or she was not eligible to participate in the Plan (or any other plan or arrangement required by Code Section 409A to be aggregated with the Plan) at any time during the twenty-four (24)-month period ending on the date he or she again becomes a Director, or
- (B) he or she was paid all amounts previously due under the Plan (and any other plan or arrangement required by Code Section 409A to

be aggregated with the Plan) and, on and before the date of the last such payment, was not eligible to continue to participate in this Plan (or any other plan or arrangement required by Code Section 409A to be aggregated with the Plan) for periods after such payment.

- (c) An election may not be revoked, changed or modified after the applicable filing deadline specified in subsection (b) above, including with respect to Fees paid after the individual ceases to be a Director (but the amount deferred from such former Director's last Fees shall be reduced pro rata if the Director elected a whole dollar amount and the Fees are reduced, for example, due to the Director not completing the full period of service to which the Fees relate). An election for one Plan Year shall not automatically be given effect for a subsequent Plan Year, so that if deferral is desired for a subsequent Plan Year, a separate election must be made by the Director for such Plan Year. If no election is made for a Plan Year, the Director shall be deemed to have elected not to defer any of his or her Fees paid during such Plan Year.

The deferral election filed by a new Director under subsection (b)(2) above with respect to Fees paid on a quarterly basis shall apply only to the Fees payable to such Director for services rendered as a Director subsequent to the date of the Director's election. For this purpose, the amount of Fees payable to such Director for services rendered subsequent to the Director's election shall be determined by multiplying the amount payable on the first quarterly payment date following the date of the Director's election by a fraction, the numerator of which is the number of calendar days beginning on the date of the election and ending on the quarterly payment date, and the denominator of which is the total number of calendar days that the Director served as a Director in the quarter ending on the quarterly payment date.

- (d) For purposes of this Section 3.1, the date of a Director's election is the date the executed election form is received by the Committee.

ARTICLE IV DEFERRAL ACCOUNTS

4.1 Share Deferral Accounts.

To the extent Fees deferred under this Plan are to be credited to the Director's Share Deferral Account, Walmart shall credit to the Director's Share Deferral Account on the date such Fees would otherwise have been paid to the Director a number of Units equal to the dollar amount of such Fees divided by the Fair Market Value on such date. If Common Stock is the subject of a stock dividend, stock split, or a reverse stock split, the number of Units then credited to the Director's Share Deferral Account shall be increased or decreased, as the case may be, in the same proportion as the outstanding shares of Common Stock. With respect to any record date for which any cash dividend is paid on Common Stock, Walmart shall credit to the Director's Share Deferral Account on the applicable dividend payment date an additional number of Units equal to: (a) the aggregate dollar amount of the dividend that would be paid on a number of Shares equal to the number of Units credited to the Director's Share Deferral Account on the

applicable dividend payment date, divided by (b) the Fair Market Value on the applicable dividend payment date. A Director is not entitled to any voting rights with respect to Units credited to his or her Share Deferral Account, nor shall the Director have any other beneficial shareholder rights with respect to such Units.

4.2 Cash Deferral Accounts.

To the extent Fees deferred under this Plan are to be credited to the Director's Cash Deferral Account, Walmart shall credit to the Director's Cash Deferral Account on the date such Fees would otherwise have been paid to the Director a cash equivalent amount equal to the dollar amount of such Fees. In addition, Walmart shall credit a Director's Cash Deferral Account with interest as provided in Section 4.3.

4.3 Interest on Cash Deferral Accounts.

Each day during a Plan Year, Walmart shall credit a Director's Cash Deferral Account with a daily rate of simple interest based on the Interest Rate in effect for such Plan Year. This Section 4.3 shall be applicable only through the last day of the month preceding distribution of the Director's Cash Deferral Account in a single lump sum payment pursuant to Section 5.3 or the last day of the month preceding distribution of the initial installment payment of the Director's Cash Deferral Account pursuant to Section 5.4.

ARTICLE V PAYMENT OF DEFERRED FEES

5.1 Form of Payment.

- (a) A Director may elect to receive payment of the Director's Deferred Fees in a single lump sum distribution or in substantially equal annual installments over a period of up to ten (10) years. A Director's form of payment election must be made in accordance with procedures established by the Committee at the time of such Director's initial deferral election under Section 3.1 and shall apply to all of the Director's Deferred Fees. In the event a Director does not make a timely form of payment election, the Director shall be deemed to have elected payment of all of his or her Deferred Fees in a single lump sum distribution.

Notwithstanding the preceding, the form of payment of any Director who had Deferred Fees under the Plan as of December 31, 2007 is the last affirmative election made by such Director on or before such date (in accordance with the rules of the Plan in effect at such date). Any such Director who failed to make an affirmative election on or before December 31, 2007 was deemed to have elected payment of all of his or her Deferred Fees in a single lump sum distribution.

- (b) A Director may change his or her form of payment election (or deemed payment election) at any time by making a new election (also referred to in this subsection as a "subsequent election") on a form approved by and filed with the Committee; provided, however, that such subsequent election shall be subject to the following restrictions:

- (1) A subsequent election may not take effect until at least twelve (12) months after the date on which such subsequent election is made;
- (2) Payment of the Director's Deferred Fees may not be made or commence earlier than five (5) years from the date such payment would have been made or commenced absent the subsequent election, unless the distribution is made on account of the Director's Disability or death;
- (3) Payment of a Director's Deferred Fees pursuant to a subsequent election must be completed by the last day of the Plan Year which contains the fifteenth (15th) anniversary of the Director's Distribution Date; and
- (4) For purposes of this Section 5.1(b) and Code Section 409A, the entitlement to annual installment payments is treated as the entitlement to a single payment.

5.2 Timing of Payment.

- (a) If payment of a Director's Deferred Fees is to be made in a single lump sum payment, such payment shall be made within the 90-day period commencing on the Director's Distribution Date.
- (b) If payment of a Director's Deferred Fees is to be made in annual installments, the first such installment shall be made within the 90-day period commencing on the Director's Distribution Date, and subsequent installment payments shall be made within the 90-day period commencing on each applicable anniversary of the Director's Distribution Date.
- (c) Notwithstanding anything herein to the contrary, any payment to be made hereunder may be delayed by the Committee in the event the Committee reasonably anticipates that the making of such payment will violate federal securities laws or other applicable law. In such event, payment shall be made at the earliest date on which the Committee reasonably anticipates that the making of such payment will not cause such a violation.
- (d) In no event shall any payment due hereunder be accelerated earlier than, or delayed past, the date otherwise provided herein, except as permitted by Code Section 409A.

5.3 Amount of Lump Sum Payments.

If payment of the Director's Deferred Fees is to be made in a single lump sum distribution, the amount distributed shall be:

- (a) cash equal to the total cash equivalent amount credited to the Director's Cash Deferral Account as of the last day of the month preceding distribution (including interest credited through such date as provided in Section 4.3); and

- (b) Shares equal to the number of whole Units credited to the Director's Share Deferral Account as of the distribution, plus cash equal to the Fair Market Value of any fractional Share as of the distribution.

5.4 Amount of Installment Payments.

If payment of the Director's Deferred Fees is to be made in installments:

- (a) the Director's Cash Deferral Account will be paid in equal annual installments in an amount which would fully amortize a loan equal to such Cash Deferral Account as of the last day of the month preceding distribution of the initial installment payment (including interest credited through such date as provided in Section 4.3) over the installment period, with interest calculated at the Interest Rate in effect for the Plan Year in which the Director's Distribution Date occurs; and
- (b) a pro rata number of whole Shares credited to the Director's Share Deferral Account as of the applicable distribution date will be paid in equal annual installments, with the Fair Market Value of any fractional Share paid in cash with each installment.

5.5 Distribution Upon Death.

- (a) A Director may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries to receive any benefit payments which may be payable under this Plan following the Director's death, and may designate the proportions in which such beneficiaries are to receive such payments. Any such designation shall be applicable to both Deferred Fees under this Plan and under Appendix A. A Director may change such designation from time to time and the last designation filed with the Committee prior to the Director's death shall control. In the event no beneficiaries are designated, or if all of the designated beneficiaries die before all of the Director's Deferred Fees is distributed, the Deferred Fees (or balance thereof) shall be paid to the Director's estate.
- (b) Any unpaid Deferred Fees upon a Director's death shall be paid in a single lump sum distribution in the manner provided herein for payment in a single lump sum distribution to the Director within ninety (90) days of the Director's death; provided, however, that in the event a Director's death occurs after installment payments with respect to his or her Cash Deferral Account have commenced pursuant to Section 5.4, the remaining Cash Deferral Account will be credited with pro rata interest from the date of the installment payment immediately preceding the Director's death through the lump sum distribution date at the Interest Rate applicable to the installment payout.

5.6 Gross Misconduct.

This Section 5.6 is effective only with respect to Fees paid or deferred under this Plan on or after April 1, 2006. Notwithstanding anything herein to the contrary, benefits under this Plan are contingent upon the Director not engaging in Gross Misconduct. In the event the Committee or its delegate (which expressly may include any officer of Walmart or a non-employee third party (such as a law firm)) determines that a Director has engaged in Gross Misconduct:

- (a) the Director shall repay to Walmart all Fees received by the Director under this Plan from and after the date which is twenty-four (24) months prior to the date of the behavior serving as the basis for the finding of Gross Misconduct;
- (b) the Director's Deferred Fees shall be recalculated as if no amounts (including interest and dividend equivalents under Sections 4.1 and 4.3) were credited to the Director's Deferred Fees from and after the date which is twenty-four (24) months prior to the date of the behavior serving as the basis for the finding of Gross Misconduct; and
- (c) if the Committee or its delegate determines, after payment of amounts hereunder, that the Director has engaged in Gross Misconduct during the prescribed period, the Director (or the Director's beneficiary) shall repay to Walmart any amount in excess of that to which the Director is entitled under Section 5.6.

Any amount to be repaid pursuant to this Section 5.6 shall be held by the Director or beneficiary in constructive trust for the benefit of Walmart and shall be paid by the Director or beneficiary to Walmart with interest at the prime rate (as published in The Wall Street Journal) as of the date the Committee or its delegate determines the Director engaged in Gross Misconduct. The amount to be repaid pursuant to this Section 5.6 shall be determined on a gross basis, without reduction for any taxes incurred, as of the date of the realization event, and without regard to any subsequent change in the fair market value of a Share. Walmart shall have the right to offset such gain against any amounts otherwise owed to Director by Walmart (whether hereunder, pursuant to any benefit plan or other compensatory arrangement). A Director may appeal a Gross Misconduct determination by the Committee or its delegate as provided in Article VII.

With respect to any Fees granted by the Board under another plan or Board resolution, the impact of the Director's misconduct on such portion of the Director's Fees which have not yet been deferred shall be determined under the terms of plan or resolution.

**ARTICLE VI
ADMINISTRATION**

6.1 Administration.

The Committee is responsible for the management, interpretation and administration of the Plan. The Committee shall have discretionary authority with respect to the determination of benefits under the Plan and the construction and interpretation of Plan provisions. In such capacity, the Committee is granted the following rights and duties:

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may rise regarding the rights of Directors (or their beneficiaries) under this Plan;
- (b) The Committee shall have the sole and complete authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
- (c) The Committee may appoint a person or persons to assist the Committee in the day-to-day administration of the Plan;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, the Director, such Director's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and
- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

**ARTICLE VII
CLAIMS PROCEDURE**

7.1 General.

Any Director or beneficiary ("claimant") who believes he or she is entitled to Plan benefits which have not been paid may file a written claim for benefits with the Committee within one (1) year of the Director's Distribution Date. If any such claim is not filed within one (1) year of the Director's Distribution Date, neither the Plan nor Walmart shall have any obligation to pay the disputed benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision shall be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee. Any claimant who is denied a claim for benefits shall be furnished written notice setting forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to the pertinent Plan provision upon which the denial is based;

- (c) a description of any additional material or information necessary for the claimant to perfect the claim; and
- (d) an explanation of the Plan's claim review procedure.

7.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant's duly authorized representative:

- (a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;
- (b) may review pertinent documents; and
- (c) may submit issues and comments in writing.

A decision on review of a denied claim shall be made by the Committee or its delegate not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review shall be in writing and shall include the specific reasons for the denial and the specific references to the pertinent Plan provisions on which the decision is based.

7.3 Calculation of Days.

Any reference in this Article VII to a number of days shall include holidays and weekends.

ARTICLE VII MISCELLANEOUS PROVISIONS

8.1 Amendment or Termination of Plan.

The Board or the Committee may amend or terminate this Plan at any time. An amendment or the termination of this Plan shall not adversely impact the right of a Director or beneficiary to receive Shares issuable or cash payable at the effective date of the amendment or termination or any rights that a Director or a beneficiary has in any Cash Deferral Account or Share Deferral Account at the effective date of the amendment or termination. No amendment or termination of the Plan may accelerate the date of payment of a Director's Deferred Fees, except as otherwise permitted by Code Section 409A.

8.2 Non-Alienability.

A Director shall not have the right to transfer, grant any security interest in or otherwise encumber rights he or she may have under the Plan, or to any Cash Deferral Account or any Share Deferral Account maintained for the Director hereunder or any interest therein. No right or interest of a Director in a Cash Deferral Account or a Share Deferral Account shall be subject to any forced or involuntary disposition or to any charge, liability, or obligation of the Director, whether as the direct or indirect result of any action of the Director or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any

action attempting to effect any transaction of that type shall be null, void, and without effect. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 Withholding for Taxes.

To the extent required by law, Walmart shall withhold the amount of cash and Shares necessary to satisfy Walmart's obligation to withhold federal, state, and local income and other taxes on any benefits payable to a Director or beneficiary under this Plan.

8.4 Income and Excise Taxes.

The Director (or the Director's beneficiary) is solely responsible for the payment of all federal, state, local income and excise taxes resulting from the Director's participation in this Plan.

8.5 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart and its successors and assigns, and a Director, the Director's beneficiaries, heirs, and legal representatives.

8.6 Governing Law.

This Plan shall be governed by the laws of the State of Arkansas, except that any matters relating to the internal governance of Walmart shall be governed by the General Corporation Law of Delaware.

APPENDIX A

Retainers deferred on or before December 31, 2004 are subject to the terms of the Plan as it existed as of such date, which Plan is set forth in this Appendix A. The terms of this Appendix A shall not be materially modified (as that phrase is defined by Code Section 409A and guidance thereunder), either formally or informally, unless such modification specifically provides that it is intended to be a material modification within the meaning of Code Section 409A and guidance thereunder.

WALMART INC. DIRECTOR COMPENSATION PLAN

Purpose. This Director Compensation Plan is established to allow the outside directors of Walmart Inc. (“Walmart”) to participate in the ownership of Walmart through ownership of shares of the Walmart common stock or deferred stock units. In addition, the Plan is intended to allow Walmart’s outside directors to defer all or a portion of their compensation for their service as directors.

Definitions. The following words have the definitions given them below.

“**Affiliate**” means any corporation, company limited by shares, partnership, limited liability company, business trust, other entity, or other business association that is controlled by Walmart.

“**Board**” means the board of directors of Walmart.

“**Business Day**” means a day on which Walmart’s executive offices in Bentonville, Arkansas are open for business and on which trading is conducted on the Exchange.

“**Common Stock**” means the Common Stock, \$0.10 par value per share, of Walmart.

“**Compensation Date**” means the last Business Day of each calendar quarter.

“**Deferral Account**” means an account maintained in the Special Ledger for a Director to which cash equivalent amounts allocable to the Director under this Plan are credited.

“**Director**” means any director of Walmart who is not an employee of Walmart or an Affiliate.

“**Distribution Date**” means the date on which a Director ceases to be a director of Walmart or on which a Director becomes employed by Walmart or an Affiliate.

“Fair Market Value” means, as to any particular day, the average of the highest and lowest prices quoted for a share of Common Stock trading on the New York Stock Exchange on that day, or if no such prices were quoted for the shares of Common Stock on the New York Stock Exchange for that day for any reason, the average of the highest and lowest prices quoted on the last Business Day on which prices were quoted. The highest and lowest prices for the shares of Common Stock shall be those published in the edition of *The Wall Street Journal* or any successor publication for the next Business Day.

“First Component” means the portion of the Retainer payable to a Director that accounts for at least one-half of the Retainer and that is payable in Shares and may be deferred by crediting Units to a Unit Account maintained for the Director.

“Interest Rate” means the annual rate at which interest is deemed to accrue on the amounts credited in a Deferral Account for a Director. The annual rate shall be set by the Board or a committee of the Board and may be changed from time to time as necessary to reflect prevailing interest rates. [NOTE: The annual rate in effect for a Plan Year for this purpose shall be determined in accordance with the following formula in effect as of October 3, 2004: the rate on 10-year Treasury notes determined as of the first Business Day of January of each Plan Year, plus 270 basis points. Such formula shall not be modified on or after October 3, 2004. Notwithstanding the preceding, in light of uncertainty regarding whether adjustment of the annual rate would constitute a material modification of the Plan for Code Section 409A purposes, the annual rate was not adjusted for 2005. The annual rate for 2006 and future years will be adjusted in accordance with the above formula.]

“Plan Year” means each 12-month period beginning on each January 1 and ending on each December 31.

“Retainer” means the amount of compensation set by the Board from time to time as payable to a Director in each Plan Year on the terms and subject to conditions stated in this Plan, subject to reduction for any portion thereof that a Director elects to defer as provided in this Plan.

“Second Component” means the balance of the Retainer payable to a Director (after reduction for the First Component) and that is (1) payable in cash or (2) by crediting an amount to a Deferral Account maintained for the Director.

“Shares” means shares of the Common Stock.

“Special Ledger” means a record established and maintained by Walmart in which the Deferral Accounts and Units Accounts for the Directors, if any, and the Units and/or amounts credited to the accounts are noted.

“Unit Account” shall mean the account maintained in the Special Ledger for a Director to which Units allocable to the Director under this Plan are credited.

“Unit” means a credit in a Unit Account representing one Share.

Annual Retainer. During each Plan Year in which a person is a Director during the existence of this Plan, the Director be eligible to receive the Retainer payable as follows:

At least one-half of the Retainer shall be and, at the Director's option, up to the full amount of the Retainer (defined above as the "First Component") will be (1) payable to the Director in Shares or (2) at the Director's option, deferred by Walmart crediting Units to a Unit Account maintained for the Director as provided in this Plan.

The balance of the Retainer (defined above as the "Second Component") shall be (1) payable in cash or (2) at the Director's option, deferred by Walmart crediting a Deferral Account maintained for the Director as provided in this Plan with an amount that would be otherwise payable to the Director in cash.

The Retainer will be payable in arrears in equal quarterly installments on each Compensation Date unless deferred as provided below. Each quarterly installment will consist of one-fourth of the First Component and one-fourth of the Second Component, if any, for each Director.

