

**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, 2024, or

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

Commission file number 001-06991.



**WALMART INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**702 S.W. 8th Street**

**Bentonville, AR**

(Address of principal executive offices)

**71-0415188**

(IRS Employer Identification No.)

**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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	WMT	New York Stock Exchange
2.550% Notes due 2026	WMT26	New York Stock Exchange
1.050% Notes due 2026	WMT26A	New York Stock Exchange
1.500% Notes due 2028	WMT28C	New York Stock Exchange
4.875% Notes due 2029	WMT29B	New York Stock Exchange
5.750% Notes due 2030	WMT30B	New York Stock Exchange
1.800% Notes due 2031	WMT31A	New York Stock Exchange
5.625% Notes due 2034	WMT34	New York Stock Exchange
5.250% Notes due 2035	WMT35A	New York Stock Exchange
4.875% Notes due 2039	WMT39	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 every Interactive Data File required to be submitted 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 such files).

Yes  No

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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, 2023, 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, 2023, was \$228,694,206,501. 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 8,058,048,674 shares of common stock outstanding as of March 13, 2024.

#### 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 June 5, 2024 (the "Proxy Statement")	Part III

**Walmart Inc.**  
**Form 10-K**  
**For the Fiscal Year Ended January 31, 2024**

**Table of Contents**

	<b>Page</b>	
<b>Part I</b>		
<a href="#">Item 1</a>	<a href="#">Business</a>	<a href="#">6</a>
<a href="#">Item 1A</a>	<a href="#">Risk Factors</a>	<a href="#">15</a>
<a href="#">Item 1B</a>	<a href="#">Unresolved Staff Comments</a>	<a href="#">28</a>
<a href="#">Item 1C</a>	<a href="#">Cybersecurity</a>	<a href="#">28</a>
<a href="#">Item 2</a>	<a href="#">Properties</a>	<a href="#">30</a>
<a href="#">Item 3</a>	<a href="#">Legal Proceedings</a>	<a href="#">31</a>
<a href="#">Item 4</a>	<a href="#">Mine Safety Disclosures</a>	<a href="#">33</a>
<b>Part II</b>		
<a href="#">Item 5</a>	<a href="#">Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">34</a>
<a href="#">Item 6</a>	<a href="#">Reserved</a>	<a href="#">35</a>
<a href="#">Item 7</a>	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">36</a>
<a href="#">Item 7A</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">48</a>
<a href="#">Item 8</a>	<a href="#">Financial Statements and Supplementary Data</a>	<a href="#">50</a>
<a href="#">Item 9</a>	<a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	<a href="#">81</a>
<a href="#">Item 9A</a>	<a href="#">Controls and Procedures</a>	<a href="#">81</a>
<a href="#">Item 9B</a>	<a href="#">Other Information</a>	<a href="#">81</a>
<a href="#">Item 9C</a>	<a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	<a href="#">81</a>
<b>Part III</b>		
<a href="#">Item 10</a>	<a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">82</a>
<a href="#">Item 11</a>	<a href="#">Executive Compensation</a>	<a href="#">82</a>
<a href="#">Item 12</a>	<a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">82</a>
<a href="#">Item 13</a>	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	<a href="#">82</a>
<a href="#">Item 14</a>	<a href="#">Principal Accounting Fees and Services</a>	<a href="#">82</a>
<b>Part IV</b>		
<a href="#">Item 15</a>	<a href="#">Exhibits, Financial Statement Schedules</a>	<a href="#">83</a>
<a href="#">Item 16</a>	<a href="#">Form 10-K Summary</a>	<a href="#">85</a>
	<a href="#">Signatures</a>	<a href="#">86</a>

---

## WALMART INC.

### ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 31, 2024

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 June 5, 2024 and in the exhibits to this Annual Report on Form 10-K to "Walmart Inc.," "Walmart," "the Company," "our Company," "we," "us" and "our" are to the Delaware corporation named "Walmart Inc." and, except where expressly noted otherwise or the context otherwise requires, that corporation's consolidated subsidiaries.

On February 23, 2024, the Company effected a 3-for-1 forward split of its common stock and a proportionate increase in the number of authorized shares. All share and per share information, including share based compensation, throughout this Annual Report on Form 10-K has been retroactively adjusted to reflect the stock split.

#### 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 "Exchange Act"), that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Exchange Act as well as protections afforded by other federal securities laws.

##### 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 may relate to:

- macroeconomic, geopolitical, and business conditions, trends and events around the world and in the markets in which we operate, including inflation or deflation, generally, and in certain product categories, the impact of supply chain challenges, and recessionary pressures;
- the growth of our business or change in our competitive position in the future, or in or over particular periods, both generally, and with respect to particular markets, segments or lines of business, including, but not limited to, advertising, fulfillment, healthcare and financial services;
- the amount, number, growth, increase, reduction or decrease in or over certain periods, of or in certain financial items or measures or operating measures, including our earnings per share, net sales, growth rates, comparable store and club sales, our eCommerce sales, liabilities, expenses of certain categories, expense leverage, operating income, returns, capital and operating investments or expenditures of particular types and new store and club openings, inventory levels and associated costs, product mix and demand for certain merchandise, consumer confidence, disposable income, credit availability, spending levels, shopping patterns and debt levels;
- our increasing investments in eCommerce, technology, automation, supply chain, new stores and clubs as well as remodels and other omni-channel customer initiatives, such as same day pickup and delivery;
- investments and capital expenditures we will make and how certain of those investments and capital expenditures are expected to be financed;
- our workforce strategy, including the availability of necessary personnel to staff our stores, clubs and other facilities and the potential impact of changes to the costs of labor;
- volatility in currency exchange rates affecting our consolidated, or one or more 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 our operations, finance our global investment and expansion activities, pay dividends and fund share repurchases;
- cash flows from operations, our current cash position and access to capital markets or credit will continue to be sufficient to meet our anticipated operating cash needs;
- the 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 adoption or creation of new, and modification of existing, governmental policies, programs, initiatives and actions in the markets in which we operate and elsewhere and actions with respect to such policies, programs and initiatives (including, but not limited to, changes in the enforcement priorities of regulatory authorities);
- the effect of adverse decisions in, or settlement of, litigation or other proceedings or investigations to which we are subject;
- the effect on our results of operations or financial position of our adoption of certain new, or amendments to existing, accounting standards; or
- our commitments, intentions, plans or goals related to environmental, social, and governance ("ESG") priorities, including, but not limited to, the sustainability of our environment and supply chains, the promotion of economic opportunity or other societal initiatives.

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," "continue," "could be," "could increase," "could occur," "could result," "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," "should," "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 that we make or that 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") is a people-led, technology-powered omni-channel retailer dedicated to helping people around the world save money and live better – anytime and anywhere – by providing the opportunity to shop in both retail stores and through eCommerce, and to access our other service offerings. Through innovation, we strive to continuously improve 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 approximately 255 million customers who visit more than 10,500 stores and numerous eCommerce websites in 19 countries.

Our strategy is to make every day easier for busy families, operate with discipline, sharpen our culture and become more digital, and make trust a competitive advantage. Making life easier for busy families includes our commitment to price leadership, which has been and will remain a cornerstone of our business, as well as increasing convenience to save our customers time. 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. Everyday low cost ("EDLC") is our commitment to control expenses so our cost savings can be passed along to our customers.

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, 2024 ("fiscal 2024"), January 31, 2023 ("fiscal 2023") and January 31, 2022 ("fiscal 2022"). During fiscal 2024, we generated total revenues of \$648.1 billion, which was comprised primarily of net sales of \$642.6 billion.

We maintain our principal offices in Bentonville, Arkansas. Our common stock trades on the New York Stock Exchange under the symbol "WMT."

### **The Development of Our Company**

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, at which time we began to open discount stores. We completed our initial public offering in 1970. In 1983, we opened our first Sam's Club, and in 1988, we opened our first supercenter. In 1998, we opened our first Walmart Neighborhood Market. In 1991, we began our first international initiative when we entered into a joint venture in Mexico and, as of January 31, 2024, our Walmart International segment conducted business in 18 countries.

In 2000, we began our first eCommerce initiative by creating both walmart.com and samsclub.com. Since then, our eCommerce presence has continued to grow. In 2007, leveraging our physical stores, walmart.com launched its Site-to-Store service, enabling customers to make a purchase online and pick up merchandise in stores. To date, we now have over 8,000 pickup and over 7,800 delivery locations globally. In recent years, we expanded our eCommerce and digital presence through acquisitions with our majority stakes in Flipkart and PhonePe in India. We continue to heavily invest in omni-channel and eCommerce innovation, which enables us to leverage technology, talent and expertise, and expand our assortment and service offerings.

We are enhancing our omni-channel capabilities through a combination of stores, eCommerce websites and service offerings, as well as our supply chain, combined with approximately 2.1 million associates as of January 31, 2024, to better serve our customers. Together, these elements produce a global retail ecosystem that we believe allows customers to view Walmart as their primary retail destination. In the U.S., our Walmart+ membership incorporates several service offerings which provide enhanced omni-channel shopping experiences and benefits for members. As we execute on our strategy globally, our business is expanding through offerings such as advertising, marketplace and fulfillment services, healthcare and financial services. These offerings represent mutually reinforcing pieces of our omni-channel model centered on our customers around the world who are increasingly seeking convenience.