Elections. Each Director who was a Director during the prior Plan Year must elect by no later than December 31 of the prior Plan Year how he or she will receive the Retainer. Each Director who becomes a Director during a Plan Year must elect within 30 days after becoming a Director how he or she will receive the Retainer. Each election must be made by the Director filing an election form with the Secretary of Walmart. If a Director does not file an election form for each Plan Year by the specified date, the Director will be deemed to have elected to receive and defer the Retainer in the manner elected by the Director in his or her last valid election. Any person who becomes a Director during a Plan Year and does not file the required election within 30 days will be deemed to have elected to receive all of the Retainer in Shares. Any election to defer a portion of the Retainer made by a person who becomes a Director during a Plan Year will be valid as to the portion of the Retainer received after the election is filed with the Secretary of Walmart. When an election is made for a Plan Year, the Director may not revoke or change that election.

The Shares. If a Director elects to receive Shares in payment of all or any part of the Director's Retainer, the number of Shares to be issued on any Compensation Date shall equal one-fourth of the amount of the Retainer to be paid in Shares for the Plan Year divided by the Fair Market Value of a Share on the Compensation Date. Any Shares issued under this Plan will be registered under the Securities Act of 1933, as amended, and, so long as shares of the Common Stock are listed for trading on the New, York Stock Exchange, will be listed for trading on the New York Stock Exchange.

The Units. If a Director defers any portion of the Retainer in the form of Units, then on each Compensation Date, Walmart will credit a Unit Account maintained for the Director with a number of Units equal to (1) one-fourth of the dollar amount of the Retainer that the Director has elected to defer in the form of Units for the Plan Year divided by (2) the Fair Market Value on the Compensation Date. If the Common Stock is the subject of a stock dividend, stock split, or a reverse stock split, the number of Units will be increased or decreased, as the case may be, in the same proportion as the outstanding shares of Common Stock. Walmart will credit to the Director's Unit Account on the date any dividend is paid on the Common Stock, an additional

number of Units equal to (I) the aggregate amount of the dividend that would be paid on a number of Shares equal to the number of Units credited to the Director's Unit Account on the date the dividend is paid divided by (II) the Fair Market Value on that date.

Deferral Account. If a Director defers receipt of any portion of the Retainer by having an amount credited to a Deferral Account, then on each Compensation Date, Walmart will credit to the Director's Deferral Account an amount equal to one-fourth of the dollar amount of the Retainer deferred for the Plan Year. On the last day of each Plan Year, Walmart will also credit the Deferral Account with interest, calculated at the Interest Rate, on the aggregate amount credited to the Deferral Account.

[Effective January 1, 2009, Deferral Accounts shall be credited with interest on a daily basis. The amount of interest to be credited each day shall be a daily rate of simple interest based on the Interest Rate in effect for the Plan Year. It has been determined that this modification does not constitute a "material modification" for purposes of Code Section 409A.]

Distribution of the Amounts in a Unit Account. After the Distribution Date for a former Director, Walmart will issue to the former Director that number of Shares equal to the number of Units with which the former Director's Unit Account is credited. The former Director may elect to receive all of the Shares at one time or in up to 10 annual installments as described below. If the Director has elected to receive all of the Shares at one time, Walmart will issue the Shares as soon as practicable after the Distribution Date.

If the former Director has elected to receive the Shares in installments, a pro rata number of Shares will be issued for each installment plus additional Shares equal to the Units credited to the Unit Account respecting dividends paid on the Common Stock since the last installment was made. Walmart will issue the first installment of Shares as soon as practicable after the former Director's Distribution Date. The remaining installments of Shares will be issued on or about each anniversary of the Director's Distribution Date.

Distribution of the Amounts in a Deferral Account. After the Distribution Date for a former Director, Walmart will pay the former Director cash equal to the amount with which the former Director's Deferral Account is credited. The former Director may elect to receive all of the cash at one time or in up to 10 annual installments as described below. If the former Director has elected to receive all of the cash at one time, Walmart will pay the cash to the former Director as soon as practicable after the Distribution Date.

If the former Director has elected to be paid the cash in installments, a pro rata portion of the amount credited to the Deferral Account on the Distribution Date will be paid in each installment, along with the additional amount credited to the Deferral Account as interest since the last installment was paid. Walmart will pay to the former Director the cash to be paid in the first installment as soon as practicable after the Distribution Date. The remaining installments of cash shall be paid on or about each anniversary of the Director's Distribution Date.

Conversion of Accounts. At any time prior to the Distribution Date, a Director who has a Deferral Account may convert all or any portion of the Deferral Account into Units credited to a Unit Account. The number of Units to be credited to the Director's Unit Account upon the

conversion shall equal (1) the amount credited to the Director's Deferral Account so converted divided by (2) the Fair Market Value on the date of the Director's election to convert.

At any time prior to the Distribution Date, a Director who has a Unit Account may convert all or any portion of the Unit Account into a Deferral Account. The cash amount to be credited to the Director's Deferral Account upon the conversion shall equal (1) the number of Units credited to his or her Unit Account so converted multiplied by (2) the Fair Market Value on the date of the Director's election to convert.

Any election to convert must be made on a form prescribed by Walmart and filed with its Secretary. The conversion of a Unit Account or a Deferral Account shall be deemed to occur on the date of the Director's election.

Distribution in the Event of a Director's Death. Each Director who defers any part of the Retainer payable to him or her in any Plan Year must designate one or more beneficiaries of the Director's Deferral Account and Unit Account, who may be changed from time to time. The designation of a beneficiary must be made by filing with Walmart's Secretary a form prescribed by Walmart. If no designation of a beneficiary is made, any deferred benefits under this Plan will be paid to the Director's or former Director's estate. If a Director dies while in office or a former Director dies during the installment payment period, Walmart will issue the Shares and pay the amounts of cash that are issuable and payable to the Director or former Director at one time as soon as practicable after the death of the Director or the former Director.

Timing of Election to Receive Deferred Benefits in Installments. If the Director wants the benefits distributed in installments, the election to receive payments in installments must be on file for a period of at least 12 full months prior to the Director ceasing to be a director of Walmart. The last valid election on file with Walmart's Secretary for at least 12 full months will be given effect by Walmart in distributing the benefits.

Withholding for Taxes. Walmart will withhold the amount of cash and Shares necessary to satisfy Walmart's obligation to withhold federal, state, and local income and other taxes on any benefits received by the Director, the former Director or a beneficiary under this Plan.

No Transfer of Rights under this Plan. A Director or former Director shall not have the right to transfer, grant any security interest in or otherwise encumber rights he or she may have under this Plan, any Deferral Account or any Unit Account maintained for the Director or former Director or any interest therein. No right or interest of a Director or a former Director in a Deferral Account or a Unit Account shall be subject to any forced or involuntary disposition or to any charge, liability, or obligation of the Director or former Director, whether as the direct or indirect result of any action of the Director or former Director or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be null, void, and without effect. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

Unfunded Plan. This Plan will be unfunded for federal tax purposes. The Deferral Accounts and the Unit Accounts are entries in the Special Ledger only and are merely a promise to make payments in the future. Walmart's obligations under this Plan are unsecured, general contractual obligations of Walmart.

Amendment and Termination of the Plan. The Board or the Compensation and Nominating Committee of the Board may amend or terminate this Plan at any time. An amendment or the termination of this Plan will not adversely affect the right of a Director, former Director, or Beneficiary to receive Shares issuable or cash payable at the effective date of the amendment or termination or any rights that a Director, former Director, or a Beneficiary has in any Deferral Account or Unit Account at the effective date of the amendment or termination. If the Plan is terminated, however, Walmart may, at its option, accelerate the payment of all deferred and other benefits payable under this Plan.

Governing Law. This Plan shall be governed by the laws of the State of Arkansas, except that any matters relating to the internal governance of Walmart shall be governed by the General Corporation Law of Delaware. Walmart has right to interpret this Plan, and any interpretation by Walmart shall be conclusive as to the meaning of this Plan.

Effective Date and Transition. This Plan amends and restates in full the Wal-Mart Stores, Inc. Directors Deferred Compensation Plan adopted on March 7, 1991 and as ratified by the stockholders of Wal-Mart on June 5, 1992. The effective date of this amendment and restatement of that Plan shall be January 1, 1997, and the Plan became operative and in effect on the date, subject only to the ratification of the Plan by the stockholders of Walmart at Walmart's 1997 annual stockholders' meeting. The Board has reserved and authorized for issuance pursuant to the terms and conditions of this Plan 1,000,000 shares of Common Stock.

WALMART DEFERRED COMPENSATION MATCHING PLAN

**Amended and Restated Effective February 1, 2016
Further Minor Amendments Effective February 1, 2018 regarding legal name of Walmart**

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**WALMART DEFERRED COMPENSATION
MATCHING PLAN**

**ARTICLE I.
GENERAL**

1.1 Purpose.

The purpose of the Walmart Deferred Compensation Matching Plan is to enable certain individuals to defer compensation and to be credited with matching allocations and earnings. The Plan is intended to reward such individuals for their contributions to the success of Walmart and its Related Affiliates. The Plan is also intended to assist such individuals in saving for retirement by providing benefits that are in excess of benefits permitted by applicable law under the 401(k) Plan.

1.2 Effective Date.

The effective date of the amended and restated Plan is February 1, 2016.

1.3 Nature of Plan.

The Plan is intended to be (and shall be administered as) an unfunded employee pension plan benefiting a select group of management or highly compensated employees under the provisions of ERISA. The Plan shall be “unfunded” for tax purposes and for purposes of Title I of ERISA. Any and all payments under the Plan shall be made solely from the general assets of Walmart. A Participant’s interests under the Plan do not represent or create a claim against specific assets of Walmart or any Employer. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Committee, Walmart or any Employer and a Participant, the Participant’s beneficiary or any other person. To the extent any person acquires a right to receive payments from Walmart under this Plan, such right is no greater than the right of any other unsecured general creditor of Walmart. The Plan is intended to be in compliance with Code Section 409A and shall be interpreted, applied and administered at all times in accordance with Code Section 409A and guidance issued thereunder.

**ARTICLE II.
DEFINITIONS**

2.1 Definitions.

Whenever used in this Plan, the following words and phrases have the meaning set forth below unless the context plainly requires a different meaning:

- (a) **Account** means the bookkeeping account maintained under the Plan to reflect a Participant’s Deferral Credits, Matching Contribution Credits, and earnings credited in accordance with Section 4.4. A Participant’s “Account” shall consist of his or her Deferral Account, and his or her Matching Account. A Participant’s Deferral Account may be allocated among one or more Scheduled
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In-Service Accounts and one or more Retirement Accounts to the extent authorized hereunder and as elected or deemed elected by the Participant in accordance with Section 3.5. A Participant's Matching Account will be allocated to either or both of the Participant's Retirement Accounts as elected or deemed elected by the Participant in accordance with Section 3.5.

- (b) **Code** means the Internal Revenue Code of 1986, as amended from time to time.
- (c) **Committee** means the Compensation and Management Development Committee of the Board of Directors of Walmart.
- (d) **Compensation** means a Participant's base compensation for a Plan Year with respect to services rendered for an Employer. Compensation includes, but is not limited to, short-term disability payments made by an Employer. Compensation does not include military differential payments.
- (e) **Deferral Account** means the bookkeeping account maintained on behalf of a Participant to reflect his or her Deferral Credits.
- (f) **Deferral Credit** means the amount of Deferred Compensation credited to a Participant's Deferral Account in accordance with Section 3.1, the amount of Deferred MIP Bonus credited to a Participant's Deferral Account in accordance with Section 3.2, and the amount of Deferred Special Bonus credited to a Participant's Deferral Account in accordance with Section 3.3.
- (g) **Deferred Compensation** means the Compensation deferred by a Participant in accordance with Section 3.1.
- (h) **Deferred MIP Bonus** means the amount deferred by a Participant in accordance with Section 3.2 from bonuses payable to the Participant under the MIP.
- (i) **Deferred Special Bonus** means the amount deferred by a Participant in accordance with Section 3.3 from a Special Bonus payable to the Participant.
- (j) **Disabled** means the Participant has incurred a Separation from Service because the Participant, as determined by the Committee or its delegate, is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- (k) **Eligible Officer** means an individual who is a corporate officer of an Employer, and who holds the title of Vice President or above, Treasurer, Controller, or an officer title of similar rank or other position as determined by the Committee. In no event will any individual constitute an Eligible Officer if he or she is not subject to federal income tax withholding in the United States. Notwithstanding anything in the preceding provisions of this Section 2.1(k), Eligible Officer shall exclude any individual who, pursuant to Walmart's Global Assignment Policy, is seconded to an Employer and, under the terms of his or her offer or

assignment letter, he or she is intended to remain on the home country's benefit and pension programs.

- (l) **Eligible Participant** means with respect to a Plan Year an individual who either (1) is an Eligible Officer, (2) is an employee of an Employer and who as of the October 31 immediately preceding the Plan Year is in a Senior Director or Senior Director equivalent position in Position Pay Range X8 or X9 or a Market Manager position or Market Manager position equivalent in Position Pay Range 10F, or (3) is an employee of an Employer and who as of the October 31 immediately preceding the Plan Year has an annual rate of base compensation from the Employer that is equal to or greater than the annual compensation limit in effect under Code Section 401(a)(17) (or under a comparable provision of the Internal Revenue Code of the Commonwealth of Puerto Rico if the Participant is an eligible participant under the Walmart Puerto Rico 401(k) Plan) for the calendar year in which the Plan Year begins, or if such limit for such calendar year has not been determined as of such October 31 then such annual compensation limit as in effect for the calendar year that includes such October 31.
- (m) **Employer** means Walmart and any entity, whether or not incorporated, which is a member of a controlled group of corporations, trades or businesses, as defined in Code Sections 414(b) and 414(c), of which Walmart is a member, and which has been designated by the Committee as a participating employer in the Plan.
- (n) **Employer Matching Contribution Credits** means the amount credited to a Participant's Matching Account pursuant to Section 3.4.
- (o) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- (p) **Excess Compensation** means for a Plan Year the excess, if any, of (1) the sum of (i) the Participant's base compensation for the Plan Year for services rendered for an Employer, and (ii) the Participant's MIP bonus payable with respect to a performance period that coincides with the Plan Year or that ends within the Plan Year, over (2) the annual compensation limit under Code Section 401(a)(17) (or under a comparable provision of the Internal Revenue Code of the Commonwealth of Puerto Rico if the Participant is an eligible participant under the Walmart Puerto Rico 401(k) Plan) in effect for the calendar year in which the Plan Year begins. For purposes of this paragraph, a Participant's base compensation and a Participant's MIP bonus shall include the cash amounts of such base compensation and MIP bonus payable to the Participant regardless of whether the payment of any or all of such amounts to the Participant is deferred or not made on account of (1) a deferral election by the Participant under the 401(k) Plan, (2) a deferral election by the Participant under this Plan, (3) a pre-tax contribution by the Participant under Code Section 125, (4) a pre-tax contribution by the Participant under Code Section 132(f)(4),

or (5) withholding for the payment of employment taxes or income taxes with respect to the Participant.

- (q) **401(k) Plan** means the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan, as amended from time to time.
- (r) **Gross Misconduct** means conduct engaged in by the Participant which has been deemed by the Committee or its delegate to be detrimental to the best interests of Walmart or any Related Affiliate or any entity in which Walmart has an ownership interest. Examples of such conduct include, without limitation, disclosure of confidential information in violation of Walmart's Statement of Ethics, theft, the commission of a felony or a crime involving moral turpitude, gross misconduct or similar serious offenses.
- (s) **Matching Account** means the bookkeeping account maintained on behalf of a Participant to reflect his or her Employer Matching Contribution Credits.
- (t) **MIP** means the Walmart Inc. Management Incentive Plan, as amended from time to time, without regard to any non-U.S. subplans.
- (u) **Participant** means any individual for whom an Account is maintained. An individual will cease to be a Participant at such time that the Participant's Account has been fully distributed or forfeited in accordance with the Plan.
- (v) **Plan** means the Walmart Deferred Compensation Matching Plan, as set forth herein, and as amended from time to time.
- (w) **Plan Year** means the twelve (12)-month period commencing on February 1 and ending on January 31.
- (x) **Related Affiliate** means all persons with whom Walmart would be considered a single employer under Code Sections 414(b) and 414(c), except that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treas. Regs. Sec. 1.414(c)-2 for purposes of determining a controlled group of trades or businesses under Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Treas. Regs. Sec. 1.414(c)-2.
- (y) **Retirement Account** means a bookkeeping account maintained on behalf of a Participant to which the Participant's Deferral Account and Matching Account may be allocated pursuant to the election or deemed election of the Participant in accordance with Section 3.5. The number of Retirement Accounts a Participant may have under the Plan at any time shall be determined by the Committee or its delegate.

- (z) **Scheduled In-Service Account** means a bookkeeping account maintained on behalf of a Participant to which the Participant's Deferral Account may be allocated pursuant to the election of the Participant in accordance with Section 3.5. The number of Scheduled In-Service Accounts a Participant may have under the Plan at any time shall be determined by the Committee or its delegate.
- (aa) **Scheduled Pay Date** means, with respect to each Scheduled In-Service Account, the first day of a calendar month designated by the Participant in accordance with Section 3.5. In no event shall such date be earlier than the first day of the second Plan Year beginning after the Plan Year for which Deferral Credits are first allocated to such Scheduled In-Service Account. Once selected, the Scheduled Pay Date with respect to any Scheduled In-Service Account is irrevocable. If a Participant fails to designate a Scheduled Pay Date with respect to a Scheduled In-Service Account, then the Participant is deemed to have designated as the Scheduled Pay Date for such Scheduled In-Service Account the first day of the second Plan Year beginning after the Plan Year for which Deferral Credits are first allocated to such Scheduled In-Service Account.
- (bb) **Separation from Service** means the Participant has a termination of employment (other than on account of death) with the Company. For purposes of this paragraph, "Company" means the Employer and any Related Affiliate. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and the Company reasonably anticipate that no further services will be performed by the Participant for the Company; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she actually performs for the Company after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Company by the Participant (whether as an employee or independent contractor) over the immediately preceding 36-month period (or the full period of services for the Company if the Participant has been providing services to the Company for less than 36 months). For this purpose, a Participant is not treated as having a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Company under an applicable statute or by contract. This definition of Separation from Service is intended to be consistent with the separation from service requirements as defined in Code Section 409A.
- (cc) **Separation Pay Date** means the last day of the calendar month in which falls the date that is six (6) months after a Participant's Separation from Service.
- (dd) **Special Bonus** means a bonus, other than a bonus payable under the MIP, that is payable to an Eligible Officer with respect to services rendered or to be rendered for an Employer and that is eligible for deferral under the Plan either because (1) the bonus is payable pursuant to an offer letter accepted in writing by the

Eligible Officer before commencement of employment and that specifically refers to the deferability of the bonus by explicit reference to this Plan or (2) the bonus is eligible for deferral in accordance with guidelines established by the Committee, or by an officer to whom the Committee has delegated authority to establish such guidelines, and the bonus requires as a condition of receipt of the bonus and to avoid forfeiture of the bonus that the recipient continue to perform services for the Employer for a period of at least thirteen (13) months after the date he or she obtains the legally binding right to the bonus.

- (ee) **Unforeseeable Emergency** means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2) and (d)(1)(B)), the loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.
- (ff) **Valuation Date** means each day of the Plan Year.
- (gg) **Walmart** means Walmart Inc., a Delaware corporation.
- (hh) **Years of Participation** means a period of Plan Years which includes the first Plan Year with respect to which an Eligible Participant makes a deferral election in accordance with any one or more of Sections 3.1, 3.2 and 3.3 and an amount is credited to the Participant's Account with respect to any such deferral election, and each subsequent Plan Year during all or part of which the Participant remains a Participant. In addition to the preceding definition, a Participant's Years of Participation shall include any period commencing February 1 and ending January 31, whether before or after the effective date of the Plan, during which or with respect to which an account is maintained for the Participant under the Walmart Inc. Officer Deferred Compensation Plan, as such plan may be amended from time to time.

**ARTICLE III.
DEFERRAL CREDITS AND MATCHING CONTRIBUTION CREDITS AND
ACCOUNT ALLOCATIONS**

3.1 Deferred Compensation.

- (a) For each Plan Year, each Eligible Officer may elect to defer, as Deferred Compensation, all or a portion of the Eligible Officer's Compensation to be otherwise paid for such Plan Year by the Employer, provided, however, that no election shall be effective to reduce amounts paid by the Employer to an Eligible Officer to an amount which is less than the sum of the amount the Employer is required to withhold for a Plan Year for purposes of federal, state, or local taxes (including, but not limited to, income and FICA withholding) or for insurance premiums or other withholdings as allowed by Code Section 409A.

The Eligible Officer's Deferred Compensation will be deferred proratably for each payroll period of the Plan Year. If a payroll period begins in one Plan Year and ends in the following Plan Year, the Deferred Compensation with respect to such payroll period shall be determined by the Eligible Officer's deferral election made with respect to the Plan Year in which the payroll period ends. All deferral elections made under this Section 3.1 must be filed with Walmart's Executive Compensation department on forms (which may be electronic) approved by Executive Compensation.

(b) Compensation deferral elections must be filed:

- (1) With respect to an individual who is an Eligible Officer as of the December 31 preceding the Plan Year for which the deferral election is to be effective, no later than such December 31; or
- (2) With respect to an individual who first becomes an Eligible Officer during the Plan Year, within thirty (30) days following the first date he or she becomes an Eligible Officer. For purposes of this rule, an Eligible Officer will be treated as first becoming an Eligible Officer during the Plan Year only if:
 - (A) he or she was not eligible to participate in the Plan or any other plan required by Code Section 409A to be aggregated with the Plan at any time during the twenty-four (24)-month period ending on the date during the Plan Year he or she becomes an Eligible Officer; or
 - (B) he or she was paid all amounts previously due under the Plan and any other plan required by Code Section 409A to be aggregated with the Plan and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan and any other plan required by Code Section 409A to be aggregated with the Plan for periods after such payment.

A deferral election under this Section 3.1(b)(2) will be effective only with respect to Compensation for payroll periods beginning after the payroll period in which the Eligible Officer's election form (which may be electronic) is received by Walmart's Executive Compensation department. In addition, a deferral election under this Section 3.1(b)(2) will be effective only if the deferral election meets the requirements set forth in Code Section 409A(a)(4)(B).

(c) The Deferred Compensation of an Eligible Officer who elects to defer all or a portion of the Eligible Officer's Compensation under this Section 3.1 with respect to a Plan Year shall be credited to the Eligible Officer's Deferral Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account in accordance with Section 3.5.

3.2 Deferred MIP Bonuses.

- (a) For each Plan Year, each Eligible Participant may elect to defer all or a portion of the Eligible Participant's bonus (if any) to be otherwise paid to the Eligible Participant under the MIP with respect to a performance period under the MIP that coincides with the Plan Year or that ends within the Plan Year; provided, however, an Eligible Participant who is not an Eligible Officer may elect to defer no more than eighty percent (80%) of the Eligible Participant's MIP bonus for a Plan Year. No election under this Section 3.2 shall be effective to reduce amounts paid by the Employer to an Eligible Participant to an amount which is less than the sum of the amount the Employer is required to withhold for a Plan Year for purposes of federal, state, or local taxes (including, but not limited to, income and FICA withholding) or for insurance premiums or other withholdings as allowed by Code Section 409A. All bonus deferral elections made under this Section 3.2 must be filed with Walmart's Executive Compensation department on forms (which may be electronic) approved by Executive Compensation.
- (b) MIP bonus deferral elections must be filed:
 - (1) No later than the December 31 (or such other date as determined by the Committee or its delegate) preceding the first day of the performance period for which the deferral election is to be effective.
 - (2) If authorized by the Committee or its delegate with respect to an Eligible Participant, and if the MIP bonus constitutes "performance-based compensation" within the meaning of Code Section 409A based on services performed over a performance period of at least twelve (12) months, and if the Eligible Participant has been continuously employed by an Employer or a Related Affiliate since the first day of the performance period, then no later than the earlier of (i) the date that is six months prior to the last day of the performance period, or (ii) the date in the performance period as of which the amount of the MIP bonus has become both substantially certain to be paid and calculable.
 - (3) Solely with respect to an Eligible Officer who first becomes an Eligible Participant during the Plan Year, within thirty (30) days following the first date he or she becomes an Eligible Participant, as described in Code Section 409A(a)(4)(B). For purposes of this rule, an Eligible Officer will be treated as first becoming an Eligible Participant during the Plan Year only if:
 - (A) he or she was not eligible to participate in the Plan or any other plan required by Code Section 409A to be aggregated with the Plan at any time during the twenty-four (24)-month period ending on the date during the Plan Year he or she becomes an Eligible Participant; or

- (B) he or she was paid all amounts previously due under the Plan and any other plan required by Code Section 409A to be aggregated with the Plan and, on and before the date of the last such payment, was not eligible to continue to participate in the Plan and any other plan required by Code Section 409A to be aggregated with the Plan for periods after such payment.

An MIP bonus deferral election under this Section 3.2(b)(3) will be effective only with respect to an MIP bonus paid for services performed after such election. For this purpose, the amount of the MIP bonus payable to the Eligible Officer for services rendered subsequent to the Eligible Officer's election will be determined by multiplying the bonus by a fraction, the numerator of which is the number of calendar days remaining in the performance period after the election and the denominator of which is the total number of calendar days in such performance period. For purposes of this Section 3.2(b)(3), the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Walmart's Executive Compensation department.

- (c) The Deferred MIP Bonus of an Eligible Participant who elects to defer all or a portion of the Eligible Participant's MIP bonus under this Section 3.2 with respect to a performance period that coincides with a Plan Year or that ends within a Plan Year shall be credited to the Eligible Participant's Deferral Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account in accordance with Section 3.5.

3.3 Deferred Special Bonuses.

- (a) An Eligible Officer may elect to defer all or a portion of the Eligible Officer's Special Bonus to be otherwise paid to the Eligible Officer in a Plan Year. All Special Bonus deferral elections made under this Section 3.3 must be filed with Walmart's Executive Compensation department on forms (which may be electronic) approved by Executive Compensation. No election under this Section 3.3 shall be effective to reduce amounts paid by the Employer to an Eligible Participant to an amount which is less than the sum of the amount the Employer is required to withhold for a Plan Year for purposes of federal, state, or local taxes (including, but not limited to, income and FICA withholding) for insurance premiums or other withholdings as allowed by Code Section 409A. For purposes of this Section 3.3, the date of an Eligible Officer's election is the date the executed election form (which may be electronic) is received by Executive Compensation. A deferral election is not permitted with respect to a Special Bonus unless the Special Bonus is a type described in, 3.2 and the deferral election with respect to the Special Bonus satisfies the applicable conditions of, Section 3.3(b) or Section 3.3(c).

- (b) A Special Bonus described in this Section 3.3(b) is one that: (1) requires as a condition of receipt of the Special Bonus and to avoid forfeiture of the Special Bonus that the Eligible Officer continue to perform services for a period of at least thirteen (13) months after the date he or she obtains the legally binding right to the Special Bonus; (2) may not have an earlier vesting date for a good reason termination or the Eligible Officer's retirement; and (3) must otherwise meet the qualifications as described in Code Section 409A. The deferral election with respect to a Special Bonus described in this Section 3.3(b) must be filed within thirty (30) days after the Eligible Officer obtains the legally binding right to the Special Bonus.
- (c) A Special Bonus described in this Section 3.3(c) is one payable pursuant to an offer letter accepted in writing by an Eligible Officer before commencement of employment and that specifically refers to the deferability of the Special Bonus by explicit reference to the Plan. The deferral election with respect to a Special Bonus described in this Section 3.3(c) must be filed prior to the time the Eligible Officer renders any services to the Employer, regardless of whether the deferral election relates to all of the Special Bonus or a portion of the Special Bonus.
- (d) The Deferred Special Bonus of an Eligible Officer who elects to defer all or a portion of the Eligible Officer's Special Bonus under this Section 3.3 otherwise payable in a Plan Year shall be credited to the Eligible Officer's Deferral Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account in accordance with Section 3.5.

3.4 Employer Matching Contribution Credits.

- (a) If a Participant is employed by the Employer or any Related Affiliate on the last day of the Plan Year and if Deferral Credits have been made to the Participant's Account with respect to the Plan Year, then to the extent applicable under the following provisions of this Section 3.4 an Employer Matching Contribution Credit will be made to the Participant's Matching Account. The amount of the Employer Matching Contribution Credit, if any, made to a Participant's Matching Account for the Plan Year will equal the total amount of Deferred Compensation and Deferred MIP Bonus credited to the Participant's Account for the Plan Year under Section 3.1(c) and Section 3.2(c); provided, however, in no event shall the Employer Matching Contribution Credit made to a Participant's Matching Account for a Plan Year exceed 6% of the Participant's Excess Compensation for such Plan Year. Notwithstanding the preceding provisions of this Section 3.4(a), an Employer Matching Contribution Credit for a Plan Year shall not be made with respect to any Deferral Credits for the Plan Year that have been withdrawn in accordance with Section 5.5.
- (b) A Participant shall become vested in his or her Matching Account, including earnings thereon, if the Participant has completed at least three (3) Years of Participation. If a Participant is not otherwise vested in the Participant's Matching Account under the preceding sentence of this Section 3.4(b), the

Participant will become vested in the Participant's Matching Contribution Account if the Participant dies prior to the Participant's Separation from Service, or if the Participant is Disabled. Notwithstanding any provision hereunder to the contrary, a Participant's Matching Account shall be distributed pursuant to Article V only if the Participant has become vested in the Participant's Matching Contribution Account under this Section 3.4(b) as of the date of the Participant's Separation from Service.

3.5 Account Allocation Elections

- (a) At the same time that an Eligible Participant makes an election to defer Compensation, an MIP bonus, or a Special Bonus in accordance with the provisions of the Plan, the Eligible Participant shall also make an election to allocate the amount or amounts subject to each such deferral election to a Retirement Account or Accounts or to a Scheduled In-Service Account or Accounts. In addition to the preceding requirement, at the same time that an Eligible Participant makes an election to defer Compensation or an MIP bonus in accordance with the provisions of this Plan, the Eligible Participant shall also make an election to allocate the Employer Matching Contribution Credits (if any) with respect to such Deferred Compensation or Deferred MIP Bonus to a Retirement Account or Accounts.
- (b) At the time of an Eligible Participant's first election to allocate any amount subject to a deferral election (regardless of whether the amount is Deferred Compensation, Deferred MIP Bonus, Deferred Special Bonus or Employer Matching Contribution Credit) to a Retirement Account, the Eligible Participant shall also designate the form of distribution with respect to such Retirement Account. The form of distribution must be a form permitted under Section 5.4(a).
- (c) At the time of an Eligible Participant's first election to allocate any amount subject to a deferral election (regardless of whether the amount is Deferred Compensation, Deferred MIP Bonus or Deferred Special Bonus) to a Scheduled In-Service Account, the Eligible Participant shall also designate the Scheduled Pay Date with respect to such Scheduled In-Service Account.
- (d) If at the time of an Eligible Participant's deferral election under the Plan the Eligible Participant fails to make an account allocation election under Section 3.5(a), then the amount subject to such deferral election shall be allocated in the same manner as the same category of deferred amounts (meaning either Deferred Compensation, Deferred MIP Bonus, Deferred Special Bonus or Employer Matching Contribution Credits) were allocated for the most recent preceding Plan Year for which the Eligible Participant made an allocation election, but if none then to the Eligible Participant's Retirement Account if there is only one, or equally to the Eligible Participant's Retirement Accounts if the Eligible Participant has more than one Retirement Accounts, but if the Eligible Participant has no Retirement Account then the amount subject to such

deferral election shall be allocated to a Retirement Account deemed to be elected by the Participant with a lump sum form of payment, and such Retirement Account shall be one of the Participant's permitted Retirement Accounts under the Plan.

3.6 Irrevocability of Deferral Elections and Account Allocation Elections.

- (a) Except as otherwise provided herein, once made for a Plan Year, a deferral election or elections under Sections 3.1(b)(1), 3.2(b)(1) and 3.2(b)(2), and the corresponding account allocation election or elections under Section 3.5, may not be revoked, changed or modified after the applicable deferral election filing deadline specified in Sections 3.1(b)(1), 3.2(b)(1), and 3.2(b)(2), and a deferral election or elections under Sections 3.1(b)(2), 3.2(b)(3), 3.3(b) and 3.3(c), and the corresponding account allocation election or elections under Section 3.5, may not be revoked, changed or modified after the date of each such deferral election as provided in Sections 3.1(b)(2), 3.2(b)(3), 3.3(b) and 3.3(c). A deferral election for one Plan Year will not automatically be given effect for a subsequent Plan Year, so that if a deferral is desired for a subsequent Plan Year, a separate election must be made by the Eligible Participant.
- (b) In the event an Eligible Officer has a Separation from Service for any reason, then his or her deferral election under Section 3.1 will terminate as of the date of such Separation from Service (but will be effective with respect to the last regular paycheck issued to such Eligible Officer), regardless of whether the Eligible Officer continues to receive Compensation, or other remuneration, from any Employer or Related Affiliate thereafter. If an Eligible Officer has a Separation from Service for any reason and is rehired (whether or not as an Eligible Officer) within the same Plan Year, his or her deferral election, if any, under Section 3.1 shall be automatically reinstated and shall remain in effect for the remainder of such Plan Year.
- (c) In the event an Eligible Participant has a Separation from Service for any reason, then his or her deferral elections, if any, under Sections 3.2 and 3.3 will remain in effect with respect to the bonus, if any, subject to any such deferral election. If an Eligible Participant has a Separation from Service for any reason and is rehired (whether or not as an Eligible Participant) within the same Plan Year or the same performance period, his or her deferral elections, if any, under Sections 3.2 and 3.3 will remain in effect with respect to the bonus, if any, subject to any such deferral elections.
- (d) In the event an Eligible Participant who is an Eligible Officer ceases to be an Eligible Officer (other than on account of a Separation from Service) during any Plan Year, then his or her Compensation deferral election, if any, under Section 3.1 will terminate as of the next following January 31. In addition, in the event the Compensation of such individual is reduced as a result of the change in status, his or her deferral election following such loss and through the date of

termination of such election as provided in the preceding sentence will be pro rated based on his or her new level of Compensation.

- (e) In the event an Eligible Officer receives Company-paid short term disability payments and the Compensation of such individual is reduced as a result of the short term disability status, then following such reduction in Compensation his or her Compensation deferral election, if any, under Section 3.1 will be pro rated based on his or her new level of Compensation through the date of termination of such election.
- (f) In the event an Eligible Participant ceases to be an Eligible Participant (other than on account of a Separation from Service) during any Plan Year, then his or her bonus deferral election, if any, under Section 3.2 will terminate for any performance period beginning in the calendar year following the year of the loss of Eligible Participant status.
- (g) In the event an Eligible Participant who is an Eligible Officer ceases to be an Eligible Officer (other than on account of Separation from Service) during any Plan Year, then his or her bonus deferral election, if any, under Section 3.3 will remain in effect.
- (h) Notwithstanding anything herein to the contrary, in the event an Eligible Officer goes on an unpaid leave of absence, his or her Compensation deferral election, if any, under Section 3.1 shall automatically cease when he or she commences the unpaid leave of absence; provided, however, that if he or she returns from the unpaid leave of absence during the same Plan Year, his or her Compensation deferral election under Section 3.1 shall automatically resume immediately upon return from the leave of absence and shall continue in effect for the balance of the Plan Year. An Eligible Officer's Compensation deferral election under Section 3.1, if any, shall remain in effect with respect to any Compensation to which such election applies that is paid while on a leave of absence. An Eligible Participant's deferral election under Sections 3.2 or 3.3, if any, shall not be affected by his or her leave of absence.

3.7 Automatic Suspension of Deferral Elections.

- (a) In the event a Participant receives a distribution from the Walmart 401(k) Plan (or any other plan or successor plan sponsored by Walmart or any Related Affiliate) on account of hardship, which distribution is made pursuant to Treasury Regulations Section 1.401(k)-1(d)(3) and requires suspension of deferrals under other arrangements such as this Plan, the Participant's deferral elections under Sections 3.1, 3.2 and 3.3, if any, pursuant to which deferrals would otherwise be made during the six (6)-month period following the date of the distribution from the Walmart 401(k) Plan shall be cancelled.
- (b) In the event a Participant requests a distribution pursuant to Section 5.5 due to an Unforeseeable Emergency, or the Participant requests a cancellation of deferrals under the Plan in order to alleviate his or her

Unforeseeable Emergency, and the Committee or its delegate determines that the Participant's Unforeseeable Emergency may be relieved through the cessation of deferrals under the Plan, some or all the Participant's deferral elections under Sections 3.1, 3.2 and 3.3, if any, for such Plan Year as determined by the Committee or its delegate, shall be cancelled as soon as administratively practicable following such determination by the Committee or its delegate.

**ARTICLE IV.
ACCOUNTS AND TIMING OF CREDITS TO ACCOUNTS**

4.1 Nature of Accounts.

Each Participant's Account will be used solely as a measuring device to determine the amount to be paid a Participant under this Plan. The Accounts do not constitute, nor will they be treated as, property or a trust fund of any kind. All amounts at any time attributable to a Participant's Account will be, and remain, the sole property of Walmart. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein. The Plan represents an unsecured promise by Walmart to pay the benefits provided by the Plan.