## Information About Our Segments

We are engaged in global operations of retail, wholesale and other units, as well as eCommerce, located throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico. We also previously operated in the United Kingdom and Japan prior to the sale of those operations in the first quarter of fiscal 2022. Refer to [Note 12](#) to our Consolidated Financial Statements for information on these divestitures. Our operations are conducted in three reportable segments: Walmart U.S., Walmart International and Sam's Club, which are further described below. Each segment contributes to the Company's operating results differently. However, each has generally maintained a consistent contribution rate to the Company's net sales in recent years other than minor changes to the contribution rate for the Walmart International segment due to the exit of certain markets and fluctuations in currency exchange rates. Additional information on our operating segments and geographic information is contained in [Note 13](#) to our Consolidated Financial Statements.

### Walmart U.S. Segment

Walmart U.S. is our largest segment and operates in the U.S., including in all 50 states, Washington D.C. and Puerto Rico. Walmart U.S. is a mass merchandiser of consumer products, operating under the "Walmart" and "Walmart Neighborhood Market" brands, including walmart.com. Walmart U.S. had net sales of \$441.8 billion for fiscal 2024, representing 69% of our fiscal 2024 consolidated net sales, and had net sales of \$420.6 billion and \$393.2 billion for fiscal 2023 and 2022, respectively. Of our three segments, Walmart U.S. 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.

**Omni-channel.** Walmart U.S. provides an omni-channel experience to customers, integrating retail stores and eCommerce, through services such as pickup and delivery, in-home delivery, ship-from-store and digital pharmacy fulfillment options. As of January 31, 2024, the vast majority of our stores have pickup locations and more than 4,300 locations offer same-day delivery. Our Walmart+ membership offering provides enhanced omni-channel shopping benefits including unlimited free shipping on eligible items with no order minimum, unlimited delivery from store, fuel discounts, mobile Scan & Go and access to additional member benefits. We define eCommerce sales as sales initiated by customers digitally and fulfilled by a number of methods including our dedicated eCommerce fulfillment centers and leveraging our stores, as well as certain other business offerings that are part of our ecosystem, such as our Walmart Connect advertising business. The following table provides the approximate size of our retail stores as of January 31, 2024:

	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 <sup>(1)</sup> (grocery)	28,000	65,000	42,000

<sup>(1)</sup> Excludes other small formats.

**Merchandise.** Walmart U.S. does business primarily in three strategic merchandise units, listed below:

- Grocery consists of a full line of grocery items, including dry grocery, snacks, dairy, meat, produce, deli & bakery, frozen foods, alcoholic and nonalcoholic beverages, as well as consumables such as health and beauty aids, pet supplies, household chemicals, paper goods and baby products;
- General merchandise includes:
  - Entertainment (e.g., electronics, toys, seasonal merchandise, wireless, video games, movies, music and books);
  - Hardlines (e.g., automotive, hardware and paint, sporting goods, outdoor living and stationery);
  - Fashion (e.g., apparel for adults and children, as well as shoes, jewelry and accessories); and
  - Home (e.g., housewares and small appliances, bed & bath, furniture and home organization, home furnishings, home decor, fabrics and crafts).
- Health and wellness includes pharmacy, over-the-counter drugs and other medical products, optical services and other clinical services.

Other categories in the Walmart U.S. business include fuel and various service offerings such as in-house advertising via Walmart Connect, supply chain and fulfillment capabilities to online marketplace sellers via Walmart Fulfillment Services, initiatives such as business-to-business last mile delivery services via Walmart GoLocal, and a suite of data products for merchants and suppliers via Walmart Luminate. Additional service offerings include financial services and related products (including through our digital channels, stores and our fintech venture, ONE), such as money orders, prepaid access, money transfers, check cashing, bill payment and certain types of installment lending.

Brand name merchandise represents a significant portion of the merchandise sold in Walmart U.S. We also market lines of merchandise under our private brands, including brands such as: "Allswell," "Athletic Works," "Equate," "Free Assembly,"

"Freshness Guaranteed," "George," "Great Value," "Holiday Time," "Hyper Tough," "Mainstays," "Marketside," "No Boundaries," "onn.," "Ozark Trail," "Parent's Choice," "Sam's Choice," "Scoop," "Spring Valley," "Time and Tru," "Way to Celebrate" and "Wonder Nation." The Company also markets lines of merchandise under licensed brands, some of which include: "Avia," "Better Homes & Gardens," "Love & Sports," "Sofia Jeans by Sofia Vergara," and "The Pioneer Woman."

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.** Walmart U.S. is available to customers through supercenters, discount stores and neighborhood markets, as well as online or through the mobile application 24 hours a day. Consistent with its strategy, Walmart U.S. continues to develop technology tools and services to better serve customers and help stores operate more efficiently, such as pickup and delivery, Walmart+, ship-from-store and other initiatives which provide convenient and seamless omni-channel shopping experiences.

**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 has occurred in the fiscal quarter ending January 31.

**Competition.** Walmart U.S. competes with brick and mortar, eCommerce and omni-channel retailers operating discount, department, retail and wholesale grocers, drug, dollar, variety and specialty stores, supermarkets, hypermarkets and supercenter-type stores, social commerce platforms, as well as companies that offer services in digital advertising, fulfillment and delivery services, health and wellness and financial services. Each of these landscapes is highly competitive and rapidly evolving, and new business models and the entry of new, well-funded competitors continue to intensify this competition. Some of our competitors have longer histories in these lines of business, more customers and greater brand recognition. They may be able to obtain more favorable terms from suppliers and business partners and to devote greater resources to the development of these businesses. In addition, for eCommerce and other internet-based businesses, newer or smaller businesses may be better able to innovate and compete with us.

Our ability to develop 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 compete in a variety of ways, including the prices at which we sell our merchandise, merchandise and selection availability, services offered to customers, the quality of the products and services we offer, 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 our omni-channel integration of our physical and digital operations. We employ many strategies and programs designed to meet competitive pressures within our industry. These strategies include the following:

- EDLP: our pricing philosophy under which we price items at everyday low prices 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;
- Omni-channel offerings such as pickup and delivery and our Walmart+ membership offering, all of which enhance convenience and seek to serve customers in the ways they want to be served; and
- Expanding our ecosystem and the products and services we offer in areas such as digital advertising, fulfillment services, health and wellness, and financial services to provide our customers a broader set of offerings to meet expanding needs.

**Distribution.** We continue to invest in supply chain automation and utilize a total of 162 distribution facilities which are located strategically throughout the U.S. For fiscal 2024, the majority of Walmart U.S.'s purchases of store merchandise were shipped through these facilities, while most of the remaining store 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, as well as leveraging our ability to ship or deliver directly from more than 4,300 stores, some of which include market fulfillment centers, which are positioned inside or attached to our stores to fill online orders more efficiently.



## **Walmart International Segment**

Walmart International is our second largest segment and operates in 18 countries outside of the U.S. Walmart International operates through our wholly-owned subsidiaries in Canada, Chile, China, and Africa (which includes Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Eswatini, and Zambia), and our majority-owned subsidiaries in India, as well as Mexico and Central America (which includes Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua). Walmart International previously operated in the United Kingdom and Japan prior to the sale of those operations in the first quarter of fiscal 2022. Refer to [Note 12](#) to our Consolidated Financial Statements for discussion of recent divestitures.

Walmart International includes numerous formats divided into two major categories: retail and wholesale. These categories consist of many formats, including: supercenters, supermarkets, hypermarkets, warehouse clubs (including Sam's Clubs) and cash & carry, as well as eCommerce through websites and mobile applications, including walmart.com.mx, walmart.ca, flipkart.com, PhonePe and other sites. Walmart International had net sales of \$114.6 billion for fiscal 2024, representing 18% of our fiscal 2024 consolidated net sales, and had net sales of \$101.0 billion for both fiscal 2023 and 2022. The gross profit rate is slightly lower than that of Walmart U.S. primarily because of its format and channel mix.

Walmart International's strategy is to create strong local businesses powered by Walmart, which means being locally relevant and customer-focused in each of the markets it operates. We are being deliberate about where and how we choose to operate and continue to re-shape the portfolio to best enable long-term, sustainable and profitable growth. As such, we have taken certain strategic actions to strengthen our Walmart International portfolio for the long-term, which include the following highlights over the last three years:

- Divested of Asda Group Limited ("Asda"), our retail operations in the U.K., in February 2021.
- Divested of a majority stake in Seiyu, our retail operations in Japan, in March 2021.
- Bought out the noncontrolling interest shareholders of our Massmart subsidiary in November 2022 and exited operations in certain countries in Africa.
- Increased our ownership in PhonePe, our digital payments platform in India, as part of the separation from Flipkart in December 2022.

**Omni-channel.** Walmart International provides an omni-channel experience to customers, integrating retail stores and eCommerce, such as through pickup and delivery services in most of our markets and our marketplaces such as Flipkart in India. Our financial services offerings continue to grow with our digital payment platform at PhonePe in India. We continue to expand our marketplace offerings, which also unlock fulfillment and advertising services.