4.2 Deferral Credits and Employer Matching Contribution Credits.

Deferral Credits and Employer Matching Contribution Credits will be credited to each Participant's Account as follows:

- (a) Deferred Compensation will be credited to the Participant's Deferral Account as soon as practicable after the date such Compensation would have otherwise been paid in cash.
- (b) Deferred MIP Bonuses and Deferred Special Bonuses will be credited to the Participant's Deferral Account as soon as practicable after the date the bonus could have otherwise been paid in cash.
- (c) Employer Matching Contribution Credits for a Plan Year will be credited to the Participant's Matching Account as of the last day of the Plan Year.

A Participant's Account, including earnings credited thereto, will be maintained by the Committee until the Participant's Plan benefits have been paid in full.

4.3 Valuation of Accounts.

Each Participant's Account will be valued daily as of each Valuation Date.

4.4 Credited Earnings.

- (a) Every Valuation Date during a Plan Year, a Participant's Account will be credited with an equivalent of a daily rate of simple interest based on the yield on United States Treasury securities (not indexed for inflation) with a constant

maturity of ten (10) years, as of the first business day of January preceding such Plan Year, plus two hundred seventy (270) basis points. This rate shall be determined on the basis of Federal Reserve Statistical Release H-15 (or any successor statistical release of the Federal Reserve) and, if there is no such statistical release, on the basis of such other generally recognized source of information concerning the market for United States Treasury securities as the Committee selects.

**ARTICLE V.
PAYMENT OF PLAN BENEFITS**

5.1 Scheduled In-Service Benefits.

- (a) In-Service Benefits. Each of a Participant's Scheduled In-Service Accounts will be distributed in a lump sum within the 90-day period commencing on the Scheduled Pay Date applicable to such Scheduled In-Service Account. The lump sum amount will be the value of the applicable Participant's Scheduled In-Service Account as of the Scheduled Pay Date.
- (b) Intervening Separation or Death. Notwithstanding the preceding, should an event occur prior to the Scheduled Pay Date of any Scheduled In-Service Account that would trigger a distribution under Section 5.2 or 5.3 earlier than the Scheduled Pay Date, such Scheduled In-Service Account or Accounts shall be distributed in accordance with Section 5.2 or 5.3, as applicable, and not in accordance with Section 5.1(a).

5.2 Separation Benefits.

- (a) Separation Benefits. In the event of a Participant's Separation from Service, the Participant's Scheduled In-Service Accounts will be distributed in a lump sum under Section 5.2(b) and the Participant's Retirement Accounts will be distributed in one of the forms provided in Section 5.2(b) or 5.2(c) below in accordance with the Participant's distribution election given effect under the provisions of Section 5.4 with respect to each such Retirement Account.
- (b) Lump Sum Distributions.
 - (1) Any lump sum to be paid under this Section 5.2(b) shall be paid within the 90-day period commencing on the Participant's Separation Pay Date.
 - (2) The lump sum amount will be the value of the Participant's Account, or Retirement Account, as applicable, as of the last day of the month preceding the date of the distribution.
- (c) Installment Distributions.
 - (1) If a Participant's Retirement Account is to be distributed in the form of annual installments, the first such installment shall be made within the 90-

day period commencing on the first January 31 following the Participant's Separation from Service; provided, however, that if such January 31 is earlier than the Participant's Separation Pay Date, the first such installment shall be made within the 90-day period commencing on the Participant's Separation Pay Date. Subsequent installments shall be made within the 90-day period commencing on each successive January 31, until the Participant's benefits under such Account are distributed in full.

- (2) The Plan benefits will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of the Participant's Retirement Account determined in accordance with Section 5.2(b)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's Separation from Service occurs.

5.3 Death Benefits.

- (a) General. In the event of the Participant's death before incurring a Separation from Service or before commencement of benefits, the Participant's Account will be distributed in one of the forms provided in Section 5.3(b) or 5.3(c) below in accordance with the Participant's distribution election given effect under the provisions of Section 5.4 below.

A Participant may elect only one form of payment under the Plan for all beneficiaries (at any level). If the Participant fails to make an effective election as provided in Section 5.4 below, the Participant will be deemed to have elected distribution in a lump sum under Section 5.3(b) for all beneficiary levels.

- (b) Lump Sum Distributions.

- (1) Any lump sum to be paid under this Section 5.3(b) shall be paid within the 90-day period commencing on the last day of the month in which the Participant's death occurs.
- (2) The lump sum amount will be the value of the Participant's Account as of the last day of the month preceding the date of distribution.

- (c) Installment Distributions.

- (1) If the Participant's Account is to be distributed in the form of annual installments, the first such installment shall be made within the 90-day period commencing on the first January 31 coincident with or next following the Participant's death. Subsequent installments will be made during the 90-day period commencing on each successive January 31, until the Participant's benefits are distributed in full.

- (2) The Plan benefits will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of the Participant's Account determined in accordance with Section 5.3(b)(2) (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the per annum rate in effect for the Plan Year in which the Participant's death occurs.
- (d) **Death After Commencement of Installments.** Notwithstanding the preceding, in the event of a Participant's death after installment payments to the Participant have commenced, such installment payments shall continue to be made to the Participant's designated beneficiary in the same manner as they were being distributed to the Participant prior to his or her death, provided, however, that if the Participant's distribution election applicable to Section 5.3(a) is a lump sum payment, the Participant's remaining installments will be distributed in lump sum to the Participant's designated beneficiary within the 90-day period commencing on the last day of the month in which the Participant's death occurs.
- (e) **Designation of Beneficiary.** A Participant may, by written or electronic instrument delivered to the Committee in the form prescribed by the Committee, designate primary and contingent beneficiaries (which may be a trust or trusts) to receive any benefit payments which may be payable under this Plan following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. A Participant may change such designation from time to time and the last designation filed with the Committee in accordance with its procedures prior to the Participant's death will control. In the event no beneficiary is designated, or if all designated beneficiaries predecease the Participant, payment shall be payable to the following "default" beneficiaries of the Participant in the following order of priority: (1) the Participant's surviving spouse known to the Committee, if any; (2) the Participant's living children known to the Committee in equal shares; (3) the Participant's living parents known to the Committee in equal shares; (4) the Participant's surviving siblings known to the Committee in equal shares; or (5) the beneficiary's estate for distribution in accordance with the terms of the beneficiary's last will and testament or as a court of competent jurisdiction shall determine.
- (f) **Death of Beneficiary.** In the event a beneficiary dies before full payment of the Participant's benefits under the Plan, benefits that would have been paid to such beneficiary shall continue in the same form in equal shares to the remaining beneficiaries at the same level (i.e., primary, contingent) and, if none, to the next level of beneficiaries. If there are no beneficiaries at the next level, then any remaining benefits shall be paid to the following "default" beneficiaries of the last living beneficiary in the following order of priority: (1) the beneficiary's surviving spouse known to the Committee, if any; (2) the beneficiary's living children known to the Committee in equal shares; (3) the beneficiary's surviving parents known to the Committee in equal shares; (4) the beneficiary's surviving

siblings known to the Committee in equal shares; or (5) the beneficiary's estate for distribution in accordance with the terms of the beneficiary's last will and testament or as a court of competent jurisdiction shall determine.

5.4 Form of Distribution.

- (a) **Forms Available.** In the event of a Participant's Separation from Service, or in the event of a Participant's death if the Participant dies prior to Separation from Service, distribution of his or her Retirement Account or, in the event of death, his or her Account, may be made, at the Participant's election per this Section 5.4, in one of the following forms:
- (1) a lump sum;
 - (2) subject to the minimum account value restriction below, substantially equal annual installments over a period not to exceed fifteen (15) years; or
 - (3) solely with respect to distribution of the Participant's Account in the event of death, partially a lump sum and, subject to the minimum account value restriction below, substantially equal annual installments over a period not to exceed fifteen (15) years;

provided, however, that an installment election will be given effect only if, as of the date on which any lump sum payment would be valued, the value of the Participant's Retirement Account, or, in the event of death, Account, is at least fifty thousand dollars (\$50,000). Any Participant whose Retirement Account, or in the event of death, Account, is valued at less than fifty thousand dollars (\$50,000) as of the date on which any lump sum payment would be valued shall be defaulted to a lump sum payment.

- (b) **Subsequent Elections.** A Participant may change his or her distribution election (or deemed distribution election) with respect to his or her Retirement Account, or, in the event of death, his or her Account, per this Section 5.4 at any time by making a new election (referred to in this subsection as a "subsequent election") on a form (which may be electronic) approved by Executive Compensation and filed with Executive Compensation; provided, however, that such subsequent election shall be subject to the following restrictions:
- (1) A subsequent election may not take effect until at least twelve (12) months after the date on which such subsequent election is made;
 - (2) Payment or initial payment pursuant to a subsequent election may not be made earlier than five (5) years from the date such payment would have been made absent the subsequent election (but, for this purpose, installment payments shall not commence until the first January 31 after such delay), unless the distribution is made on account of the Participant's death;

- (3) A subsequent election related to a payment must be made not less than twelve (12) months before the date the payment is scheduled to be paid;
- (4) Payment of a Participant's Retirement Account or, in the event of death, Account, pursuant to a subsequent election must be completed by the last day of the Plan Year which contains the twentieth (20th) anniversary of the Participant's Separation Pay Date or the Participant's death;
- (5) For purposes of this Section 5.4(b) and Code Section 409A, the entitlement to annual installment payments is treated as the entitlement to a single payment.

If a Participant's distribution election does not satisfy the requirements of this Section 5.4(b), it will not be recognized or given effect by the Committee. In that event, distribution of the benefit will be made in accordance with the Participant's most recent distribution election which does satisfy the requirements of this Section 5.4(b).

- (c) Filing of Election. A Participant's distribution election applicable to the Participant's Account in the event of the Participant's death prior to Separation from Service, and a Participant's distribution election with respect to the Participant's Retirement Account or Retirement Accounts, and the Participant's Scheduled Pay Date with respect to the Participant's Scheduled In-Service Accounts, must be filed with Executive Compensation on forms (which may be electronic) prescribed by Executive Compensation.

5.5 Distributions for Unforeseeable Emergencies.

- (a) In the event of an Unforeseeable Emergency, the Committee or its delegate, in its sole and absolute discretion and upon written application of a Participant or, following the Participant's death, the beneficiary to whom a Participant's benefits are then being paid, or will be paid, pursuant to Section 5.3, may direct immediate distribution of all or a portion of the Participant's Account (excluding the Participant's Matching Account and related earnings if the Participant is not fully vested in his or her Matching Account). The Committee will permit distribution on account of an Unforeseeable Emergency only to the extent reasonably necessary to satisfy the emergency need, plus amounts necessary to pay federal, state or local income taxes and penalties reasonably anticipated to result from the distribution, after taking into account the extent to which such need is or may be relieved through reimbursement or compensation by insurance, by liquidation of the Participant's or beneficiary's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under the Plan. Any distribution under this Section 5.5 shall first be made from the Participant's Scheduled In-Service Accounts with respect to Deferral Credits made in the same Plan Year as the Distribution under this Section 5.5(a), and then from the Participant's Retirement Accounts with respect to Deferral Credits made in the same Plan

Year as the Distribution under this Section 5.5(a), and then proratably from the remaining amount of the Participant's Scheduled In-Service Accounts and then proratably from the Participant's Retirement Accounts.

- (b) Notwithstanding anything in the Plan to the contrary, if Walmart reasonably anticipates that its deduction with respect to any distribution under this Section 5.5 would not be permitted due to the application of Code Section 162(m); such payment shall be suspended to the extent a deduction would not be permitted until the earliest date at which it reasonably anticipates that the deduction of such distribution would not be barred by application of Code Section 162(m); provided, however, that the conditions of Section 5.5(a) are still satisfied as of such date.

5.6 Distributions for Payment of Taxes

Walmart's Senior Vice President of Global Compensation, or any successor position, may accelerate and pay a portion of a Participant's Plan benefits in a lump sum equal to (a) the Federal Insurance Contributions Act tax imposed on Plan benefits and any income tax withholding related to such amounts, as well as (b) any state, local or foreign tax obligations arising from participation in the Plan (and related withholding under Code Section 3401) that apply to the amounts deferred under the Plan before such amount is paid or made available to the Participant.

5.7 Reductions Arising from a Participant's Gross Misconduct.

Notwithstanding anything herein to the contrary, a Participant's Plan benefits are contingent upon the Participant not engaging in Gross Misconduct while employed with any Employer or Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. In the event the Committee determines that the Participant has engaged in Gross Misconduct during the prescribed period, then notwithstanding any provisions hereunder to the contrary: (a) the Participant shall forfeit all Employer Matching Contribution Credits and credited Plan earnings thereon; (b) earnings credited to the Participant's Deferral Account shall be recalculated for each Plan Year to reflect the amount which would otherwise have been credited if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect for such Plan Year; and (c) if the Participant is then receiving installment payments, any remaining installments shall be recalculated to reflect the amount which would otherwise have been paid if the applicable per annum rate were fifty percent (50%) of the per annum rate in effect with respect to such installment payments. Under no circumstances will a Participant forfeit any portion of the Participant's Deferred Compensation, Deferred MIP Bonus and Deferred Special Bonus. Any payments received hereunder by a Participant (or the Participant's beneficiary) are contingent upon the Participant not engaging (or not having engaged) in Gross Misconduct while employed with any Employer or Related Affiliate or any entity in which Walmart has an ownership interest, or during such additional period as provided in Walmart's Statement of Ethics. If the Committee determines, after payment of amounts hereunder, that the Participant

has engaged in Gross Misconduct during the prescribed period, the Participant (or the Participant's beneficiary) shall repay to Walmart any amount in excess of that to which the Participant is entitled under this Section 5.7.

ARTICLE VI. ADMINISTRATION

6.1 General.

The Committee is responsible for the administration of the Plan and is granted the following rights and duties:

- (a) The Committee shall have the exclusive duty, authority and discretion to interpret and construe the provisions of the Plan, to determine eligibility for and the amount of any benefit payable under the Plan, and to decide any dispute which may arise regarding the rights of Participants (or their beneficiaries) under this Plan;
- (b) The Committee shall have the authority to adopt, alter, and repeal such administrative rules, regulations, and practices governing the operation of the Plan as it shall from time to time deem advisable;
- (c) The Committee may appoint a person or persons to act on behalf of, or to assist, the Committee in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Committee deems necessary or appropriate;
- (d) The decision of the Committee in matters pertaining to this Plan shall be final, binding, and conclusive upon Walmart, any Related Affiliate, the Participant, the Participant's beneficiary, and upon any person affected by such decision, subject to the claims procedure set forth in Article VII; and
- (e) In any matter relating solely to a Committee member's individual rights or benefits under this Plan, such Committee member shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

6.2 Allocation and Delegation of Duties.

- (a) The Committee shall have the authority to allocate, from time to time, by instrument in writing filed in its records, all or any part of its respective responsibilities under the Plan to one or more of its members as may be deemed advisable, and in the same manner to revoke such allocation of responsibilities.

In the exercise of such allocated responsibilities, any action of the member to whom responsibilities are allocated shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall periodically report to the Committee concerning the discharge of the allocated responsibilities.

- (b) The Committee shall have the authority to delegate, from time to time, by written instrument filed in its records, all or any part of its responsibilities under the Plan to such person or persons as the Committee may deem advisable (and may authorize such person to delegate such responsibilities to such other person or persons as the Committee shall authorize) and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Committee. The Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall periodically report to the Committee concerning the discharge of the delegated responsibilities.

ARTICLE VII. CLAIMS PROCEDURE

7.1 General.

Any claim for benefits under the Plan must be filed by the Participant or beneficiary (“claimant”) in writing with the Committee or its delegate within one (1) year of the Participant’s Separation from Service. If the claim is not filed within one (1) year of the Participant’s Separation from Service, neither the Plan nor any Employer nor any Related Affiliate shall have any obligation to pay the benefit and the claimant shall have no further rights under the Plan. If a timely claim for a Plan benefit is wholly or partially denied, notice of the decision will be furnished to the claimant by the Committee or its delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Committee or its delegate, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt. Any claimant who is denied a claim for benefits will be furnished written notice setting forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to the pertinent Plan provision upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

- (d) an explanation of the Plan's claim review procedure, including the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse determination on review.

7.2 Appeals Procedure.

To appeal a denial of a claim, a claimant or the claimant's duly authorized representative:

- (a) may request a review by written application to the Committee not later than sixty (60) days after receipt by the claimant of the written notification of denial of a claim;
- (b) may review pertinent documents; and
- (c) may submit issues and comments in writing.

A decision on review of a denied claim will be made by the Committee not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and shall include:

- (a) the specific reason or reasons for the adverse determination;
- (b) specific reference to pertinent Plan provisions on which the adverse determination is based;
- (c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and
- (d) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain the information about such procedures, as well as a statement of the claimant's right to bring an action under ERISA section 502(a).

ARTICLE VIII. MISCELLANEOUS PROVISIONS

8.1 Amendment, Suspension or Termination of Plan.

Walmart, by action of the Committee, reserves the right to amend, suspend or to terminate the Plan in any manner that it deems advisable. Notwithstanding the preceding sentence, the Plan may not be amended, suspended or terminated to cause a Participant to forfeit the Participant's then-existing Account.

Notwithstanding the preceding, Walmart may, by action of the Committee within the thirty (30) days preceding or twelve (12) months following a change in control (within the

meaning of Code Section 409A) of a relevant affiliate, partially terminate the Plan and distribute benefits to all Participants involved in such change in control within twelve (12) months after such action, provided that all plans sponsored by the service recipient immediately after the change in control (which are required to be aggregated with this Plan pursuant to Code Section 409A) are also terminated and liquidated with respect to each Participant involved in the change in control. Any action taken in this Section 8.1 will be done in accordance with Code Section 409A.

8.2 Non-Alienability.

No interest or amounts payable under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary. Notwithstanding the preceding, distribution may be made to the extent necessary to fulfill a domestic relations order as defined in Code Section 414(p)(1)(B) and in accordance with procedures established by the Committee from time to time; provided, however, that all such distributions shall be made in a single lump sum payment.

8.3 Recovery of Overpayments.

In the event any payments under the Plan are made on account of a mistake of fact or law, the recipient shall return such payment or overpayment to Walmart as requested by Walmart.

8.4 No Employment Rights.

Nothing contained herein shall be construed as conferring upon any Eligible Participant or Participant the right to continue in the employ of any Employer or any Related Affiliate as an officer or in any other capacity.

8.5 No Right to Bonus.

Nothing contained herein shall be construed as conferring upon the Participant the right to receive a bonus from the MIP or any other bonus or award from any Employer or a Related Affiliate. A Participant's entitlement to such a bonus or award is governed solely by the provisions of the MIP or such other plan or arrangement.