Generally, retail units' selling areas range in size from 1,400 square feet to 186,000 square feet. Our wholesale stores' selling areas generally range in size from 25,000 square feet to 158,000 square feet. As of January 31, 2024, Walmart International had over 2,800 pickup and over 2,900 delivery locations.

**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, low priced items. Along with the private brands we market globally, such as "Equate," "George," "Great Value," "Holiday Time," "Mainstays," "Marketside" and "Parent's Choice," our international markets have developed market specific brands including "Aurrera" and "Lider." In addition, we have developed and continue to grow our 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.

Consistent with its strategy, Walmart International continues to build mutually reinforcing businesses in areas such as advertising, marketplace and fulfillment services, healthcare and financial services. Our businesses in Mexico and Canada, for example, offer prepaid cards and money transfers, and our PhonePe business in India continues to grow, providing a platform that offers mobile and bill payment, person-to-person (P2P) payment, investment and insurance solutions, financial services and advertising. In Mexico, we also offer a value-based internet and telephone service allowing customers to enjoy digital connectivity. Combined, these offerings did not represent a significant portion of annual segment revenues.

**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. Customers can also access online and mobile applications 24 hours a day. Consistent with its strategy, Walmart International continues to develop technology tools and services to better serve customers and help its various formats operate more efficiently, as well as to provide convenient and seamless omni-channel shopping experiences.

**Seasonal Aspects of Operations.** Walmart International's business is seasonal to a certain extent. Historically, its highest sales volume has 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 brick and mortar, eCommerce and omni-channel 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 direct to consumer offerings, as well as companies that offer services in digital advertising, fulfillment services, health and wellness and financial services. Our ability to develop 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 believe price leadership is a critical part of our business model and we continue to progress our markets towards an EDLP approach. Additionally, our ability to operate food departments effectively has a significant impact on our competitive position in many of the markets where we operate. Each of these landscapes is highly competitive and rapidly evolving, and new business models and the entry of new or well-funded competitors continue to intensify this competition. Some of our competitors have longer histories in these lines of business, more customers and greater brand recognition and therefore they may be able to obtain more favorable terms from suppliers and business partners and to devote greater resources to the development of these businesses. In addition, for eCommerce and other internet-based businesses, newer or smaller businesses may be better able to innovate and compete with us.

**Distribution.** We utilize a total of 176 distribution facilities located in Canada, Central America, Chile, China, India, Mexico and Africa. Through these facilities, we process and distribute both imported and domestic products to the operating units of the Walmart International segment. During fiscal 2024, the majority of Walmart International's purchases passed through these distribution facilities. Suppliers ship the remainder of Walmart International's purchases directly to our stores in the various markets in which we operate. Across the segment, we have efficient networks connecting physical stores and distribution and fulfillment centers, which facilitate the movement of goods to where our customers live. We ship merchandise purchased by customers on our eCommerce platforms by a number of methods from multiple locations, such as in India where we utilize a combination of more than 3,500 eCommerce fulfillment centers, sort centers and last-mile delivery facilities, as well as our physical retail stores.

### Sam's Club Segment

Sam's Club operates in 44 states in the U.S. and in Puerto Rico. Sam's Club is a membership-only warehouse club that also operates samsclub.com. Sam's Club had net sales of \$86.2 billion for fiscal 2024, representing 13% of our consolidated fiscal 2024 net sales, and had net sales of \$84.3 billion and \$73.6 billion for fiscal 2023 and 2022, respectively. 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.

**Membership.** The following two options are available to members:

	Plus Membership	Club Membership
Annual Membership Fee	\$110	\$50
Number of Add-on Memberships (\$45 each)	Up to 16	Up to 8

All memberships include a spouse/household card at no additional cost. Plus Members are also eligible for free curbside pickup and free shipping on the majority of merchandise, with no minimum order size, and receive discounts on prescriptions and glasses. Beginning in fiscal 2023, Sam's Club launched a single loyalty rewards currency called Sam's Cash which merges and replaces existing Cash Rewards for Plus members and Cash Back for Sam's Club Mastercard holders. Members may redeem Sam's Cash on purchases in the club and online, to pay for membership fees or for cash in clubs. Sam's Cash does not expire and is available for monthly redemption.

**Omni-channel.** Sam's Club provides an omni-channel experience to members, integrating warehouse clubs and eCommerce through such services as Curbside Pickup, mobile Scan & Go, ship-from-club, and delivery-from-club. Members have access to a broad assortment of merchandise and services, including those not found in our clubs, online at samsclub.com and through our mobile commerce applications. The warehouse facility sizes generally range between 32,000 and 168,000 square feet, with an average size of approximately 134,000 square feet.

**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, tobacco and other categories;
- Home and apparel includes home improvement, outdoor living, gardening, furniture, apparel, jewelry, tools and power equipment, housewares, toys, seasonal items, mattresses and tire and battery centers;
- Health and wellness includes pharmacy, optical and hearing services and over-the-counter drugs; and

- Technology, office and entertainment includes consumer electronics and accessories, software, video games, office supplies, appliances and third-party gift cards.

Within the categories above, the Member's Mark private label brand continues to expand its assortment and deliver member value.

**Operations.** Sam's Club is available to members through warehouse club locations, as well as online or through the mobile application 24 hours a day. Club locations offer Plus Members the ability to shop before regular operating hours. Consistent with its strategy, Sam's Club continues to develop technology tools to drive a great member experience. Curbside Pickup is available at clubs to help provide fast, easy and contact-free shopping for members. Sam's Club also offers Scan & Go, a mobile checkout and payment solution, which allows members to bypass the checkout line.

**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 has 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 omni-channel and eCommerce 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.

**Distribution.** We utilize 30 dedicated distribution facilities located strategically throughout the U.S., as well as some of the Walmart U.S. segment's distribution facilities which service the Sam's Club segment for certain items. During fiscal 2024, the majority of Sam's Club's non-fuel club purchases were shipped from these facilities, while the remainder of our purchases were shipped directly to Sam's Club locations by suppliers. Sam's Club ships merchandise purchased on samsclub.com and through its mobile commerce applications by a number of methods including shipments made directly from clubs, 15 dedicated eCommerce fulfillment centers and other distribution centers.

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

### **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 laws, 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 both U.S. and international suppliers 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. Consistent with applicable laws, we offer our suppliers the opportunity to efficiently sell significant quantities of their products to us. These relationships enable us to obtain pricing that reflects the volume, certainty and cost-effectiveness these arrangements provide to such suppliers, which in turn enables us to provide low prices to our customers. 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 customers, to receive those products within the required time through our supply chain and to distribute those products to our stores and clubs, determines, along with other supply chain logistics matters (such as containers or port access for example), 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.

### **Government Regulation**

As a company with global operations, we are subject to the laws of the United States and multiple foreign jurisdictions in which we operate and the rules and regulations of various governing bodies, which may differ among jurisdictions. For additional information, see the risk factors herein in "[Item 1A. Risk Factors](#)" under the sub-caption "Legal, Tax, Regulatory, Compliance, Reputational and Other Risks."

## Environmental, Social and Governance ("ESG") Priorities

Our ESG strategy is centered on the concept of creating shared value: we believe we maximize long-term value and create competitive advantage for the Company by serving our stakeholders, including our customers, associates, shareholders, suppliers, business partners and communities. We believe that addressing such societal needs builds the value of our business, including by enhancing customer and associate trust, creating new business opportunities, managing cost and risk, building capabilities for future advantage and strengthening the underlying systems on which Walmart and our stakeholders rely.

We prioritize the ESG issues that offer the greatest potential for Walmart to create shared value: issues that rank high in relevance to our business and stakeholders and which Walmart is positioned to make a positive impact. Our current ESG priorities are categorized into four broad themes: opportunity, sustainability, community and ethics and integrity.

- **Opportunity.** Retail can be a powerful engine for inclusive economic opportunity. We aim to advance belonging, diversity, equity and inclusion, and create opportunity for Walmart associates (as further described in the Human Capital Management section below), our suppliers and workers in supply chains, and the communities in which we operate. Doing so helps us fulfill our customer mission, strengthens our business and helps people build a better life for themselves and their families.
- **Sustainability.** Walmart's sustainability efforts focus on our ability to create and preserve long-term value for both people and planet. With respect to people, our sustainability efforts include sourcing responsibly, helping prevent forced labor, empowering women, creating inclusive economic opportunity and selling safer, healthier products. With respect to the planet, our efforts aim to enhance the sustainability of product supply chains by reducing emissions, protecting and restoring nature and reducing waste. To help address the effects of climate change, Walmart has set science-based targets for emissions reduction, including our goal to achieve zero emissions in our operations by 2040—without offsets—and to reduce, avoid or sequester one billion metric tons of emissions in our value chain by 2030 under our Project Gigaton initiative.
- **Community.** Walmart aims to serve and strengthen communities by operating our business in a way that meets the needs of our customer and community stakeholder groups, including by providing safer, healthier and more affordable food and other products, disaster support, associate volunteerism, local grant programs and community cohesion initiatives.
- **Ethics and Integrity.** At every level of our Company, we work to create a culture that inspires trust among our associates, with our customers and in the communities we serve.