8.6 Withholding and Employment Taxes.

To the extent required by law, the Employer or a Related Affiliate will withhold from a Participant's current compensation such taxes as are required to be withheld for employment taxes. To the extent required by law, the Employer or a Related Affiliate will withhold from a Participant's Plan distributions such taxes as are required to be withheld for federal, Puerto Rican, state or local government income tax purposes.

8.7 Income and Excise Taxes.

The Participant (or the Participant's Beneficiaries) is solely responsible for the payment of all federal, Puerto Rican, state and local income and excise taxes resulting from the Participant's participation in this Plan.

8.8 Successors and Assigns.

The provisions of this Plan are binding upon and inure to the benefit of Walmart and each other Employer, their successors and assigns, and the Participant, the Participant's beneficiaries, heirs, and legal representatives.

8.9 Governing Law.

This Plan shall be subject to and construed in accordance with the laws of the State of Delaware to the extent not preempted by federal law.

Name of Grantee:	
Grant Date:	
Number of Shares:	
Dollar Value of Award as of Grant Date:	
Walmart Identification Number:	

**WALMART INC.
STOCK INCENTIVE PLAN OF 2015**

**RESTRICTED STOCK AWARD
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD**

These Restricted Stock Award Notification of Award and Terms and Conditions of Award, including any applicable special terms and conditions for your specific country set forth in the appendix attached hereto (jointly, the “Agreement”), contains the terms and conditions of the Restricted Stock (as defined in the Walmart Inc. Stock Incentive Plan of 2015, as may be amended from time to time (the “Plan”)) granted to you by Walmart Inc., a Delaware corporation (“Walmart”), under the Plan.

All the terms and conditions of the Plan are incorporated into this Agreement by reference. All capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Plan.

BY SIGNING OR ELECTRONICALLY ACCEPTING THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE, UNDERSTAND, AGREE TO, AND ACCEPT THE FOLLOWING:

1. Grant of Restricted Stock. Walmart has granted to you, effective on the Grant Date, the right to receive the number of Shares set forth above on the Vesting Date as further set forth in Paragraph 5 below, subject to forfeiture if certain vesting conditions are not satisfied. Before the Shares vest and are delivered to you, they are referred to in this Agreement as “Restricted Stock.”
2. Plan Governs. The Restricted Stock and this Agreement are subject to the terms and conditions of the Plan. You are accepting the Restricted Stock, acknowledging receipt of a copy of the Plan and the prospectus covering the Plan, and acknowledging that the Restricted Stock and your participation in the Plan are subject to all the terms and conditions of the Plan and of this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan upon any disputes or questions arising under the Plan.
3. Payment. You are not required to pay for the Restricted Stock or the Shares underlying the Restricted Stock granted to you pursuant to this Agreement.
4. Stockholder Rights. Your Restricted Stock will be held for you by Walmart until the applicable delivery date described in Paragraph 5. You shall have all the rights of a stockholder of Shares of Restricted Stock that vest. With respect to your unvested Restricted Stock:

- A. you shall have the right to vote the Shares underlying your Restricted Stock on any matter as to which Shares have voting rights at any meeting of shareholders of Walmart;
- B. you shall have the right to receive, free of vesting restrictions (but subject to applicable withholding taxes) all cash dividends paid with respect to such Shares underlying your Restricted Stock; and
- C. any non-cash dividends and other non-cash proceeds of such Shares underlying your Restricted Stock, including stock dividends and any other securities issued or distributed in respect of such Shares underlying your Restricted Stock shall be subject to the same vesting and forfeiture conditions as are applicable to your Restricted Stock, and the term "Restricted Stock," as used in this Agreement, shall also include any related stock dividends and other securities issued or distributed in respect of such Shares underlying your Restricted Stock.

5. Vesting of Restricted Stock and Delivery of Shares.

- A. Vesting. Your Restricted Stock will vest as follows, provided you have not incurred a Forfeiture Condition described below:

Percentage of Restricted Stock Vesting	Vesting Date

- B. Delivery of Shares. Upon the vesting of your Restricted Stock, subject to Paragraph 9 below, you shall be entitled to receive a number of Shares equal to the number of underlying the vested Restricted Stock, less any Shares withheld or sold to satisfy tax withholding obligations as set forth in Paragraph 10 below. The Shares shall be delivered to you as soon as administratively feasible, but in any event within 74 days of the Vesting Date. Such Shares will be deposited into an account in your name with a broker or other third party designated by Walmart. You will be responsible for all fees imposed by such designated broker or other third party designated by Walmart.

6. Forfeiture Conditions. Subject to Paragraph 8 below, the Shares underlying your Restricted Stock that would otherwise vest in whole or in part on a Vesting Date will not vest and will be immediately forfeited if, prior to the Vesting Date:

- A. your Continuous Status terminates for any reason (other than death or Disability, to the extent provided in Paragraph 8 below); or
- B. you have not executed and delivered to Walmart a Non-Disclosure and Restricted Use Agreement, in a form to be provided to you by Walmart.

Each of the events described in Paragraphs 6.A and 6.B above shall be referred to as a “Forfeiture Condition” for purposes of this Agreement. Furthermore, if applicable, you shall be advised if the Committee has determined that your acceptance of this Plan Award is further conditioned upon your execution and delivery to Walmart of a Post Termination Agreement and Covenant Not to Compete, in a form to be provided to you by Walmart. If applicable, the failure to execute and deliver such Post Termination Agreement and Covenant Not to Compete prior to the vesting date shall also be deemed a “Forfeiture Condition” for purposes of this Agreement. Upon the occurrence of a Forfeiture Condition, you shall have no further rights with respect to such Restricted Stock (including any cash dividends and non-cash proceeds related to the Restricted Stock for which the record date occurs on or after the occurrence of a Forfeiture Condition) or the underlying Shares.

7. Administrative Suspension. If you are subject to an administrative suspension, vesting of your Restricted Stock may be suspended as of the date you are placed on administrative suspension. If you are not reinstated as an Associate in good standing at the end of the administrative suspension period, your Restricted Stock may be immediately forfeited and you shall have no further rights with respect to such Restricted Stock (including any cash dividends and non-cash proceeds related to the Restricted Stock for which the record date occurs on or after the date of the forfeiture) or the underlying Shares. If you are reinstated as an Associate in good standing at the end of the administrative suspension period, then the vesting of your Restricted Stock will resume as provided in Paragraph 5, and any Restricted Stock that would have vested while you were on administrative suspension will vest and the corresponding number of Shares will be delivered to you as soon as administratively feasible, but in any event within 74 days of the end of the administrative suspension period which shall be considered the Vesting Date for purposes of this Paragraph 7.

8. Accelerated Vesting; Vesting Notwithstanding Termination of Continuous Status by Death or Disability.

A. Notwithstanding Paragraph 5 above, your Restricted Stock that would have become vested on a Vesting Date which occurs not more than 90 days after the date your Continuous Status is so terminated by reason of your death or Disability will become vested earlier than described in Paragraph 5 above, and such earlier vesting date shall be considered a Vesting Date for purposes of this Agreement. For purposes of this Paragraph 8, your Continuous Status will be considered terminated on the date of your death or the date on which your employment or other service relationship has been legally terminated by reason of your Disability.

B. If your Continuous Status is terminated due to your Disability, you agree to promptly notify the Walmart Global Equity team. For purposes of this Agreement, “Disability” shall mean that you would qualify to receive benefit payments under the long-term disability plan or policy, as it may be amended from time to time, of Walmart or, if different, the Affiliate that employs you (the “Employer”), regardless of whether you are covered by such policy. If Walmart or, if different, the Employer does not have a long-term disability policy, for purposes of this Agreement, “Disability” means that you are unable to carry out the responsibilities and functions of the position held by you by reason of any medically determined physical or mental impairment for a period of not less than one hundred and eighty (180) consecutive days. You shall not be

considered to have incurred a Disability for purpose of this Paragraph 8 unless you furnish proof of such impairment sufficient to satisfy Walmart in its sole discretion.

C. Notwithstanding any provision of this Agreement, Walmart will not accelerate your Plan Award if Walmart has not received notification of your termination within such period of time that it determines, in its sole discretion, to be necessary to process the settlement of your Plan Award to avoid adverse tax consequences under Section 409A of the Code.

9. Elective Deferral of Restricted Stock. If you are eligible to defer delivery of the Shares underlying your Restricted Stock award to a future date in accordance with Section 7.8 of the Plan and rules and procedures relating thereto, you will be advised as to when any such deferral election must be made and the rules and procedures applicable to such deferral election.

A.

10. Taxes and Tax Withholding.

A. You agree to consult with any tax advisors you think necessary in connection with your Restricted Stock and acknowledge that you are not relying, and will not rely, on Walmart or any Affiliate for any tax advice. Please see Paragraph 10.F regarding Section 83(b) elections.

B. You acknowledge that, regardless of any action taken by Walmart or, if different, the Employer, the ultimate liability for all income tax, social insurance, pension, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by Walmart or the Employer. You further acknowledge that Walmart and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock, including, but not limited to, the grant, vesting or settlement of the Restricted Stock, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Walmart and/or the Employer (or your former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

C. Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Walmart and the Employer to satisfy all Tax-Related Items. In this regard, you authorize Walmart and/or the Employer or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by withholding of Shares to be issued upon settlement of the vested Restricted Stock. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the Restricted Stock and this Agreement, you authorize and direct: (a) Walmart and any broker or other third party designated by Walmart to sell on your behalf a whole number of Shares corresponding to the vested Restricted Stock that Walmart or the Employer determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items;

and (b) Walmart and/or the Employer, or their respective agents, at their sole discretion, to satisfy the Tax-Related Items by any other method of withholding, including through withholding from your wages or other cash compensation paid to you by Walmart or any Affiliate.

D. Depending on the withholding method, Walmart or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates. Further, if the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Restricted Stock, notwithstanding that a number of the Shares are withheld solely for the purpose of paying the Tax-Related Items. If as a result of withholding whole Shares, an excess amount of tax is withheld, such excess tax will be reported and paid to the applicable tax authorities or regulatory body. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, you may be entitled to receive a refund of any over-withheld amount in the form of cash and will have no entitlement to the Share equivalent.

E. Finally, you agree to pay to Walmart or the Employer any amount of Tax-Related Items that Walmart or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. Walmart may refuse to deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

F. By accepting this Agreement, you agree not to make a Code Section 83(b) election with respect to this award of Restricted Stock.

11. Restricted Stock Not Transferable. During the applicable periods of restriction determined in accordance with Paragraph 5 above, the Restricted Stock may not be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to vesting of the Restricted Stock and the issuance of the underlying Shares. Any attempted action in violation of this Paragraph 11 shall be null, void, and without effect.

12. Country-Specific Appendix. Notwithstanding any provision in these Restricted Stock Award Notification of Award and Terms and Conditions of Award to the contrary, the grant of Restricted Stock also shall be subject to any special terms and conditions as set forth in any appendix attached hereto (the "Appendix") with respect to certain laws, rules, and regulations specific to your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent Walmart determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix is incorporated by reference into these Restricted Stock Award Notification of Award and Terms and Conditions of Award and, together, these documents constitute this Agreement.

13. Nature of Plan Award. You further acknowledge, understand and agree that:

A. the Plan is established voluntarily by Walmart and is discretionary in nature;

B. the grant of Restricted Stock is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock or other awards, or benefits in lieu of Restricted Stock, even if restricted stock has been granted in the past;

C. all decisions with respect to future grants of Restricted Stock or other awards, if any, will be at the sole discretion of the Committee;

D. neither this Agreement nor the Plan creates any contract of employment with any entity involved in the management or administration of the Plan or this Agreement, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Walmart or the Employer, if different, to terminate your Continuous Status at any time, nor confer upon you the right to continue in the employ of Walmart or any Affiliate;

E. the Restricted Stock and the Shares underlying the Restricted Stock, and the income and value of same, relate exclusively to your Continuous Status during the vesting period applicable to your Restricted Stock;

F. nothing in this Agreement or the Plan creates any fiduciary or other duty owed to you by Walmart, any Affiliate, or any member of the Committee, except as expressly stated in this Agreement or the Plan;

G. you are voluntarily participating in the Plan;

H. the Restricted Stock and the Shares underlying the Restricted Stock, and the income and value of same, are not intended to replace any pension rights or compensation;

I. the Restricted Stock and the Shares underlying the Restricted Stock, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

J. unless otherwise agreed with Walmart, the Restricted Stock and the Shares underlying the Restricted Stock, and the income and the value of same, are not granted as consideration for, or in connection with, the service (if any) you may provide as a director of any Affiliate;

K. the future value of the Shares underlying the Restricted Stock is unknown, indeterminable and cannot be predicted with certainty;

L. no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock resulting from the termination of your Continuous Status (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any);

M. in the event of the termination of your Continuous Status (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise set forth in this Agreement,

your right to vest in the Restricted Stock under the Plan, if any, will terminate effective as of the date that you are no longer actively providing services and may not be extended by any notice period under local law (e.g. , your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of this Agreement (including whether you may still be considered to be providing services while on a leave of absence);

N. unless otherwise provided in the Plan or by Walmart in its discretion, the Restricted Stock and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock, the Shares underlying the Restricted Stock, or any such benefits transferred to, or assumed by, another company nor to be exchanged, or substituted for, in connection with any corporate transaction affecting the Shares underlying the Restricted Stock; and

O. if you are providing services outside the United States: neither Walmart nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Restricted Stock or of any amounts due to you pursuant to the settlement of the Restricted Stock or the subsequent sale of any Shares acquired upon settlement.

14. No Advice Regarding Award. Walmart and/or its Affiliates are not providing any tax, legal or financial advice, nor are Walmart or any Affiliate making any recommendation regarding your participation in the Plan or the Shares acquired upon vesting. You are advised to consult with your personal tax, legal, and financial advisors regarding the decision to participate in the Plan and before taking any action related to the Plan.

15. Data Privacy. *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other grant materials by and among, as applicable, Walmart and any Affiliate for the exclusive purpose of implementing, administering and managing your participation in the Plan. You understand that Walmart and its Affiliates may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance identification number, passport or other identification number, salary, nationality, job title, any Shares or directorships held in Walmart or an Affiliate, details of all Restricted Stock or any other awards granted, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to Merrill Lynch, Pierce, Fenner & Smith and its affiliates or such other stock plan service provider as may be selected by Walmart in the future, which is assisting Walmart in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in your country or elsewhere, and that the recipient’s country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize Walmart, Merrill Lynch, Pierce, Fenner & Smith and any other possible recipients which may assist Walmart (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in*

electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of Data as may be required to Walmart's designated broker or other third party. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your Continuous Status with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that Walmart would not be able to grant Restricted Stock or other Plan Awards to you or administer or maintain such Plan Awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative. Finally, upon request of Walmart or the Employer, you agree to provide an executed separate data privacy consent form (or any other agreements or consents that may be required by Walmart and/or the Employer) that Walmart and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by Walmart and/or the Employer.

16. Other Provisions.

A. Determinations regarding this Agreement (including, but not limited to, whether an event has occurred resulting in the forfeiture of or accelerated vesting of the Restricted Stock) shall be made by the Committee in its sole and exclusive discretion and in accordance with this Agreement and the Plan, and all determinations of the Committee shall be final and conclusive and binding on you and your successors and heirs.

B. Walmart reserves the right to amend, abandon or terminate the Plan, including this Agreement, at any time subject to Committee approval. Nothing in the Plan should be construed as to create any expectations that the Plan will be in force and effect for an indefinite period of time nor shall give rise to any claims to acquired rights or similar legal theories.

C. The Committee will administer the Plan. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among recipients and eligible Associates, whether or not such persons are similarly situated.

D. By accepting this Agreement, you agree to provide any information reasonably requested from time to time.

E. This Agreement shall be construed under the laws of the State of Delaware, without regard to its conflict of law provisions.

F. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

G. If you receive this Agreement or any other documents related to your Plan Award or the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English language version of such document will control.

H. Walmart may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Walmart or a third party designated by Walmart.

I. Walmart reserves the right to impose other requirements on your participation in the Plan, on your Plan Award, and the Shares underlying the Restricted Stock, to the extent Walmart determines it is necessary or advisable for legal or administrative reasons and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

J. You acknowledge that a waiver by Walmart or an Affiliate of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provisions of the Plan or this Agreement, or of any subsequent breach by you or any other Associate.

K. You understand that your country may have insider trading and/or market abuse laws which may affect your ability to accept, acquire, sell, or otherwise dispose of Shares, rights to Shares or rights linked to the value of Shares under the Plan during such times you are considered to have "inside information" (as defined in the laws in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed insider information. Furthermore, you could be prohibited from (i) disclosing inside information to any third party, which may include fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The restrictions applicable under these laws may be the same or different from Walmart's insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations, and any applicable Walmart insider trading policy, and are advised to speak to your personal legal advisor on this matter.

L. You understand that you may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from your participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws of the your country may require that you report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You acknowledge that you are responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements, and you are advised to consult your personal legal advisor on this matter.

M. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, Walmart shall not be required to deliver any Shares issuable upon vesting of the Restricted Stock prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval Walmart shall, in its absolute discretion, deem necessary or advisable. You understand that Walmart is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Walmart may, without liability for its good faith actions, place legend restrictions upon Shares underlying your vested Restricted Stock and issue “stop transfer” instructions requiring compliance with applicable U.S. or other securities laws and the terms of the Agreement and Plan. Further, you agree that Walmart shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws, rules or regulations applicable to issuance of Shares.

**WALMART INC.
STOCK INCENTIVE PLAN OF 2015**

**RESTRICTED STOCK AWARD
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS**

COUNTRY-SPECIFIC APPENDIX

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Restricted Stock Award Notification of Award and Terms and Conditions (the “T&C’s”).

Terms and Conditions. This Appendix includes additional terms and conditions that govern the Restricted Stock granted to you under the Plan if you work and/or reside in one of the countries listed below.

If you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer Continuous Status after the Grant Date, or are considered a resident of another country for local law purposes, Walmart shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you .

Notifications. This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2017. Such laws are often complex and change frequently. As a result, Walmart strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that the Restricted Stock vests or you receive Shares under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and Walmart is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer Continuous Status after the Grant Date, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

ARGENTINA

Notifications

Securities Law Information. Neither the Restricted Stock nor any Shares underlying the Restricted Stock are publicly offered or listed on any stock exchange in Argentina and, as a result, have not

been and will not be registered with the Argentina Securities Commission (*Comisión Nacional de Valores*). The offer is private and not subject to the supervision of any Argentine governmental authority. Neither this Agreement nor any other materials related to the Restricted Stock nor any Shares underlying the Restricted Stock, may be utilized in connection with any general offering to the public in Argentina. Argentine residents who acquire Restricted Stock under the Plan do so according to the terms of a private offering made outside Argentina.

Exchange Control Information. You understand that you must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the Restricted Stock and your participation in the Plan. You should consult with your personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset/Account Reporting Information. If you are an Argentine tax resident, you must report any Shares acquired under the Plan and held by you on December 31st of each year on your annual tax return for that year.

BRAZIL

Terms and Conditions

Compliance with the Law. By accepting the Restricted Stock, you acknowledge your agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items associated with the Restricted Stock and the sale of any Shares acquired under the Plan.

Labor Law Acknowledgement. By accepting the Restricted Stock, you agree that you are (i) making an investment decision, (ii) the Shares will be issued to you only if the vesting conditions are met, and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to you.

Notifications

Foreign Asset/Account Reporting Information. If you hold assets and rights outside Brazil with an aggregate value exceeding US\$100,000, you will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights, including: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including Shares acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Quarterly reporting obligations apply if the value of the assets and rights exceeds US\$100,000,000. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil. Individuals holding assets and rights outside Brazil valued at less than US\$100,000 are not required to submit a declaration. Please note that the US\$100,000 threshold may be changed annually.

Tax on Financial Transactions (IOF).

Repatriation of funds (e.g. , sale proceeds) into Brazil and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. It is your responsibility to comply with any applicable Tax on Financial Transactions arising from your participation in the Plan. You should consult with your personal advisor for additional details.

CANADA

Terms and Conditions

Termination of Continuous Status. This provision replaces Paragraph 13(M) of the T&C's:

In the event of the termination of your Continuous Status (whether or not later found to be invalid for any reason, including for breaching either applicable employment laws or your employment agreement, if any), unless otherwise set forth in this Agreement, your right to vest in the Restricted Stock under the Plan, if any, will terminate effective as the earlier of (i) the date on which your Continuous Status is terminated, (ii) the date on which you receive notice of termination, or (iii) the date you no longer actively provide service to Walmart or any Affiliate, regardless of any notice period or period of pay in lieu of such notice required under local law. The Committee shall have the exclusive discretion to determine when you are no longer employed for purposes of this Agreement (including whether you may still be considered to be providing services while on a leave of absence).

Vesting and Delivery of Shares. This provision supplements Paragraph 5 of the T&C's:

Instead of delivering Shares upon vesting of your Restricted Stock to you as set forth in Paragraph 5 of the T&C's, Walmart or Wal-Mart Canada Corp. or an Affiliate ("WM Canada"), in their sole discretion, also may settle your vested Restricted Stock in cash, Shares, or a combination of cash and Shares. To the extent your Plan Award will be settled in Shares, you hereby acknowledge and agree that such settlement may be satisfied by WM Canada by forwarding a cash settlement amount in respect of the vested Restricted Stock to an independent broker who will in turn purchase the Shares on the open market on your behalf. Any Shares so purchased on the open market shall be delivered to you as set forth in Paragraph 5 of the T&C's.

The Following Provisions Apply to Associates and Non-Management Directors Resident in Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires,

exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. This provision supplements Paragraph 15 of the T&C's:

You hereby authorize Walmart, any Affiliate and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize Walmart, any Affiliate and any stock plan service provider that may be selected by Walmart to assist with the Plan to disclose and discuss the Plan with their respective advisors. You further authorize Walmart or an Affiliate to record such information and to keep such information in your employee file.

Notifications

Securities Law Information. You are permitted to sell the Shares acquired through the Plan through the designated broker, if any, provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.* , the NYSE).

Foreign Asset/ Account Reporting Information. Foreign property, including shares of stock (i.e., Shares) and other rights to receive Shares (*e.g.* , Restricted Stock) of a non-Canadian company held by a Canadian resident employee must generally be reported annually on a Form T1135 (Foreign Income Verification Statement), if the total cost of your specified foreign property exceeds C\$100,000 at any time during the year. Thus, Restricted Stock must be reported (generally at a nil cost) if the C\$100,000 cost threshold is exceeded because of other specified foreign property that you hold. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB ordinarily is equal to the fair market value of the Shares at the time of acquisition, but if you own other Shares (acquired separately), this ACB may have to be averaged with the ACB of the other Shares.

CHILE

Terms and Conditions

Labor Law Acknowledgement. The Restricted Stock and the Shares underlying the Restricted Stock, and the income and value of same, shall not be considered as part of your remuneration for purposes of determining the calculation base of future indemnities, whether statutory or contractual, for years of service (severance) or in lieu of prior notice, pursuant to Article 172 of the Chilean Labor Code.

Notifications

Securities Law Information. This grant of Restricted Stock constitutes a private offering of securities in Chile effective as of the Grant Date. This offer of Restricted Stock is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance

("SVS"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the Restricted Stock are not registered in Chile, Walmart is not required to provide public information about the Restricted Stock or the Shares in Chile. Unless the Restricted Stock and/or the Shares are registered with the SVS, a public offering of such securities cannot be made in Chile.

Esta Oferta de acciones restringidas constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Oferta. Esta oferta de acciones restringidas se acoge a las disposiciones de la Norma de Carácter General N° 336 ("NCG 336") de la Superintendencia de Valores y Seguros de Chile ("SVS"). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos en Chile no existe la obligación por parte de Walmart de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Exchange Control Information. You are not required to repatriate any funds you receive with respect to the Restricted Stock (e.g. , any proceeds from the sale of any Shares issued upon vesting of the Restricted Stock) to Chile. However, if you decide to repatriate such funds, you acknowledge that you will be required to effect such repatriation through the Formal Exchange Market (i.e. , a commercial bank or registered foreign exchange office) if the amount of the funds repatriated exceeds US\$10,000. Further, if the value of your aggregate investments held outside Chile exceeds US\$5,000,000 (including Shares and any other cash proceeds acquired under the Plan) at any time in a calendar year, you must report the status of such investments to the Central Bank of Chile.

You will also be required to provide certain information to the Chilean Internal Revenue Service ("CIRS") regarding the results of investments held abroad and the taxes you have paid abroad (if you will be seeking a credit against Chilean income tax owed). This information must be submitted on certain electronic sworn statements before March 19 or June 30 of each year, depending on the assets or taxes being reported. The statements may be found at the CIRS website at www.sii.cl .

You may be ineligible to receive certain foreign tax credits if you fail to meet the applicable reporting requirements. Exchange control and tax reporting requirements in Chile are subject to change, and you should consult with your personal legal and tax advisor regarding any reporting obligations that you may have in connection with the Restricted Stock.

COSTA RICA

There are no country-specific provisions.

GUATEMALA

There are no country-specific provisions.

HONG KONG

Terms and Conditions

Form of Settlement. The grant of Restricted Stock does not provide any right for you to receive a cash payment, and the Restricted Stock are payable only in Shares.

Warning: *The Restricted Stock and any Shares acquired under the Plan do not constitute a public offering of securities under Hong Kong law and are available only to employees of Walmart or an Affiliate. The Agreement, including this Appendix, the Plan and any other incidental communication materials related to the Restricted Stock (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, (ii) have not been reviewed by any regulatory authority in Hong Kong, and (iii) are intended only for the personal use of each eligible Associate or Non-Management Director of Walmart or an Affiliate and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement, including this Appendix or the Plan, you should obtain independent professional advice.*

Notifications

Nature of Scheme. Walmart specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

INDIA

Terms and Conditions

Labor Law Acknowledgement. The Restricted Stock and the Shares underlying the Restricted Stock, and the income and value of same, are extraordinary items that are not part of your annual gross salary.

Notifications

Exchange Control Information. If you are a resident of India for exchange control purposes, you will be required to repatriate the cash proceeds from the sale of Shares issued upon vesting of Restricted Stock to India within 90 days of receipt and any proceeds from the receipt of dividends within 180 days of receipt, or within such time as prescribed under applicable Indian exchange control laws as may be amended from time to time. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of funds

in the event the Reserve Bank of India, Walmart or any Affiliate requests proof of repatriation.

Foreign Asset/ Account Reporting Information . If you are a tax resident of India, you will be required to declare foreign bank accounts and any foreign financial assets in your annual tax return. It is your responsibility to comply with this reporting obligation and you should consult with your personal tax advisor in this regard.

JAPAN

Notifications

Foreign Asset/ Account Reporting Information . If you are a Japanese tax resident, you will be required to report details of any assets held outside Japan as of December 31st (including any Shares or cash acquired under the Plan) to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th each year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to include details of any outstanding Shares, Restricted Stock or cash held by you in the report.

LUXEMBOURG

There are no country-specific provisions.

MEXICO

Terms and Conditions

No Entitlement for Claims or Compensation . The following sections supplement Paragraph 13 of the T&C's:

Modification . By accepting the Restricted Stock, you acknowledge and agree that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of your Continuous Status.

Policy Statement . The grant of Restricted Stock is unilateral and discretionary and, therefore, Walmart reserves the absolute right to amend it and discontinue the award at any time without any liability.

Walmart, with registered offices at 702 Southwest 8th Street, Bentonville, Arkansas 72716, U.S.A., is solely responsible for the administration of the Plan, and participation in the Plan and the Restricted Stock does not, in any way, establish an employment relationship between you and Walmart or any Affiliate since you are participating in the Plan on a wholly commercial basis.

Plan Document Acknowledgment. By accepting the Restricted Stock, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, you acknowledge that you have read and specifically and expressly approve the terms and conditions set forth in Paragraph 13 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by Walmart on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) Walmart and its Affiliates are not responsible for any decrease in the value of any Shares (or the cash equivalent) underlying the Restricted Stock under the Plan.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against Walmart for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to Walmart and any Affiliate with respect to any claim that may arise under the Plan.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación. *Estas disposiciones complementan el Párrafo 13 del Contrato:*

Modificación. *Al aceptar las acciones restringidas, usted entiende y acuerda que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.*

Declaración de Política. *El otorgamiento de acciones restringidas que Walmart está haciendo de conformidad con el Plan es unilateral y discrecional y, por lo tanto, Walmart se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.*

Walmart, con oficinas registradas ubicadas en 720 Southwest 8th Street, Bentonville, Arkansas 72716, EE.UU. es únicamente responsable de la administración del Plan y la participación en el Plan y la adquisición de acciones restringidas no establece, de forma alguna, una relación de trabajo entre usted y Walmart o alguna compañía afiliada, ya que usted participa en el Plan de una forma totalmente comercial.

Reconocimiento del Documento del Plan. *Al aceptar las acciones restringidas, usted reconoce que ha recibido copias del Plan, ha revisado el Plan y el Contrato en su totalidad y entiende y acepta completamente todas las disposiciones contenidas en el Plan y en el Contrato.*

Adicionalmente, al aceptar el Contrato, usted reconoce que ha leído y especifica y expresamente ha aprobado los términos y condiciones en el Párrafo 13 del Contrato, en lo que claramente se ha descrito y establecido que: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan es ofrecida por Walmart de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) Walmart y cualquier compañía afiliada no son responsables por cualquier disminución en el valor de las Acciones (o su equivalente en efectivo) subyacentes a las acciones restringidas bajo el Plan.

Finalmente, usted declara que no se reserva ninguna acción o derecho para interponer una demanda o reclamación en contra de Walmart por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga el más amplio finiquito a Walmart y compañía afiliada con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del Plan.

NIGERIA

There are no country-specific provisions.

PERU

Terms and Conditions

Labor Law Acknowledgement. By accepting the Restricted Stock, you acknowledge that the Restricted Stock are being granted *ex gratia* to you with the purpose of rewarding you.

Notifications

Securities Law Information. The offer of the Restricted Stock is considered a private offering in Peru; therefore, it is not subject to registration. For more information concerning this offer, please refer to the Plan, the Agreement and any other grant documents made available by Walmart.

SOUTH AFRICA

Term and Conditions

Securities Law Information and Deemed Acceptance of Restricted Stock. Neither the Restricted Stock nor the underlying Shares shall be publicly offered or listed on any stock exchange in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act and is not subject to the supervision of any South African governmental authority. Pursuant to Section 96 of the Companies Act, the Restricted Stock offer must be finalized on or before the 60th day following the Grant Date. If you do not want to accept the Restricted Stock, you are required to decline your Restricted Stock no later than the 60th day following the Grant Date. If you do not reject your Restricted Stock on or before the 60th day following the Grant Date, you will be deemed to accept the Restricted Stock.

Tax Reporting Information. By accepting the Restricted Stock, you agree to notify Walmart or your Employer, if different, of the amount of income realized at vesting of the Restricted Stock. If you fail to advise Walmart or your Employer, if different, of the income at vesting, you may be liable for a fine. You will be responsible for paying any difference between the actual tax liability and the amount withheld.

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with applicable exchange control regulations in South Africa as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws in South Africa.

UNITED KINGDOM

Terms and Conditions

Taxes and Tax Withholding. This section supplements Paragraph 10 of the T&C's:

Without limitation to Paragraph 10 of the T&C's, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by Walmart or any Affiliate or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified Walmart and its Affiliates against any Tax-Related Items that they are required to pay or withhold on your behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority). Notwithstanding the foregoing, if you are a director or executive officer of Walmart (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you understand that you may not be able to indemnify Walmart for the amount of any income tax not collected from or paid by you, in case the indemnification could be considered a loan. In this case, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing Walmart or an Affiliate, as applicable, for the value of any national insurance contributions due on this additional benefit, which Walmart or an Affiliate may recover from you at any time thereafter by the means referred to in Paragraph 10 of the T&C's.

UNITED STATES

Military Leave. If you were on military leave on the Grant Date, and you are on the same military leave on a Vesting Date, your Continuous Status must be maintained for not less than six months after your return from the military leave before your Plan Award shall vest. In such circumstances, for purposes of Paragraph 5, your "Vesting Date" shall be deemed to be the date that is six months after your return from military leave, and the number of Shares corresponding to any vested Restricted Stock will be delivered to you as soon as administratively feasible but in any event within 74 days of vesting.

Name of Grantee:	
Grant Date:	
Number of Performance-Based Restricted Stock Units at Target Performance:	
Performance Period:	
Vesting Date:	
Walmart Identification Number:	

**WALMART INC.
STOCK INCENTIVE PLAN OF 2015**

GLOBAL SHARE-SETTLED PERFORMANCE-BASED RESTRICTED STOCK UNIT NOTIFICATION AND TERMS AND CONDITIONS

These Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions, including any applicable special terms and conditions for your specific country set forth in the appendix attached hereto (jointly, the “Agreement”), contain the terms and conditions of the performance-based restricted stock units (“PRSUs”) granted to you by Walmart Inc. (“Walmart”), a Delaware corporation, under the Walmart Inc. Stock Incentive Plan of 2015, as may be amended from time to time (the “Plan”).

All the terms and conditions of the Plan are incorporated into this Agreement by reference. All capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Plan.

BY SIGNING OR ELECTRONICALLY ACCEPTING THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE, UNDERSTAND, AGREE TO, AND ACCEPT THE FOLLOWING:

1. Grant of Performance-Based Restricted Stock Units. Walmart has granted to you, effective on the Grant Date, the PRSUs, which consist of the right to receive a number of Shares underlying the PRSUs set forth above (as further determined in Paragraph 5 below), subject to certain vesting conditions.
2. Plan Governs. The PRSUs and this Agreement are subject to the terms and conditions of the Plan. You are accepting the PRSUs, acknowledging receipt of a copy of the Plan and the prospectus covering the Plan, and acknowledging that the PRSUs and your participation in the Plan are subject to all the terms and conditions of the Plan and of this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee upon any disputes or questions arising under the Plan, including whether, and the extent to which, the Performance Measures, Performance Goals, and time-based vesting restrictions referred to in Paragraph 5 have been satisfied.

3. Payment. You are not required to pay for the PRSUs or the Shares underlying the PRSUs granted to you pursuant to this Agreement.

4. Stockholder Rights. Unless and until your PRSUs vest and the underlying Shares have been delivered to you:

A. You do not have the right to vote the Shares underlying your PRSUs;

B. You will not receive, nor be entitled to receive, cash or any non-cash dividends on the PRSUs or the Shares underlying the PRSUs; and

C. You will not have any other beneficial rights as a shareholder of Walmart due to the PRSUs. Upon receipt of the Shares, however, you will be accorded the same rights and responsibilities as any shareholder of Walmart, and will be provided with information regarding Walmart that is provided to all other shareholders of Walmart.

5. Adjustment and Vesting of the PRSUs and Delivery of Shares.

A. Performance Period and Achievement Rates. The Committee establishes the Performance Goals and Performance Measures applicable to your PRSUs. You will receive by separate writing a notification of the performance criteria applicable to your PRSUs in respect of the Performance Period set forth above which reflects the fiscal year of Walmart or, if different, the Affiliate that employs you (the "Employer"). The Performance Measures (including any applicable weightings thereof) and Performance Goals as set forth in such separate writing are hereby incorporated by reference into this Agreement.

The number of PRSUs that ultimately may vest and, accordingly, the Shares that ultimately may be delivered to you shall depend upon the degree to which the Performance Goals have been achieved, as determined by the Committee in accordance with the Plan, for each Performance Measure during the Performance Period. With respect to each applicable Performance Measure during the Performance Period:

1. "Threshold" performance means the achievement of the lowest possible Performance Goal established by the Committee;
2. "Target" performance means the achievement of the Performance Goal established by the Committee; and
3. "Maximum" performance means the highest possible achievement of the Performance Goal established by the Committee.

An achievement rate is determined for each Performance Measure applicable to your Plan Award in respect of the Performance Period. The achievement rate value applied to each weighted Performance Measure during the Performance Period is expressed as a percentage and may range from 0% (for achieving less than Threshold Performance), 50% (for achieving at least, but no less than, Threshold performance), 100% (for achieving Target performance), or up to 150% (for achieving Maximum performance). A percentage of 0% shall be applied to a Performance Measure during the Performance Period if Threshold performance is not achieved. The weighted average of all applicable

achievement rates during the Performance Period is referred to herein as the “Performance Achievement Rate.”

At the end of the Performance Period, the number of PRSUs that were granted to you shall be adjusted to reflect the degree to which applicable Performance Goals have been attained by *multiplying* : (x) the Performance Achievement Rate *and* (y) the number of PRSUs granted by this Agreement. Subject to Paragraph 10 below, and provided you have not incurred a Forfeiture Condition before the Vesting Date, the adjusted number of PRSUs (the “Adjusted PRSUs”) represent the number of Shares you shall receive, as described in Paragraph 5.C below.

B. Vesting of the Adjusted PRSUs. Subject to Paragraph 7 and provided you have not incurred a Forfeiture Condition, your Adjusted PRSUs will vest on the Vesting Date set forth above.

C. Delivery of Shares. Upon the vesting of your Plan Award, you shall be entitled to receive a number of Shares equal to the number of Adjusted PRSUs as calculated in Paragraph 5.A. above less any Shares withheld or sold to satisfy tax withholding obligations as set forth in Paragraph 10 below. The Shares shall be delivered to you as soon as administratively feasible following the later of: (x) the Vesting Date set forth above; and (y) the date the Committee has determined the degree of attainment of the Performance Goals applicable to your Plan Award, but in any event:

1. within 150 days of the Vesting Date; or
2. within 74 days of an Accelerated Vesting pursuant to Paragraph 8 below.