We periodically publish information on our ESG priorities, strategies and progress on our corporate website and may update those disclosures from time to time. Nothing on our website, including our ESG reporting, documents or sections thereof, shall be deemed incorporated by reference into this Annual Report on Form 10-K or incorporated by reference into any of our other filings with the SEC.

## Human Capital Management

Our associates – powered by technology – play a critical role in delivering on our purpose to help people save money and live better. Our business is focused on serving people and this is delivered by our approximately 2.1 million associates around the world with approximately 1.6 million associates in the U.S. and approximately 0.5 million associates internationally. In the U.S., approximately 92% of our associates are hourly and approximately 69% of our associates are full-time.

We believe our people make the difference, and we are focused on investing in the growth and well-being of our associates, investing in digital experiences to improve their quality of work and creating a culture of belonging. An important part of our focus is to provide opportunities for associates to grow and learn. For some, we are a foundational entry point to develop critical skills that are relevant for a variety of careers. We are focused on developing, rewarding and retaining associates in an ever-changing environment. Our people ultimately make Walmart a better place to work and a better place to shop. Our workforce strategy includes the following strategic priorities: belonging, well-being, growth and digital.

**Belonging** - *Focus on creating a workplace where all associates feel seen, supported and connected through a culture of belonging.* We publish our diversity representation twice yearly and hold ourselves accountable to providing recurring belonging, diversity, equity and inclusion updates to senior leadership – including our President and CEO – and members of the Board of Directors. Of the approximately 2.1 million associates employed worldwide, 52% identify as women. In the U.S., 51% of the approximately 1.6 million associates identify as people of color.

Our Belonging programs aim to create equitable opportunities for everyone, regardless of background, so that every eligible and qualified individual can thrive and perform. We regularly review our processes around fair-pay practices and are committed to creating a performance culture where associates are rewarded based on meaningful factors such as qualifications, experience, performance and the work they do.

To build a company where associates feel seen, supported and connected, we gather and respond to associate feedback in a variety of ways, including in-person dialogue; real-time digital insights such as pulse surveys; formal surveys like our associate engagement survey; and always-on confidential channels, including our Open Door process and ethics channels.

**Well-being** - *Prioritize the emotional, physical and financial well-being of associates.* We invest in our associates by offering competitive wages, as well as a broad range of benefits to meet the diverse needs of our global associate population and their eligible dependents. In the U.S., this includes company-paid benefits such as 401(k) match, family building support, maternity leave, fertility benefits, a paid parental leave program to all full-time associates, paid time off, Associate Stock Purchase Plan match, life insurance, behavioral and mental health services, a Walmart discount card or Sam's Club membership and predictable scheduling that helps associates plan for life outside of work and know what to expect in their paychecks.

Additional information about how we invest in our associates' well-being, including wage structure and pay, can be found in our Human Capital brief in our most recent ESG reporting, which is available on our corporate website. Nothing on our website, including our ESG reporting documents, or sections thereof, shall be deemed incorporated by reference into this Annual Report on Form 10-K or incorporated by reference into any of our other filings with the SEC. Certain information relating to retirement-related benefits we provide to our associates is included in [Note 11](#) to our Consolidated Financial Statements.

**Growth** - *Provide ongoing growth, development and learning opportunities for associates and continue to attract talent with new skills.* We are invested in the growth of our associates – in support of our business and their success – by offering good jobs that lead to great careers and better lives.

Approximately 75% of our U.S. salaried store, club and supply chain management started their careers in hourly positions. Our focus on providing a path of opportunity for our associates through robust training, competitive wages and benefits and career advancement creates a strong associate value proposition and strengthens our workforce. In the U.S., we seek to enable these pathways through programs like Walmart Academy and Live Better U (LBU). Walmart Academy offers training for on-the-job retail skills, leadership and well-being, serving our associates through a combination of digital and in-person offerings. Additionally, our LBU program provides access to educational opportunities for our part-time and full-time frontline eligible associates in the U.S. through high school diplomas, short-form certificates and credentials or college degrees.

**Digital** - *Drive a digital transformation that improves the associate experience and powers the business.* To deliver a seamless customer and associate experience, we continue to invest in consumer-grade digital tools designed to improve associate productivity and efficiency, engagement and performance, allowing associates to spend more time generating new ideas, developing strategy and building relationships. This capability has been expanded to certain international markets.

Technology is also used to improve associate experience, including an app developed to capture real-time associate feedback. Walmart also supports associates on the U.S. Medical Plan with free virtual visits for medical doctor urgent care and mental health care with psychiatrists and psychologists.

## Information About Our Executive Officers

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.

Name	Business Experience	Current Position Held Since	Age
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	52
Rachel Brand	Executive Vice President, Global Governance, Chief Legal Officer and Corporate Secretary, effective April 2018. From May 2017 to February 2018, she served as Associate Attorney General in the United States Department of Justice.	2018	50
David M. Chojnowski	Senior Vice President and Controller effective January 2017. From October 2014 to January 2017, he served as Vice President and Controller, Walmart U.S.	2017	54
John Furner	Executive Vice President, President and Chief Executive Officer, Walmart U.S. effective November 2019. From February 2017 until November 2019, he served as President and Chief Executive Officer, Sam's Club.	2019	49
Suresh Kumar	Executive Vice President, Global Chief Technology Officer and Chief Development Officer effective July 2019. From February 2018 until June 2019, Mr. Kumar was Vice President and General Manager at Google LLC.	2019	59
Kathryn McLay	Executive Vice President, President and Chief Executive Officer, Walmart International, effective August 2023. From 2019 to 2023, she served as Executive Vice President, President and Chief Executive Officer, Sam's Club. From February 2019 to November 2019, she served as Executive Vice President, Walmart U.S. Neighborhood Markets. From December 2015 until February 2019, she served as Senior Vice President, U.S. Supply Chain.	2023	50
C. Douglas McMillon	President and Chief Executive Officer, effective February 2014. From February 2009 to January 2014, he served as Executive Vice President, President and Chief Executive Officer, Walmart International.	2014	57
Donna Morris	Executive Vice President, Global People, and Chief People Officer, effective February 2020. From April 2002 to January 2020, she worked at Adobe Inc. in various roles, including most recently, Chief Human Resources Officer and Executive Vice President, Employee Experience.	2020	56
Christopher Nicholas	Executive Vice President, President and Chief Executive Officer, Sam's Club effective September 2023. From October 2021 to September 2023, he served as Executive Vice President, Chief Operating Officer, Walmart U.S. From February 2021 until October 2021, he served as Executive Vice President, Chief Financial Officer Walmart U.S. From January 2020 until February 2021, he served as Executive Vice President, Chief Financial Officer Walmart International. He joined the Company in August 2018 as Senior Vice President and Deputy Chief Financial Officer, Walmart International.	2023	47
John David Rainey	Executive Vice President and Chief Financial Officer, effective June 2022. From September 2015 to June 2022, he served as Chief Financial Officer and Executive Vice President, Global Customer Operations for PayPal Holdings, Inc.	2022	53

## **Our Website and Availability of SEC Reports and Other Information**

Our corporate website is located at [www.stock.walmart.com](http://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](http://www.sec.gov). Our SEC filings, our Reporting Protocols for Senior Financial Officers and our Code of Conduct can be found on our website at [www.stock.walmart.com](http://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 Reporting Protocols for Senior Financial Officers or our Code of Conduct 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](http://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, in ways we may or may not be able to accurately predict, materially and adversely affect our business, results of operations, financial position and liquidity. Our business operations could also be affected by additional factors that apply to all companies operating in the U.S. and globally. The following risk factors do not identify all risks that we may face.

### **Strategic Risks**

#### **Failure to successfully execute our omni-channel strategy and the cost of our investments in eCommerce and technology may materially adversely affect our market position, net sales and financial performance.**

The retail business continues to rapidly evolve and consumers increasingly embrace digital shopping. 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 continue to accelerate.

Our strategy, which includes investments in eCommerce, technology, including the use of artificial intelligence technology, talent, supply chain automation, acquisitions, joint ventures, store remodels and other customer initiatives may not adequately or effectively allow us to continue to grow our eCommerce business, increase comparable 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 and sustain the current pace of remodels. The success of this strategy will depend in large measure on our ability to continue building and delivering a seamless omni-channel shopping experience and interconnected ecosystem for our customers that deepens and maintains our relationships with our customers across our various businesses and partnerships and reinforces our overall enterprise strategy. The success of this strategy is further subject to the related risks discussed in this [Item 1A](#). With the interconnected components of this enterprise strategy and an increasing allocation of capital expenditures focused on these initiatives, changes in customer or member perceptions about our reputation or our failure to successfully execute on individual components of this strategy may adversely affect our market position, net sales and financial performance, which could also result in impairment charges to intangible assets or other long-lived assets. In addition, a greater concentration of eCommerce sales, including increasing online grocery 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 our financial performance.

Furthermore, the cost of certain investments in eCommerce, technology, talent and automation, including any operating losses incurred for those initiatives, will adversely impact our financial performance in the short-term and failure to realize the benefits of these investments may adversely impact our financial performance over the longer term.

#### **If we do not timely identify or effectively respond to consumer trends or preferences, it 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, tastes and preferences. 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 services and the competitive environment. Our business is dependent on our ability to make critical decisions and predictions with respect to merchandise categories that quickly respond to changing consumer spending patterns, tastes and preferences, any incorrect calculations by us may result in lower sales, spoilage and inventory markdowns, which could adversely impact our results of operations. Our ability to predict and adapt to changing tastes and preferences depends on many factors, including obtaining accurate and

relevant data on customer preferences, emphasizing relevant merchandise categories, effectively managing our inventory levels, and implementing competitive and effective pricing and promotion strategies. Price transparency, assortment of products, customer experience, convenience, ease 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. We must continue to preserve our reputation, which is impacted based on public perceptions. It may be difficult to address negative publicity across media channels, regardless of whether it is accurate. Negative incidents involving us, our workforce (including the loss of merchandise as a result of shrink or theft) or others with whom we do business could quickly erode trust and confidence in our business and could result in consumer boycotts, workforce unrest and government investigations. Negative reputational incidents or negative perceptions of us could adversely impact our business and results of operations, including through lower sales, the termination of business relationships and associate retention and recruiting efforts. Moreover, failure to adequately predict customer demand and consumer spending patterns or otherwise optimize and operate our distribution and fulfillment centers could result in excess or insufficient inventory, service interruptions and increased costs, any of which could significantly harm our business. As we continue to add new fulfillment centers, our fulfillment and technology networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively.

**We face strong competition from other retailers, wholesale club operators, omni-channel retailers and other businesses which could materially adversely affect our financial performance.**

Each of our segments competes for customers, employees, digital prominence, products and services and in other important aspects of its business with many other local, regional, national and global physical, eCommerce and omni-channel retailers, social commerce platforms, wholesale club operators and retail intermediaries, as well as companies that offer services in digital advertising, fulfillment and delivery services, health and wellness and financial services. The omni-channel retail landscape is highly competitive and rapidly evolving, and the entry of new, well-funded competitors may increase competitive pressures. In addition, for eCommerce and other internet-based businesses, newer or smaller businesses may be better able to innovate and compete with us.

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 our omni-channel integration of our physical and digital operations.

A failure to respond effectively to competitive pressures and changes in the retail and other markets in which we operate, omni-channel innovations and omni-channel ecosystems developed by our competitors 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 or substantially reducing operations, whether due to bankruptcy, consolidation or other factors. Such consolidation, or other business combinations or alliances, competitive omni-channel ecosystems or reductions in operations may result in competitors with greatly improved financial resources, improved access to merchandise, greater market penetration and other improvements in their competitive positions. Such business combinations or alliances could allow these companies to provide a wider variety of products and services at competitive prices, which could adversely affect our financial performance.

**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, 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 tariffs or other measures that create barriers to or increase the costs associated with international trade, overall economic slowdown or recession 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 and services 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, growth rates, operating income and result in slower inventory turnover and greater markdowns of inventory, or otherwise materially adversely affect our operations and operating results and could result in impairment charges to intangible assets, goodwill or other long-lived assets.

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, including energy 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, or adversely impact product margins due to higher labor and material costs of our suppliers that we are unable, or choose not, to pass on to our customers.

**The performance of strategic alliances and other business relationships to support the expansion of our business could materially adversely affect our financial performance.**

We may enter into strategic alliances and other business relationships in the countries in which we have existing operations or in other markets to expand our business. These arrangements (such as ONE, our fintech venture, and our healthcare initiative with UnitedHealth Group) may not generate the level of sales or profitability we anticipate when entering into the arrangement 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, business relationship or in certain of our divested markets, could materially adversely affect our financial performance.

**Operational Risks**

**Global or regional health pandemics or epidemics, such as COVID-19, could negatively impact our business, financial position and results of operations.**

The emergence, severity, magnitude and duration of global or regional pandemics, epidemics or other health crises are uncertain and difficult to predict. A pandemic, such as COVID-19, or other epidemic or contagious disease outbreak could impact our business operations, demand for our products and services, in-stock positions, costs of doing business, access to inventory, supply chain operations, the extent and duration of measures to try to contain the spread of a virus or other disease (such as travel bans and restrictions, quarantines, shelter-in-place orders, limitations on large gatherings, business and government shutdowns and other restrictions on retailers), our ability to predict future performance, exposure to litigation and our financial performance, among other things. In the event of any global or regional health crisis, customer demand for certain products may fluctuate, customer behaviors may change and consumer disposable income could be negatively impacted, which may challenge our ability to anticipate and/or adjust inventory levels to meet that demand. Other factors and uncertainties may include, but are not limited to: the severity and duration of pandemics, epidemics or other health crises, including disease outbreaks in areas in which we and our suppliers operate; increased operational costs; evolving macroeconomic factors, including general economic uncertainty, unemployment rates and recessionary pressures; unknown consequences on our business performance and initiatives stemming from the substantial investment of time, capital and other resources to a pandemic or other health crisis response; the effectiveness and extent of administration of vaccinations and medical treatments; the pace of recovery when any such pandemic or other health crisis subsides; and the long-term impact of a pandemic or other health crisis on our business, including consumer behaviors. These risks and their impacts are difficult to predict and could otherwise disrupt and adversely affect our operations and our financial performance.

To the extent that a future pandemic or epidemic occurs, such events may also heighten other risks described in this section, including but not limited to those related to consumer behavior and expectations, competition, our reputation, implementation of strategic initiatives, cybersecurity threats, payment-related risks, technology systems disruption, supply chain disruptions, labor availability and cost, litigation and regulatory requirements.

**Natural disasters, climate change, geopolitical events, catastrophic and other 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; geopolitical tensions or events; and catastrophic and other events, such as war, civil unrest (including theft, looting or vandalism), terrorist attacks or other acts of violence, including active shooter situations (such as those that have occurred in our U.S. stores), or the loss of merchandise as a result of shrink or theft in countries in which we operate, in which our suppliers are located or regions goods are transported from or through, or in other areas of the world (such as in Ukraine and Israel where wars currently exist, and armed hostilities in the Red Sea and surrounding areas through which ocean carrier vessels travel to the Suez Canal) 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 or fulfillment centers, limitations on store or club operating hours, 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 and fulfillment centers are located, the unavailability of our digital platforms to our customers, changes in the purchasing patterns of consumers (including the frequency of visits by consumers to physical retail locations, whether as a result of limitations on large gatherings, travel and movement limitations or otherwise), such as Hurricane Otis that impacted our stores and operations around Acapulco,

Mexico in fiscal 2024, although not material to our consolidated financial performance. Moreover, these disasters and events can negatively impact consumers' disposable income, the temporary or long-term disruption in the supply of products from some suppliers, the disruption in the transport of goods from overseas, the disruption or delay in the delivery of goods to our distribution and fulfillment centers or stores within a country in which we are operating, the reduction in the availability of products in our stores, increases in the costs of procuring products as a result of either reduced availability or economic sanctions, increased transportation costs (whether due to fuel prices, fuel supply or otherwise), the disruption (whether directly or indirectly) of critical infrastructure systems, banking systems, utility services or energy availability to our stores, clubs and our facilities and the disruption in our communications with our stores, clubs and our other facilities.

Furthermore, the long-term impacts of climate change, whether involving physical risks (such as extreme weather conditions, drought or rising sea levels) or transition risks (such as regulatory or technology changes) are expected to be widespread and unpredictable. Certain impacts of physical risk may include: temperature changes that increase the heating and cooling costs at stores, clubs and distribution or fulfillment centers; extreme weather patterns that affect the production or sourcing of certain commodities; flooding and extreme storms that damage or destroy our buildings and inventory; and heat and extreme weather events that cause long-term disruption or threats to the habitability of the communities in which we operate. Relative to transition risk, certain impacts may include: changes in energy and commodity prices driven by climate-related weather events; prolonged climate-related events affecting macroeconomic conditions with related effects on consumer spending and confidence; stakeholder perception of our engagement in climate-related policies; and new regulatory requirements resulting in higher compliance risk and operational costs.

We bear the risk of losses incurred as a result of physical damage to, or destruction of, any stores, clubs and distribution or fulfillment centers; theft, 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 and could materially adversely affect our financial performance. Moreover, our operations in the U.S. comprise a significant portion of our financial and operational performance. Therefore, any of the above matters that uniquely impact or are specifically concentrated in the U.S. could materially adversely affect our financial and operational performance.

**Risks associated with our suppliers 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 our suppliers to comply with applicable laws, including labor, safety, anti-corruption 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 and in the large volumes we may demand, is a significant challenge, especially with respect to suppliers located and goods sourced outside the U.S.

Political and economic instability, as well as other impactful events and circumstances (such as pandemic recovery related challenges, including supply chain disruption and production, labor shortages and increases in labor costs) in the countries in which our suppliers and their manufacturers are located or regions goods are transported from or through, the financial instability of suppliers, suppliers not having the financial ability or capacity to fulfill their indemnification obligations to us if called upon, thereby exposing us to the full cost of risks and claims, suppliers' failure to meet our terms and conditions or 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 or delay 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 markets in which we operate, 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, U.S. and international trade policies, tariffs and other restrictions on the exportation and importation of goods, trade sanctions imposed between certain countries and entities, the limitation on the exportation or 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 operations and financial performance.