Such Shares will be deposited into an account in your name with a broker or other third party designated by Walmart. You will be responsible for all fees imposed by such designated broker or other third party designated by Walmart.

D. Elective Deferral of Shares. If you are eligible to defer delivery of the Shares upon vesting of Adjusted PRSUs to a future date in accordance with Section 10.9 of the Plan and rules and procedures relating thereto, you will be advised as to when any such deferral election must be made and the rules and procedures applicable to such deferral election.

6. Forfeiture Condition. Subject to Paragraph 8 below, any PRSUs that would otherwise vest in whole or in part on the Vesting Date, if any, will not vest and will be immediately forfeited if, prior to the Vesting Date:

A. your Continuous Status terminates for any reason (other than death or Disability, to the extent provided in Paragraph 8 below); or

B. you have not executed and delivered to Walmart a Non-Disclosure and Restricted Use Agreement, in a form to be provided to you by Walmart.

Each of the events described in Paragraphs 6.A and 6.B above shall be referred to as a “Forfeiture Condition” for purposes of this Agreement. Furthermore, if applicable, you shall be advised if the Committee has determined that vesting of this Plan Award is further conditioned

upon your execution and delivery to Walmart of a Post Termination Agreement and Covenant Not to Compete, in a form to be provided to you by Walmart. If applicable, the failure to execute and deliver such Post Termination Agreement and Covenant Not to Compete prior to the Vesting Date shall also be deemed a “Forfeiture Condition” for purposes of this Agreement. Upon the occurrence of a Forfeiture Condition, you shall have no further rights with respect to such PRSUs or the underlying Shares.

7. Administrative Suspension. If you are subject to an administrative suspension, vesting of your PRSUs may be suspended as of the date you are placed on administrative suspension. If you are not reinstated as an Associate in good standing at the end of the administrative suspension period, your PRSUs may be immediately forfeited and you shall have no further rights with respect to such PRSUs or the underlying Shares. If you are reinstated as an Associate in good standing at the end of the administrative suspension period, then the vesting of your PRSUs will resume as provided in Paragraph 5, and any PRSUs that would have vested while you were on administrative suspension will vest and the corresponding number of Shares will be delivered to you as soon as administratively feasible, but in any event within 74 days of the end of the administrative suspension period which shall be considered the Vesting Date for purposes of this Paragraph 7.

8. Accelerated Vesting: Vesting Notwithstanding Termination of Continuous Status by Death or Disability. Your PRSUs will vest earlier than described in Paragraph 5.B. above, and such earlier vesting date shall also be considered a Vesting Date, if your Continuous Status is terminated by your death or Disability prior to the Vesting Date and you have not incurred a Forfeiture Condition. The number of Shares you will become vested in under this Paragraph 8 shall be determined as follows:

A. Any PRSUs that are scheduled to vest within 90 days of the date that your Continuous Status is terminated by reason of your death or Disability will become immediately vested; *provided, however*, that if the determination of attainment of Performance Goals has not yet been determined for your Plan Award, then achievement of Target performance for all applicable Performance Goals shall be assumed for purposes of this Paragraph 8.A; and

B. Any PRSUs that are scheduled to vest more than 90 days but within the same fiscal year as the date on which your Continuous Status was terminated by reason of your death or Disability shall vest and the number of Shares you shall receive will be prorated by dividing: (x) the number of calendar days from the Grant Date to the date your Continuous Status was terminated *by* (y) the number of calendar days from the Grant Date through the Vesting Date set forth above; *provided, however*, that if the determination of attainment of Performance Goals has not yet occurred for your Plan Award, then achievement of Target performance for all applicable Performance Goals shall be assumed for purposes of this Paragraph 8.B.

For purposes of this Paragraph 8, your Continuous Status will be considered terminated on the date of your death or the date on which your employment or other service relationship has been legally terminated by reason of your Disability. For purposes of this Agreement, “Disability” shall mean that you would qualify to receive benefit payments under the long-term disability plan or policy, as it may be amended from time to time, of Walmart or, if different, the Employer, regardless of whether you are covered by such policy. If Walmart or, if different, the

Employer does not have a long-term disability policy, for purposes of this Agreement, “Disability” means that you are unable to carry out the responsibilities and functions of the position held by you by reason of any medically determined physical or mental impairment for a period of not less than one hundred and eighty (180) consecutive days. You shall not be considered to have incurred a Disability unless you furnish proof of such impairment sufficient to satisfy Walmart in its sole discretion. If your Continuous Status is terminated due to a Disability, you agree to promptly notify the Walmart Global Equity team. Notwithstanding any provision of this Agreement, Walmart will not accelerate your Plan Award if Walmart has not received notification of your termination within such period of time that it determines, in its sole discretion, to be necessary to process the settlement of your Plan Award to avoid adverse tax consequences under Section 409A of the Code.

9. Permanent Transfers Between Walmart and Walmart Affiliates.

A. Permanent Transfers and Continuous Status. For the avoidance of doubt, a permanent transfer of Continuous Status from Walmart, or the Employer (if different), to another Affiliate or from an Affiliate to Walmart does not constitute a termination of your Continuous Status.

B. Applicable Performance Measures and Goals Upon Permanent Transfer. If you permanently transfer your Continuous Status during the Performance Period, then the performance criteria and the resulting adjustment will be prorated and/or adjusted to reflect the proportion of the Performance Period during which you provided service to Walmart, or, if different, the Affiliate that initially employed you (the “Initial Employer”) and the proportion of the Performance Period during which you provided service to Walmart or, if different, the Affiliate to which you permanently transferred (the “Subsequent Employer”).

C. Permanent Transfers to Affiliate or Position where Performance-Based Awards are Not Granted. If you permanently transfer your Continuous Status to an Affiliate or into a position where performance-based Plan Awards are not granted, the performance criteria applicable for the remaining portion of your Performance Period shall be communicated to you, and your PRSUs will be prorated and adjusted using the methodology described in Paragraph 9.B above.

D. Transfers to New Position with Same Employer. If you transfer to a position with the same Employer (as defined herein) but your new position is subject to different applicable Performance Measures (including any applicable weightings thereof) and Performance Goals, then the performance criteria applicable for the remaining portion of your Performance Period shall be communicated to you, and your PRSUs will be prorated and adjusted using the methodology described in Paragraph 9.B above.

10. Taxes and Tax Withholding.

A. You agree to consult with any tax advisors you think necessary in connection with your PRSUs and acknowledge that you are not relying, and will not rely, on Walmart or any Affiliate for any tax advice.

B. You acknowledge that, regardless of any action taken by Walmart (or if different, the Employer), the ultimate liability for all income tax, social insurance, pension, payroll

tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“Tax-Related Items”) is and remains your responsibility and may exceed the amount actually withheld by Walmart or the Employer. You further acknowledge that Walmart and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PRSUs, including, but not limited to, the grant, vesting or settlement of the PRSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the PRSUs or any aspect of the PRSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Walmart and/or the Employer (or your former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

C. Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Walmart and the Employer to satisfy all Tax-Related Items. In this regard, you authorize Walmart, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by withholding of Shares to be issued upon settlement of the Adjusted PRSUs. In the event that such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the PRSUs and this Agreement, you authorize and direct (a) Walmart and any broker or other third party designated by Walmart to sell on your behalf a whole number of Shares corresponding to the Adjusted PRSUs that Walmart or the Employer determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items and (b) Walmart and/or the Employer, or their respective agents, at their sole discretion to satisfy the Tax-Related Items by any other method of withholding, including through withholding from your wages or other cash compensation paid to you by Walmart or any Affiliate.

D. Depending on the withholding method, Walmart or the Employer may withhold or account for the Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates. Further, if the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the Adjusted PRSUs, notwithstanding that a number of the Shares are withheld solely for the purpose of paying the Tax-Related Items. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, you may be entitled to receive a refund of any over withheld amount in the form of cash and will have no entitlement to the Share equivalent.

E. Finally, you agree to pay to Walmart or the Employer any amount of Tax-Related Items that Walmart or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. Walmart may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

11. PRSUs Not Transferable. The PRSUs may not be sold, conveyed, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to vesting of the Adjusted PRSUs and the issuance of the underlying Shares. Any attempted action in violation of this Paragraph 11 shall be null, void, and without effect.

12. Country-Specific Appendix. Notwithstanding any provision in these Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions to the contrary, the grant of PRSUs also shall be subject to any special terms and conditions set forth in any appendix attached hereto (the "Appendix") with respect to certain laws, rules and regulations specific to your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent Walmart determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix is incorporated by reference into these Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions and, together, these documents constitute this Agreement.

13. Nature of Plan Award. You further acknowledge, understand and agree that:

- A. the Plan is established voluntarily by Walmart and is discretionary in nature;
- B. the grant of PRSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PRSUs or other awards, or benefits in lieu of PRSUs, even if PRSUs have been granted in the past;
- C. all decisions with respect to future grants of PRSUs or other awards, if any, will be at the sole discretion of the Committee;
- D. neither this Agreement nor the Plan creates any contract of employment with any entity involved in the management or administration of the Plan or this Agreement, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Walmart or, if different, the Employer to terminate your Continuous Status at any time, nor confer upon you the right to continue in the employ of Walmart or any Affiliate;
- E. the PRSUs and the Shares underlying the PRSUs, and the income and value of same, relate exclusively to your Continuous Status during the vesting period applicable to your PRSUs;
- F. nothing in this Agreement or the Plan creates any fiduciary or other duty owed to you by Walmart, any Affiliate, or any member of the Committee, except as expressly stated in this Agreement or the Plan;
- G. you are voluntarily participating in the Plan;
- H. the PRSUs and the Shares underlying the PRSUs, and the income and value of same, are not intended to replace any pension rights or compensation;
- I. the PRSUs and the Shares underlying the PRSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination,

redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

J. unless otherwise agreed with Walmart, the PRSUs and the Shares underlying the PRSUs, and the income and the value of same, are not granted as consideration for, or in connection with, the service (if any) you may provide as a director of any Affiliate;

K. the future value of the Shares underlying the PRSUs is unknown, indeterminable and cannot be predicted with certainty;

L. no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSUs resulting from the termination of your Continuous Status (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any);

M. in the event of the termination of your Continuous Status (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise set forth in this Agreement your right to vest in the PRSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively providing services and may not be extended by any notice period under local law (e.g. , your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of this Agreement (including whether you may still be considered to be providing services while on a leave of absence);

N. unless otherwise provided in the Plan or by Walmart in its discretion, the PRSUs and the benefits evidenced by this Agreement do not create any entitlement to have the PRSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, or substituted for, in connection with any corporate transaction affecting the Shares underlying the PRSUs; and

O. if you are providing services outside the United States: neither Walmart nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the PRSUs or of any amounts due to you pursuant to the settlement of the PRSUs or the subsequent sale of any Shares acquired upon settlement.

14. No Advice Regarding Award. Walmart and/or its Affiliates are not providing any tax, legal or financial advice, nor are Walmart or any Affiliate making any recommendation regarding your participation in the Plan or the Shares underlying the PRSUs acquired upon vesting. You are advised to consult with your personal tax, legal, and financial advisors regarding the decision to participate in the Plan and before taking any action related to the Plan.

15. Data Privacy. *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other grant materials by and among, as applicable, Walmart and any Affiliate for the*

exclusive purpose of implementing, administering and managing your participation in the Plan. You understand that Walmart and its Affiliates may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance identification number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in Walmart or an Affiliate, details of all PRSUs or any other awards granted, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to Merrill Lynch, Pierce, Fenner & Smith and its affiliates or such other stock plan service provider as may be selected by Walmart in the future, which is assisting Walmart in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in your country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize Walmart, Merrill Lynch, Pierce, Fenner & Smith and any other possible recipients which may assist Walmart (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of Data as may be required to Walmart's designated broker or other third party. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your Continuous Status with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that Walmart would not be able to grant PRSUs or other Plan Awards to you or administer or maintain such Plan Awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative. Finally, upon request of Walmart or the Employer, you agree to provide an executed separate data privacy consent form (or any other agreements or consents that may be required by Walmart and/or the Employer) that Walmart and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by Walmart and/or the Employer.

16. Other Provisions.

A. Determinations regarding this Agreement (including, but not limited to, whether, and the extent to which, the Performance Measures and Performance Goals referred to in Paragraph 5 have been satisfied, and whether an event has occurred resulting in the forfeiture of or accelerated vesting of an Adjusted PRSU) shall be made by the Committee in its sole and exclusive discretion and in accordance with this Agreement and the Plan, and all determinations of the Committee shall be final and conclusive and binding on you and your successors and heirs.

- B. Walmart reserves the right to amend, abandon or terminate the Plan, including this Agreement, at any time subject to Committee approval. Nothing in the Plan should be construed as to create any expectations that the Plan will be in force and effect for an indefinite period of time nor shall give rise to any claims to acquired rights or similar legal theories.
- C. The Committee will administer the Plan. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among recipients and eligible Associates, whether or not such persons are similarly situated.
- D. Walmart reserves the right to amend any applicable Performance Measures (including any weightings thereof) and/or Performance Goals for any Plan Award under this Agreement. In such a case, any amendments will be communicated to you in writing (which may include a communication transmitted by electronic means, such as an e-mail communication or a communication posted online for your review).
- E. By accepting this Agreement, you agree to provide any information reasonably requested from time to time.
- F. This Agreement shall be construed under the laws of the State of Delaware, without regard to its conflict of law provisions.
- G. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
- H. If you receive this Agreement or any other documents related to your Plan Award or the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English language version of such document will control.
- I. Walmart may, in its sole discretion, decide to deliver any documents related to your current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Walmart or a third party designated by Walmart.
- J. Walmart reserves the right to impose other requirements on your participation in the Plan, on your Plan Award and the Shares underlying the PRSUs awarded pursuant to this Agreement, to the extent Walmart determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
- K. You acknowledge that a waiver by Walmart or an Affiliate of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provisions of the Plan or this Agreement, or of any subsequent breach by you or any other Associate.
- L. You understand that your country may have insider trading and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of Shares,

rights to Shares or rights linked to the value of Shares under the Plan during such times you are considered to have “inside information” (as defined in the laws in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed insider information. Furthermore, you could be prohibited from (i) disclosing inside information to any third party, which may include fellow employees (other than on a “need to know” basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. The restrictions applicable under these laws may be the same or different from Walmart’s insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations and any applicable Walmart insider trading policy, and are advised to speak to your personal legal advisor on this matter.

M. You understand that you may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from your participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws of the your country may require that you report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You acknowledge that you are responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements, and you are advised to consult your personal legal advisor on this matter.

N. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, Walmart shall not be required to deliver any Shares issuable upon vesting of the PRSUs prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval Walmart shall, in its absolute discretion, deem necessary or advisable. You understand that Walmart is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Walmart may, without liability for its good faith actions, place legend restrictions upon Shares underlying your Adjusted PRSUs and issue “stop transfer” instructions requiring compliance with applicable U.S. or other securities laws and the terms of the Agreement and Plan. Further, you agree that Walmart shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws, rules or regulations applicable to issuance of Shares.

**WALMART INC.
STOCK INCENTIVE PLAN OF 2015**

**GLOBAL SHARE-SETTLED PERFORMANCE-BASED RESTRICTED STOCK UNIT NOTIFICATION
AND TERMS AND CONDITIONS**

COUNTRY-SPECIFIC APPENDIX

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions (the “T&C’s”).

Terms and Conditions. This Appendix includes additional terms and conditions that govern the PRSUs granted to you under the Plan if you work and/or reside in one of the countries listed below.

If you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer Continuous Status after the Grant Date, or are considered a resident of another country for local law purposes, Walmart shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you .

Notifications. This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2017. Such laws are often complex and change frequently. As a result, Walmart strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that the PRSUs vest or you receive Shares under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and Walmart is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer Continuous Status after the Grant Date, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

ARGENTINA

Notifications

Securities Law Information. Neither the PRSUs nor any Shares subject to the PRSUs are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. You understand that you must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the PRSUs and your participation in the Plan. You should consult with your personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset/Account Reporting Information. If you are an Argentine tax resident, you must report any Shares acquired under the Plan and held by you on December 31st of each year on your annual tax return for that year.

BRAZIL

Terms and Conditions

Compliance with the Law. By accepting the PRSUs, you acknowledge your agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items associated with the PRSUs and the sale of any Shares acquired under the Plan.

Labor Law Acknowledgement. By accepting the PRSUs, you agree that you are (i) making an investment decision, (ii) the Shares will be issued to you only if the vesting conditions are met, and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to you.

Notifications

Foreign Asset/Account Reporting Information. If you hold assets and rights outside Brazil with an aggregate value exceeding US\$100,000, you will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights, including: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including Shares acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Quarterly reporting obligations apply if the value of the assets and rights exceeds US\$100,000,000. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil. Individuals holding assets and rights outside Brazil valued at less than US\$100,000 are not required to submit a declaration. Please note that the US\$100,000 threshold may be changed annually.

Tax on Financial Transactions (IOF).

Repatriation of funds (e.g. , sale proceeds) into Brazil and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. It is your responsibility to comply with any applicable Tax on Financial Transactions arising from your participation in the Plan. You should consult with your personal advisor for additional details.

CANADA

Terms and Conditions

Termination of Continuous Status. This provision replaces Paragraph 13(M) of the T&C's:

In the event of the termination of your Continuous Status (whether or not later found to be invalid for any reason, including for breaching either applicable employment laws or your employment agreement, if any), unless otherwise set forth in this Agreement, your right to receive and vest in the PRSUs under the Plan, if any, will terminate effective as the earlier of (i) the date on which your Continuous Status is terminated, (ii) the date on which you receive a notice of termination, or (iii) the date you no longer actively provide service to Walmart or any Affiliate, regardless of any notice period or period of pay in lieu of such notice required under local law. The Committee shall have the exclusive discretion to determine when you are no longer employed for purposes of this Agreement (including whether you may still be considered to be providing services while on a leave of absence).

Vesting and Delivery of Shares. This provision supplements Paragraph 5 of the T&C's:

Instead of delivering Shares upon vesting of your PRSUs to you as set forth in Paragraph 5 of the T&C's, Walmart or Wal-Mart Canada Corp. or an Affiliate ("WM Canada"), in their sole discretion, also may settle your Adjusted PRSUs in cash, Shares, or a combination of cash and Shares. To the extent your Plan Award will be settled in Shares, you hereby acknowledge and agree that such settlement may be satisfied by WM Canada by forwarding a cash settlement amount in respect of the Adjusted PRSUs to an independent broker who may in turn purchase the Shares on the open market on your behalf. Any Shares so purchased on the open market shall be delivered to you as set forth in Paragraph 5 of the T&C's.