**If the quality or safety of products we sell in stores or online fails to meet our customers' expectations or regulatory standards, we could lose customers, incur liability for any injuries caused by a product we sell or otherwise experience a material impact to our brand, reputation and financial performance.**

Our customers count on us to provide them with quality products at an affordable price. Occasionally, the quality of products that we source from our suppliers fails to meet customer expectations. In many cases, these products are subject to regulatory action or recall. For general merchandise, this could be because the product fails to meet safety standards. For food products, it could be because the product is a source of foodborne illness. For health and wellness products, it could be because the product does not produce the expected result for the customer or harms the customer. Any of these factors could cause customers to avoid purchasing certain products from us, or to choose to buy products from a different retailer, even if the quality issue is

outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish. When a product we sell does not meet quality or safety standards, there is an increased risk of liability for harm the product may cause our customers. While we rely on our suppliers to meet our safety and quality expectations, and to indemnify us if their products do not, certain suppliers may not have the financial capacity or ability to fulfill their indemnification obligations. In that case, we are exposed to the full cost of liability claims. Any issue regarding the quality or safety of products we sell, regardless of the cause, could adversely affect our brand, reputation and financial performance.

**If the quality or safety of products offered for sale on our third-party marketplace fails to meet our customers' expectations or regulatory standards, we could be held directly liable, lose customers, become subject to regulatory enforcement or otherwise experience reputational harm.**

Some of the products customers buy from our website are sold by third parties, which we refer to as marketplace transactions. While that transaction ultimately occurs between the third-party seller and the customer, some regulators and courts have taken a view that the retailer is responsible for marketplace transactions that occur on a retailer's digital platform. Unsettled law on whether a retailer is responsible for intellectual property or product liability claims related to marketplace transactions creates additional risk. Any unfavorable changes or legal interpretations could further expose us to liability. In addition, poor quality or safety of third-party products offered for sale on our platforms could erode customer trust, leading to loss of sales, reduction in transactions and deterioration of our competitive position. In addition, we may face reputational, financial and other risks, including liability, for third-party products offered for sale on our platform that are controversial, counterfeit, pirated or stolen or that infringe the intellectual property rights of others. We may not be able to collect sufficient damages for these types of breaches from third-party sellers. Furthermore, a regulator may view us as having responsibility for regulatory compliance of the third-party products offered for sale on our platform. Although we have marketplace compliance controls in place and impose contractual terms on sellers to prohibit sales of non-compliant products, we may not be able prevent sellers from offering prohibited items for sale, enforce such terms, or fully protect against regulatory risk. Any of these events could have a material adverse impact on our business and results of operations and impede the execution of our eCommerce growth and enterprise strategy.

**We rely extensively on information and financial 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 incidents and breaches from a variety of threat actors, including both cybercriminals and nation state-sponsored actors, catastrophic events such as fires, major or extended winter storms, tornadoes, earthquakes and hurricanes, usage errors by our associates or contractors, civil or political unrest or armed hostilities. The availability of our information systems and the integrity of data 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 our disaster recovery planning cannot account for all eventualities. If our systems are damaged, breached, attacked, interrupted or otherwise cease to function properly, we may have to make a significant investment to repair or replace them, and may experience loss or corruption of data as well as suffer interruptions in our business operations in the interim. Any interruption to the availability of our information systems or corruption of our data may have a material adverse effect on our business or results of operations. In addition, the cost of securing our systems against failure or attack is considerable, and increases in these costs, particularly in the wake of a breach or failure, could be significant.

In addition, we frequently update our information technology hardware, software, processes and systems. The risk of system disruption is increased when significant system changes are undertaken. If we fail to timely or successfully integrate and update our information systems and processes, we may fail to realize the cost savings or operational benefits anticipated to be derived from these initiatives. For example, during the first quarter of the fiscal year ended January 31, 2024, we initiated an upgrade to our existing financial system, including our general ledger and other applications. If we are unable to implement this upgrade as planned, the effectiveness of our internal control over financial reporting could be adversely affected; our ability to assess those controls adequately could be delayed; and our reputation, business, results of operations, financial condition and cash flows could be negatively impacted.

**If the technology-based systems that give our customers the ability to shop with us online and enable us to deliver products and services do not function effectively, our operating results, as well as our ability to grow our omni-channel business globally, could be materially adversely affected.**

Increasingly, customers are using computers, tablets and smart phones to shop with us and with our competitors and to do comparison shopping. We use social media, online advertising and email to interact with our customers and as a means to enhance their shopping experience. As a part of our omni-channel sales strategy, we offer various pickup, delivery and shipping programs including options where many products available for purchase online can be picked up by the customer or member 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 around the world, and we continue to make investments in supply chain automation to support our omni-channel strategy. 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. Moreover, some of the various technology systems and services on which we rely are provided and managed by third-party service providers. To the extent either our or such other third-party systems and services do not perform or function as anticipated, whether because of an inherent flaw in the technology, a faulty implementation or a cybersecurity incident, such failure can significantly interfere with our ability to meet our customers' changing expectations. Any disruption or failure on our part to provide attractive, user-friendly and secure digital platforms that offer a wide assortment of merchandise and services 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 in a cost-efficient manner 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.

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

Like most retailers, we process in our information systems personal information and/or payment information about our customers and members, and we also process information concerning our associates and vendors. In addition, our health and wellness business operations, the Walmart Health locations, and third-party service providers who handle information on our behalf, store and maintain personal health information. Some of this information is stored digitally in connection with the digital platforms and technologies that we use to conduct and facilitate our various businesses. We utilize third-party service providers for a variety of reasons, including, without limitation, for digital storage technology, compute capacity, 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, business partners 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 disrupting or obtaining access to information systems or information stored in digital and other storage media are becoming increasingly sophisticated and frequent, and in some cases, they may lead to successful attacks. Unauthorized activities directed against information systems and devices, whether our own or those of our third-party service providers and vendors, have resulted in cybersecurity incidents, including malware, ransomware, denial of service attacks or phishing incidents. We expect that our information systems and those of our third-party service providers, vendors and suppliers will continue to experience such attempted attacks in the future, which could include disruptions to our supply chain system. Cyberattacks and threat actors can be sponsored by particular nation-states, or be the work of sophisticated criminal organizations, insiders (including our associates or contractors) or third parties, each with a wide-range of motives and expertise. We and the businesses with which we interact have experienced and continue to experience incidents and threats to data and information systems. These incidents and threats have included and are likely to continue to include both random and targeted cyberattacks, computer viruses, phishing incidents, worms, bot attacks, ransomware or other destructive or disruptive software and attempts to misappropriate customer information, including credit card and payment information, and cause system failures and disruptions. The increased use of remote work infrastructure in recent years has also increased the possible attack surfaces to be exploited. Our logging capabilities, or the logging capabilities of third parties, are also not always complete or sufficiently detailed, affecting our ability to fully investigate and understand the scope of security events. As noted above, some of our information systems and those of our third-party service providers have experienced cybersecurity incidents or breaches and, although to date they have not had a material adverse effect on our operating results, there can be no assurance of a similar result in the future.

Our digital platforms, which are increasingly important to our business and continue to grow in complexity and scope, and the systems on which they run, including those applications and systems used in legacy operations and acquired eCommerce, technology or other businesses, are regularly subject to cyberattacks. Those attacks involve attempts to impede the operations of our system or gain unauthorized access to our eCommerce websites (including marketplace platforms) or mobile commerce applications to obtain and misuse customers' or members' information including personal information and/or payment information and related risks discussed in this [Item 1A](#). Such attacks, if successful, may result in potential data misuse and/or loss and may create denials of service or otherwise disable, degrade or sabotage the information systems that enable or support one or more of our digital platforms or otherwise significantly disrupt our customers' and members' shopping experience, our supply chain integrity and continuity and our ability to efficiently operate our business. If we are unable to maintain the security of the information systems that enable or support our digital platforms and keep them operating within acceptable parameters, we could suffer loss of sales, reductions in transactions, reputational damage and deterioration of our competitive

position and incur liability for any damage to customers, members or others whose personal or confidential information is unlawfully obtained and misused, 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.

Associate error or malfeasance, faulty password management, social engineering or other vulnerabilities and irregularities may also result in a defeat of our security measures or those of our third-party service providers and a compromise or breach of our or their information systems. Moreover, the hardware, software or applications that comprise our information system and networked environment may have vulnerabilities or defects of design, coding, manufacture or operations that could be intentionally exploited or inadvertently used in a manner that could compromise information security. Given the age, size and complexity of these information systems and our networked environment, patches for certain vulnerabilities may not exist and, even where patches or other risk-mitigating activities are available, the deployment of patches or execution of risk-mitigating actions may not occur before an underlying vulnerability is exploited by threat actors or inadvertently results in the compromise of our information systems or data.

Any compromise of our information systems or of those of businesses with which we interact, which results in regulated data or confidential information being accessed, obtained, damaged, disclosed, destroyed, modified, lost or used by unauthorized persons could harm our reputation and expose us to regulatory actions (including, with respect to health information, liability under the Health Insurance Portability and Accountability Act of 1996, or "HIPAA"), customer attrition, remediation expenses and claims from customers, members, associates, vendors, financial institutions, payment card networks and other persons, any of which could materially and adversely affect our business operations, financial position and results of operations.

Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems or data change frequently and may not immediately produce signs of a compromise, we may be unable to anticipate these techniques or to implement adequate preventative measures, or detect the activities of a threat actor. Even if we detect a cybersecurity incident, the nature and extent of that cybersecurity incident may not be immediately clear. Based on the sophistication of the threat actors and the size and complexity of our information systems and networked environment, among other factors, an investigation into a cybersecurity incident could take a significant amount of time to complete. We may not understand or appreciate that what is detected and treated as multiple individual cybersecurity incidents or events may be associated with the coordinated actions of a single threat actor. In addition, while our investigation of a cybersecurity incident is ongoing, we may not know the full extent of the harm caused by a threat actor, and such harm may spread both internally and to certain customers, vendors, or other third parties. These factors may inhibit our ability to provide rapid, complete and reliable information about the cybersecurity incident to customers, counterparties and regulators, as well as the public. It may also not be clear how best to contain and remediate any harm caused by the cybersecurity incident, and certain errors or actions could be repeated or compounded before they are discovered and remediated. Any or all of these factors could further increase the costs and consequences of a cybersecurity incident on our business operations, financial position and results of operations.

To the extent that any cyberattack, ransomware or incursion in our or one of our third-party service provider's information systems results in the loss, damage, misappropriation or other compromise of information, we may be materially adversely affected by claims from customers, members, financial institutions, regulatory authorities, payment card networks and others.

Our compliance programs, information technology and enterprise risk management efforts cannot eliminate all systemic risk. Disruptions in our systems caused by associate error or malfeasance, security incidents, breaches or cyberattacks – including attacks on those parties we do business with (such as strategic partners, suppliers, banks or utility companies) – could harm our ability to conduct our operations, which may have a material effect on us, may result in losses that could have a material adverse effect on our financial position or results of operations, or may have a cascading effect that adversely impacts our partners, third-party service providers, customers, members, financial services firms and other third parties that we interact with on a regular basis.

Our reputation with our customers and members is important to the success of our enterprise strategy, which combines traditional retail, membership models, marketplaces, financial services, healthcare, and other customer and business services into a series of interconnected assets to make it seamless for customers to interact with us. Security-related 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, growth rates, operating income, results of operations, financial position, cash flows and liquidity. Such events could also result in the release to the public of confidential information about our operations and financial position 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 compromise or operationally impactful malware event, such as ransomware, could require us to devote significant management resources to address the problems created by the issue and to expend significant additional resources to upgrade further the security measures we employ to guard personal and confidential information against cyberattacks and other attempts to access or otherwise compromise such information and could result in a disruption of our operations, particularly our digital operations.

We accept payments using a variety of methods, including cash, checks, credit and debit cards, electronic benefits transfer (EBT) cards, mobile payments and 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 or our third-party suppliers maintain are able to detect, prevent or contain cyberattacks, cyberterrorism, security incidents, breaches or other compromises from malware, ransomware or other threats that are known or may be developed in the future. In certain circumstances, our contracts with payment card processors and payment card networks (such as Visa, Mastercard, American Express and Discover) generally require us to adhere to payment card network rules which could make us liable to payment card issuers and others if information in connection with payment cards and payment card transactions that we process is compromised, which liabilities could be substantial.

Additionally, through various financial service partners and our ONE fintech venture, we offer various services such as money transfers, digital payment platforms, bill payment, money orders, check cashing, prepaid access, co-branded credits cards, installment lending and earned wage access. These products and services require us to comply with legal and regulatory requirements, including those related to privacy, information security, anti-money laundering and sanctions regimes and consumer protection, under both U.S. state and federal laws and regulations, as well as those of certain other countries. Failure to comply with these laws and regulations could result in fines, sanctions, penalties and harm to our reputation.

We also have compliance obligations associated with privacy laws enacted to protect and regulate the collection, use, retention, disclosure and transfer of personal information, which include liability for security and privacy breaches. Among other obligations, breaches may trigger obligations under U.S. federal and state laws and those in certain other countries to notify affected individuals, government agencies and the media. Consequently, cybersecurity incidents that result in a data breach could subject us to fines, sanctions and other legal liability and harm our reputation.

**Changes in third-party reimbursements and contracts, type or scope of offerings of our health and wellness business or the Walmart Health business could adversely affect our overall results of operations, cash flows and liquidity.**

We have retail pharmacy operations in our Walmart U.S. and Sam's Club segments across the U.S. and in various of our international markets such as Canada and Mexico. We also provide management services to Walmart Health centers that offer medical, dental, behavioral health and other health services in a number of states, as well as a national telehealth service provider. In addition, our 10-year collaboration with UnitedHealth Group includes agreements for Walmart Health to provide value-based care to patients in certain areas of the U.S., among other initiatives.

A large majority of our 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, pharmacy payer network arrangements, including 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 including competitors offering online retail pharmacy options and/or home delivery options; further consolidation and strategic alliances 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; changes in laws or regulations or the practices of third-party payers and PBMs related to the use of third-party financial assistance to assist our pharmacy customers with paying for drugs prescribed for them; and any additional changes in the state or federal regulatory environment for the retail pharmacy industry and the pharmaceutical industry, including as a result of health reform efforts, and other changes to or novel interpretations of existing state or federal 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.

Walmart Health clinical operations are also subject to numerous risks, including but not limited to: reductions in the third-party reimbursement rates for services; changes in our payer mix; changes in the health insurance market generally; our inability to retain and negotiate favorable contracts with private third-party payers, including managed care plans; competition for patients from other healthcare providers, including those that offer telehealth services; changes to healthcare provider utilization practices and treatment methodologies; trends toward value-based purchasing and price transparency; overall economic conditions and the ability of patients to pay for services; staffing challenges, including retention of a sufficient number and quality of healthcare professionals; compliance with the complex and extensive laws and regulations governing the healthcare industry; changes in laws and regulations, including as a result of health reform efforts; and healthcare technology initiatives, including those related to patient data and interoperability; and public health conditions.

One or a combination of the factors above 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 or result in the loss of cross-store or cross-club selling opportunities. In addition, these and other factors may adversely affect the type, volume and mix of services we provide, the reimbursement we receive for health and wellness services rendered, and the scope and pace of expansion of Walmart Health and related offerings. Any of these developments could, 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, distribution and fulfillment centers and corporate offices, 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. Additionally, our ability to successfully execute organizational changes, including our enterprise strategy and management transitions within our senior leadership, and to effectively motivate and retain associates are critical to our business success. We compete for talent with other retail and non-retail businesses, including, for example, technology, health and wellness and fintech businesses, and invest significant resources in training and motivating our associates. Increased competition among potential employers at all levels, including senior management and executive levels, could result in increased associate costs or make it more difficult to recruit and retain associates. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, 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, revised or novel interpretations of existing labor laws, rules or regulations or healthcare laws, including those related to worker classification, are adopted or implemented that further increase our labor costs, our financial performance could be materially adversely affected.

**Financial Risks**

**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 consolidated net sales, consolidated operating income, growth rates, eCommerce growth rates, advertising and other higher-margin initiatives (which is expected to help drive our operating income growth at a rate faster than net sales over the long term), capital expenditures, comparable store and club sales growth rates or earnings and adjusted 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, changes in our effective tax rates, changes in our financial estimates and recommendations by securities analysts or, failure of our performance to compare favorably to that of other retailers may have a negative effect on the price of our stock.

**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 have had adverse effects 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, clubs and eCommerce platforms 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, unfavorable fluctuations in currency exchange rates have adversely affected, and may continue to adversely affect, our results of operations.

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

#### **Our international 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 retail and eCommerce businesses in Africa, Canada, Central America, Chile, China, India and Mexico.

During fiscal 2024, our Walmart International operations generated approximately 18% of our consolidated net sales. Walmart International's operations in various countries also source 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, such as regulation of product and service offerings including regulatory restrictions (such as foreign ownership restrictions) on eCommerce and retail operations in international markets, such as India, restrictive governmental actions (such as trade protection measures or nationalization), antitrust and competition law regulatory matters (such as those underway in Canada, Mexico and India (relating to our Flipkart subsidiary)), local product safety and environmental laws, tax regulations, local labor laws, anti-money laundering laws and regulations, trade policies, foreign exchange or currency regulations, laws and regulations regarding consumer and data protection, and other matters in any of the countries or regions in which we operate, now or in the future.