The Following Provisions Apply to Associates and Non-Management Directors Resident in Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. This provision supplements Paragraph 15 of the T&C's:

You hereby authorize Walmart, any Affiliate and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize Walmart, any Affiliate and any stock plan service provider that may be selected by Walmart to assist with the Plan to disclose and discuss the Plan with their respective advisors. You further authorize Walmart or an Affiliate to record such information and to keep such information in your employee file.

Notifications

Securities Law Information. You are permitted to sell the Shares acquired through the Plan through the designated broker, if any, provided the resale of Shares acquired under the Plan takes

place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.* , the NYSE).

Foreign Asset/ Account Reporting Information. Foreign property, including shares of stock (i.e., Shares) and other rights to receive Shares (*e.g.* , PRSUs) of a non-Canadian company held by a Canadian resident employee must generally be reported annually on a Form T1135 (Foreign Income Verification Statement), if the total cost of your specified foreign property exceeds C\$100,000 at any time during the year. Thus, PRSUs likely must be reported (generally at a nil cost) if the C\$100,000 cost threshold is exceeded because of other specified foreign property that you hold. When Shares are acquired, their cost generally is the adjusted cost base (“ACB”) of the Shares. The ACB ordinarily is equal to the fair market value of the Shares at the time of acquisition, but if you own other Shares (acquired separately), this ACB may have to be averaged with the ACB of the other Shares.

CHILE

Terms and Conditions

Labor Law Acknowledgement. The PRSUs and the Shares underlying the PRSUs, and the income and value of same, shall not be considered as part of your remuneration for purposes of determining the calculation base of future indemnities, whether statutory or contractual, for years of service (severance) or in lieu of prior notice, pursuant to Article 172 of the Chilean Labor Code.

Notifications

Securities Law Information. This grant of PRSUs constitutes a private offering of securities in Chile effective as of the Grant Date. This offer of PRSUs is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance (“SVS”). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the RSUs are not registered in Chile, Walmart is not required to provide public information about the PRSUs or the Shares in Chile. Unless the PRSUs and/or the Shares are registered with the SVS, a public offering of such securities cannot be made in Chile.

Esta Oferta de PRSUs (“Unidades”) constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Oferta. Esta oferta de Unidades se acoge a las disposiciones de la Norma de Carácter General N° 336 (“NCG 336”) de la Superintendencia de Valores y Seguros de Chile (“SVS”). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos en Chile no existe la obligación por parte de Walmart de entregar en Chile información pública respecto de los mismos. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Exchange Control Information. You are not required to repatriate any funds you receive with respect to the PRSUs (*e.g.* , any proceeds from the sale of any Shares issued upon vesting of the PRSUs) to Chile. However, if you decide to repatriate such funds, you acknowledge that you will be required to effect such repatriation through the Formal Exchange Market (*i.e.* , a

commercial bank or registered foreign exchange office) if the amount of the funds repatriated exceeds US\$10,000. Further, if the value of your aggregate investments held outside Chile exceeds US\$5,000,000 at any time in a calendar year, you must report the status of such investments to the Central Bank of Chile.

You will also be required to provide certain information to the Chilean Internal Revenue Service (“CIRS”) regarding the results of investments held abroad and the taxes you have paid abroad (if you will be seeking a credit against Chilean income tax owed). This information must be submitted on an electronic sworn statement, Formulario 1851 (for investments held abroad) and Formulario 1853 (for taxes paid abroad) before March 15 of each year. The formularios may be found at the CIRS website at www.sii.cl.

Exchange control and tax reporting requirements in Chile are subject to change; you should consult with your personal legal and tax advisor regarding any obligations that you may have in connection with the PRSUs.

COSTA RICA

There are no country-specific provisions.

GUATEMALA

There are no country-specific provisions.

HONG KONG

Terms and Conditions

Warning: The PRSUs and any Shares acquired under the Plan do not constitute a public offering of securities under Hong Kong law and are available only to employees of Walmart or an Affiliate. The Agreement, including this Appendix, the Plan and any other incidental communication materials related to the PRSUs (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, (ii) have not been reviewed by any regulatory authority in Hong Kong, and (iii) are intended only for the personal use of each eligible Associate or Non-Management Director of Walmart or an Affiliate and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement, including this Appendix or the Plan, you should obtain independent professional advice.

Notifications

Nature of Scheme. Walmart specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

INDIA

Terms and Conditions

Labor Law Acknowledgement. The PRSUs and the Shares underlying the PRSUs, and the income and value of same, are extraordinary items that are not part of your annual gross salary.

Notifications

Exchange Control Information. If you are a resident of India for exchange control purposes, you will be required to repatriate the cash proceeds from the sale of Shares issued upon vesting of PRSUs to India within 90 days of receipt and any proceeds from the receipt of dividends within 180 days of receipt. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, Walmart or any Affiliate requests proof of repatriation.

Foreign Asset/ Account Reporting Information. If you are a tax resident of India, you will be required to declare foreign bank accounts and any foreign financial assets in your annual tax return. It is your responsibility to comply with this reporting obligation and you should consult with your personal tax advisor in this regard.

JAPAN

Notifications

Foreign Asset/ Account Reporting Information. If you are a Japanese tax resident, you will be required to report details of any assets held outside Japan as of December 31st (including any Shares or cash acquired under the Plan) to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th each year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to include details of any outstanding Shares, PRSUs or cash held by you in the report.

LUXEMBOURG

There are no country-specific provisions.

MEXICO

Terms and Conditions

No Entitlement for Claims or Compensation. The following sections supplement Paragraph 13 of the T&C’s:

Modification. By accepting the PRSUs, you acknowledge and agree that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of your Continuous Status.

Policy Statement. The grant of PRSUs is unilateral and discretionary and, therefore, Walmart reserves the absolute right to amend it and discontinue the award at any time without any liability.

Walmart, with registered offices at 702 Southwest 8th Street, Bentonville, Arkansas 72716, U.S.A., is solely responsible for the administration of the Plan, and participation in the Plan and the PRSUs does not, in any way, establish an employment relationship between you and Walmart or any Affiliate since you are participating in the Plan on a wholly commercial basis.

Plan Document Acknowledgment. By accepting the PRSUs, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, you acknowledge that you have read and specifically and expressly approve the terms and conditions set forth in Paragraph 13 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by Walmart on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) Walmart and its Affiliates are not responsible for any decrease in the value of any Shares (or the cash equivalent) underlying the PRSUs under the Plan.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against Walmart for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to Walmart and any Affiliate with respect to any claim that may arise under the Plan.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación. Estas disposiciones complementan el Párrafo 13 del Contrato:

Modificación. *Al aceptar las PRSUs (“Unidades”), usted entiende y acuerda que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.*

Declaración de Política. *El otorgamiento de Unidades que Walmart está haciendo de conformidad con el Plan es unilateral y discrecional y, por lo tanto, Walmart se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.*

Walmart, con oficinas registradas ubicadas en 720 Southwest 8th Street, Bentonville, Arkansas 72716, EE.UU. es únicamente responsable de la administración del Plan y la participación en el Plan y la adquisición de Unidades no establece, de forma alguna, una relación de trabajo entre usted y Walmart o alguna compañía afiliada, ya que usted participa en el Plan de una forma totalmente comercial.

Reconocimiento del Documento del Plan. *Al aceptar las Unidades, usted reconoce que ha recibido copias del Plan, ha revisado el Plan y el Contrato en su totalidad y entiende y acepta completamente todas las disposiciones contenidas en el Plan y en el Contrato.*

Adicionalmente, al aceptar el Contrato, usted reconoce que ha leído y especifica y expresamente ha aprobado los términos y condiciones en el Párrafo 13 del Contrato, en lo que claramente se ha descrito y establecido que: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan es ofrecida por Walmart de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) Walmart y cualquier compañía afiliada no son responsables por cualquier disminución en el valor de las Acciones subyacentes a las Unidades bajo el Plan.

Finalmente, usted declara que no se reserva ninguna acción o derecho para interponer una demanda o reclamación en contra de Walmart por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga el más amplio finiquito a Walmart y compañía afiliada con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del Plan.

NIGERIA

There are no country-specific provisions.

PERU

Terms and Conditions

Labor Law Acknowledgement. By accepting the PRSUs, you acknowledge that the PRSUs are being granted *ex gratia* to you with the purpose of rewarding you.

Notifications

Securities Law Information. The offer of the PRSUs is considered a private offering in Peru; therefore, it is not subject to registration.

SOUTH AFRICA

Term and Conditions

Securities Law Information and Deemed Acceptance of PRSUs. Neither the PRSUs nor the underlying Shares shall be publicly offered or listed on any stock exchange in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act and is not subject to the supervision of any South African governmental authority. Pursuant to Section 96 of the Companies Act, the PRSUs offer must be finalized on or before the 60th day following the Grant Date. If you do not want to accept the PRSUs, you are required to decline your PRSUs no later than the 60th day following the Grant Date. If you do not reject your PRSUs on or before the 60th day following the Grant Date, you will be deemed to accept the PRSUs.

Tax Reporting Information. By accepting the PRSUs, you agree to notify Walmart or your Employer, if different, of the amount of income realized at vesting of the PRSUs. If you fail to advise Walmart or your Employer, if different, of the income at vesting, you may be liable for a fine. You will be responsible for paying any difference between the actual tax liability and the amount withheld.

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with applicable exchange control regulations in South Africa as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws in South Africa.

UNITED KINGDOM

Terms and Conditions

Taxes and Tax Withholding. This section supplements Paragraph 10 of the T&C's:

Without limitation to Paragraph 10 of the T&C's, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by Walmart or any Affiliate or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified Walmart and its Affiliates against any Tax-Related Items that they are required to pay or withhold on your behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority). Notwithstanding the foregoing, if you are a director or executive officer of Walmart (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you understand that you may not be able to indemnify Walmart for the amount of any income tax not collected from or paid by you, in case the indemnification could be considered a loan. In this case, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing Walmart or an Affiliate, as applicable, for the value of any national insurance contributions due on this additional benefit, which Walmart or an Affiliate may recover from you at any time thereafter by the means referred to in Paragraph 10 of the T&C's.

UNITED STATES

Military Leave. If you were on military leave on the Grant Date, and you are on the same military leave on a Vesting Date, your Continuous Status must be maintained for not less than six months after your return from the military leave before your Plan Award shall vest. In such circumstances, for purposes of Paragraph 5, your "Vesting Date" shall be deemed to be the date that is six months after your return from military leave, and the number of Shares corresponding to any Adjusted PRSUs will be delivered to you as soon as administratively feasible but in any event within 74 days of vesting.

AMENDED SCHEDULE OF EXECUTIVE OFFICERS WHO HAVE EXECUTED A POST-TERMINATION AGREEMENT AND COVENANT NOT TO COMPETE IN THE FORM FILED AS EXHIBIT 10(p) TO THE ANNUAL REPORT ON FORM 10-K OF THE COMPANY FOR THE FISCAL YEAR ENDED JANUARY 31, 2011 (this "Amended Schedule")

This Amended Schedule amends the Schedule of Executive Officers Who Have Executed a Post-Termination Agreement and Covenant Not to Compete that followed the form of Post-Termination Agreement and Covenant Not to Compete originally filed by Walmart Inc. (formerly Wal-Mart Stores, Inc.) as Exhibit 10(p) to its Annual Report on Form 10-K for the year ended January 31, 2011, as filed on March 30, 2011 (the "Form Agreement"). This Amended Schedule is included pursuant to Instruction 2 of Item 601(a) of Regulation S-K for the purpose of setting forth the details in which the specific agreements executed in the form of the Form Agreement differ from the Form Agreement, in particular to set forth the persons who, with Walmart Inc. (formerly Wal-Mart Stores, Inc.), were parties to Post-Termination Agreements and Covenants Not to Compete in such form as of January 31, 2018.

Executive Officer Who is a Party to such a Post-Termination Agreement and Covenant Not to Compete	Date of Agreement	Value of Restricted Stock Award Granted in Connection with Agreement
Daniel J. Bartlett	May 16, 2013	Not Applicable
M. Brett Biggs	September 21, 2010	\$500,000
David Chojnowski	November 16, 2016	Not Applicable
Gregory Foran	July 23, 2014	Not Applicable
John R. Furner	May 7, 2011	Not Applicable
Jeffrey J. Gearhart	June 11, 2013	\$1,500,000
C. Douglas McMillon	January 19, 2010	\$2,000,000
Jacqueline P. Canney	June 26, 2015	Not Applicable
Judith McKenna	May 18, 2015	Not Applicable

Walmart Inc.
Ratio of Earnings to Fixed Charges

<i>(Amounts in millions)</i>	January 31,				
	2018	2017	2016	2015	2014
Income from continuing operations before income taxes	\$ 15,123	\$ 20,497	\$ 21,638	\$ 24,799	\$ 24,656
Capitalized interest	(17)	(36)	(39)	(59)	(78)
Consolidated net income attributable to the noncontrolling interest	(661)	(650)	(386)	(736)	(673)
Adjusted income before income taxes	14,445	19,811	21,213	24,004	23,905
Fixed charges:					
Interest ⁽¹⁾	2,347	2,403	2,587	2,520	2,413
Interest component of rent	890	862	836	916	933
Total fixed charges	3,237	3,265	3,423	3,436	3,346
Income before income taxes and fixed charges	\$ 17,682	\$ 23,076	\$ 24,636	\$ 27,440	\$ 27,251
Ratio of earnings to fixed charges	5.5	7.1	7.2	8.0	8.1

(1) Includes interest on debt, capital leases and financing obligations, amortization of debt issuance costs and capitalized interest; excludes loss on extinguishment of debt.

Significant Subsidiaries of Walmart Inc.

The following list details certain of the subsidiaries of Walmart Inc. Subsidiaries not included in the list are omitted because, in the aggregate, they are not significant as permitted by Item 601(b)(21) of Regulation S-K.

Subsidiary	Organized or Incorporated	Percent of Equity Securities Owned	Name Under Which Doing Business Other Than Subsidiary's
Wal-Mart Stores East, LP	Delaware, U.S.	100%	Walmart
Wal-Mart Stores Texas, LLC	Delaware, U.S.	100%	Walmart
Wal-Mart Property Company	Delaware, U.S.	100%	NA
Wal-Mart Real Estate Business Trust	Delaware, U.S.	100%	NA
Sam's West, Inc.	Arkansas, U.S.	100%	Sam's Club
Sam's East, Inc.	Arkansas, U.S.	100%	Sam's Club
Sam's Property Company	Delaware, U.S.	100%	NA
Sam's Real Estate Business Trust	Delaware, U.S.	100%	NA
ASDA Group Limited	England	100%	ASDA
Wal-Mart de Mexico, S.A.B. de C.V.	Mexico	71%	Walmex
Wal-Mart Canada Corp.	Canada	100%	Walmart
Wal-Mart Japan Holdings K.K.	Japan	100%	Seiyu
Walmart Chile S.A. ⁽¹⁾	Chile	100%	Walmart Chile
Massmart Holdings Ltd	South Africa	52%	Massmart

(1) The Company owns substantially all of Walmart Chile.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- | | |
|---|---------------------------------------|
| (1) Stock Option Plan of 1984 of Wal-Mart Stores, Inc., as amended | Form S-8 File Nos. 2-94358 and 1-6991 |
| (2) Stock Option Plan of 1994 of Wal-Mart Stores, Inc., as amended | Form S-8 File No. 33-55325 |
| (3) Dividend Reinvestment and Stock Purchase Plan of Wal-Mart Stores, Inc. | Form S-3 File No. 333-02089 |
| (4) Wal-Mart Stores, Inc. Director Compensation Plan | Form S-8 File No. 333-24259 |
| (5) Wal-Mart Stores, Inc. 401 (k) Retirement Savings Plan | Form S-8 File No. 333-29847 |
| (6) Wal-Mart Puerto Rico, Inc., 401 (k) Retirement Savings Plan | Form S-8 File No. 333-44659 |
| (7) Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996 | Form S-8 File No. 333-62965 |
| (8) Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, which amended and restated the 2010 plan | Form S-8 File No. 333-60329 |
| (9) The ASDA Colleague Share Ownership Plan | Form S-8 File No. 333-84027 |
| The ASDA Group Long Term Incentive Plan | |
| The ASDA Group PLC Sharesave Scheme | |
| The ASDA 1984 Executive Share Option Scheme | |
| The ASDA 1994 Executive Share Option Scheme | |
| (10) The ASDA Colleague Share Ownership Plan 1999 | Form S-8 File No. 333-88501 |
| (11) Wal-Mart Profit Sharing and 401(k) Plan | Form S-8 File No. 333-109421 |
| (12) Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996 | Form S-8 File No. 333-109417 |
| (13) Wal-Mart Puerto Rico Profit Sharing and 401(k) Plan | Form S-8 File No. 333-109414 |
| (14) ASDA Sharesave Plan 2000 | Form S-8 File No. 333-107439 |
| (15) Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, which amended and restated the 2010 plan | Form S-8 File No. 333-128204 |
| (16) The ASDA Sharesave Plan 2000 | Form S-8 File No. 333-168348 |
| (17) Walmart Deferred Compensation Matching Plan | Form S-8 File No. 333-178717 |
| (18) Wal-Mart Stores, Inc. Common Stock | Form S-3 ASR File No. 333-178385 |
| (19) Walmart 401(k) Plan | Form S-8 File No. 333-187577 |
| (20) Wal-Mart Stores, Inc. Associate Stock Purchase Plan | Form S-8 File No. 333-214060 |
| (21) Debt Securities of Wal-Mart Stores, Inc. | Form S-3 ASR File No. 333-221941 |

of our reports dated March 30, 2018 , with respect to the consolidated financial statements of Walmart Inc. and the effectiveness of internal control over financial reporting of Walmart Inc., included in this Annual Report (Form 10-K) of Walmart Inc. for the year ended January 31, 2018.

/s/ Ernst & Young LLP

Rogers, Arkansas
March 30, 2018

I, C. Douglas McMillon, certify that:

1. I have reviewed this Annual Report on Form 10-K of Walmart Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2018

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

I, M. Brett Biggs, certify that:

1. I have reviewed this Annual Report on Form 10-K of Walmart Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluations; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2018

/s/ M. Brett Biggs

M. Brett Biggs

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report of Walmart Inc. (the "Company") on Form 10-K for the period ending January 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Douglas McMillon, President and Chief Executive Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of March 30, 2018 .

/s/ C. Douglas McMillon

C. Douglas McMillon
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 (AS ADOPTED
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report of Walmart Inc. (the "Company") on Form 10-K for the period ending January 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Brett Biggs, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge and in my capacity as an officer of the Company, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, effective as of March 30, 2018 .

/s/ M. Brett Biggs

M. Brett Biggs

Executive Vice President and Chief Financial Officer