Changing our operations in accordance with new or changed restrictions on international trade or newly imposed sanctions can be expensive, time-consuming and disruptive to our operations, and such restrictions can be announced with little or no advance notice and we may not be able to effectively mitigate all adverse impacts from such measures. In addition, tensions between nation-state governments and conflicts of laws may lead to challenges for our operations. If disputes and conflicts further escalate in the future, actions by governments in response could be significantly more severe and restrictive and could adversely affect our business or financial performance and our reputation. Political uncertainty surrounding trade and other international disputes could also have a negative effect on consumer confidence and spending, which could also adversely affect our business or financial performance and our reputation. 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 recur, 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 that 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, geopolitical tensions or events, 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 or U.S. sanctions laws and regulations or the laws and regulations of other countries. We maintain global policies which appropriately regulate such business practices and have in place global compliance programs 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 appropriately regulated 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 subject us to fines and penalties and adversely affect our business or financial performance and our reputation.



**Changes in tax and trade laws, regulations and interpretations could materially adversely affect our financial performance.**

In fiscal 2024, our Walmart U.S. and Sam's Club operating segments generated approximately 82% of our consolidated net sales. Significant changes in tax and 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 could have an adverse effect on our business and financial performance. A significant portion of the general merchandise we sell in our U.S. stores and clubs is manufactured in other countries. Any such actions including the imposition of further tariffs on imports 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. and international operations as well as our business.

We are subject to income taxes, other taxes and tax collection and reporting obligations 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 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, tax rates, regulations or accounting principles and the interpretations of those rules. In addition, we also may not have sufficient notice to enable us to build systems and adopt processes to properly comply with new reporting or collection obligations by the effective date of those obligations.

We are also exposed to future tax legislation, as well as the issuance of future regulations and changes in administrative interpretations of existing tax laws, and changes in transfer pricing arrangements with our subsidiaries, any of which can impact our or our subsidiaries current and future years' tax provision. The effect of such changes in tax law, changes in administrative interpretations of existing tax laws or changes in transfer pricing arrangements could also have a material effect on our business, financial position and results of operations. In the U.S., the Tax Cuts and Jobs Act of 2017 (the "Tax Act") significantly changed federal income tax laws that affect U.S. corporations. As further guidance is issued by the U.S. Treasury Department, the Internal Revenue Service, and other standard-setting bodies, any resulting changes in our estimates will be treated in accordance with the relevant accounting guidance. Compliance with the Tax Act and any other new tax rules, regulations, guidance and interpretations, including collecting information not regularly produced by us or unexpected changes in our estimates, may require us to incur additional costs and could affect our results of operations.

In addition, legislatures and taxing authorities in many jurisdictions in which we operate may enact changes to or seek to enforce novel interpretations of their tax rules. These changes could include modifications that have temporary effect and more permanent changes. For example, the Organization for Economic Cooperation and Development (the "OECD"), the European Union and other countries (including countries in which we operate) have committed to enacting substantial changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed. In particular, the OECD's Pillar Two initiative introduces a 15% global minimum tax applied on a country-by-country basis, which became effective in many jurisdictions in which we operate starting January 1, 2024. The impact of these potential new rules as well as any other changes in domestic and international tax rules and regulations could have a material effect on our effective tax rate.

Furthermore, 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, legislation and interpretations. 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.

**Changes in and/or failure to comply with other laws, regulations and interpretations of such laws and regulations specific to the businesses and jurisdictions in which we operate could materially adversely affect our reputation, market position or our business and financial performance.**

We operate in complex regulated environments in the U.S. and in other countries in which we operate and could be materially 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. In addition, the degree of regulatory, political, and media scrutiny we face increases the likelihood that our efforts to adhere our practices and procedures to comply with these laws and legal requirements may be subject to frequent or increasing challenges.

Our health and wellness operations in the U.S. and the operations of the Walmart Health locations are subject to numerous federal, state and local laws and regulations including, but not limited to, those related to: licensing, reimbursement arrangements and other requirements and restrictions; registration and regulation of pharmacies; dispensing and sale of controlled substances and products containing pseudoephedrine; governmental (including Medicare and Medicaid) and commercial reimbursement; data privacy and security and the sharing and interoperability of data, including obligations and restrictions related to health information (such as those imposed under HIPAA); billing and coding for healthcare services and properly handling overpayments; debt collection; necessity and adequacy of healthcare services; relationships with referral

sources and referral recipients and other fraud and abuse issues, such as those addressed by anti-kickback and false claims laws and patient inducement regulations; qualification of healthcare practitioners; quality and standards of medical services and equipment; and the practice of the professions of pharmacy, medical, dental and behavioral healthcare services, including limitations on the corporate practice of medicine in certain states.

Health-related legislation at the federal and state level may have an adverse effect on our business or require us to modify certain aspects of our operations. For example, in the U.S., the Drug Enforcement Administration ("DEA") and various other regulatory authorities regulate the purchase, distribution, maintenance 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 and holding of controlled substances. The DEA, the U.S. Food and Drug Administration 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. In addition, there has been recent heightened governmental and public scrutiny of pharmaceutical product pricing, which has resulted in federal and state legislation and regulations, executive orders and other initiatives and proposals designed to increase transparency in pharmaceutical product pricing and reform government program reimbursement methodologies (for example, the Inflation Reduction Act, which includes, among other matters, policies designed to impact drug prices and reduce drug spending by the federal government). Other health reform efforts at the federal and state levels may also impact our business or require us to modify certain aspects of our operations. We may not be able to predict the nature or success of reform initiatives, and the resulting uncertainties may have an adverse effect on our business.

We are also governed by foreign, national and state laws and regulations of general applicability, including laws and regulations related to competition and antitrust matters; protection of the environment and health and safety matters, including exposure to, and the management and disposal of, hazardous substances; food and drug safety, including drug supply chain security requirements; trade, consumer protection, and safety, including the availability, sale, price label accuracy, advertisement and promotion of products we sell and the financial services we offer (including through our digital channels, stores and clubs, as well as our ONE fintech venture); anti-money laundering prohibitions; consumer financial protection laws; economic, trade and other sanctions matters; licensure, certification and enrollment with government programs; data privacy and cybersecurity and the sharing and interoperability of data; working conditions, workplace health and safety, equal employment opportunity, worker classification, employee benefit and other labor and employment matters; and health and wellness related regulations for our pharmacy operations outside of the U.S. In addition, certain financial services we offer or make available are subject to U.S. and international legal and regulatory requirements, including those intended to help detect and prevent money laundering, fraud and other illicit activity, as well as consumer financial protections and sanctions laws. Failure to meet these requirements could affect the profitability of our business activities; limit our ability to pursue business opportunities or conduct business in certain jurisdictions; require changes to business practices or governance or alter our relationships with our customers, partners and other third parties, including our ability to continue certain relationships in Mexico, India or other international jurisdictions; result in increased costs related to regulatory oversight and compliance, litigation-related settlements, judgments or expenses, restitution to customers or the imposition of fines or monetary penalties. Increased U.S. regulation of non-bank financial institutions may also result in additional requirements and scrutiny of certain financial services we offer.

Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting diligence, and disclosure topics such as climate change, sustainability (including with respect to our supply chain), natural resources, waste reduction, energy, human capital and risk oversight could expand the nature, scope and complexity of matters that we are required to control, assess and report.

Data privacy and protection laws or customer expectations relating to the collection, use, retention, disclosure, transfer and processing of personal information continue to undergo a rapid transformation in the U.S. and in non-U.S. jurisdictions. Recently enacted state laws, such as the California Consumer Privacy Act ("CCPA"), in a number of states that have become effective, or will soon be effective, have created a substantially more complex regulatory regime associated with data-handling practices. Moreover, other laws and regulations related to data-handling and privacy that apply to our business, such as the Illinois Biometric Information Privacy Act, the European Union's General Data Protection Regulation ("GDPR"), the United Kingdom's General Data Protection Regulation (which implements the GDPR into U.K. law), China's Personal Information Protection Act ("PIPL"), and similar legislation in Quebec Canada further increases the compliance obligations of our business. Certain of these laws have required us to modify our data processing practices and policies and to incur substantial costs and expenses to comply, which we anticipate will continue in the future. These and other privacy and cybersecurity laws may carry significant potential damages and civil penalties for non-compliance. For example, in the case of non-compliance with a material provision of the GDPR (such as non-adherence to the core principles of processing personal data), regulators have the authority to levy a fine in an amount that is up to the greater of €20 million or 4% of global annual turnover (i.e., revenue) in the prior year. These administrative fines are discretionary and based, in each case, on a multi-factored approach. Further, PIPL took effect in China in November 2021. PIPL raises the protection requirements for processing personal information and requires government approval to either allow the access of personal information in China by someone outside of China or conduct personal data transfers outside of China. Fines for PIPL violations range from approximately RMB 50 million to up to 5% of

the infringing company's previous year's revenues generated from within China. We have made changes, and we may in the future make additional adjustments to our business practices, to comply with the personal information protection laws and regulations in China as they evolve. Residents in jurisdictions with comprehensive privacy laws have rights to access, correct and require deletion of their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used and may have a private right of action for data breaches. Furthermore, our marketing and customer engagement activities are subject to communications privacy laws such as the Telephone Consumer Protection Act. We may be subjected to penalties and other consequences for noncompliance, including changing some portions of our business. Even an unsuccessful challenge by customer or regulatory authorities of our activities could result in adverse publicity, impact our reputation and could require a costly response from and defense by us.

The impact of new laws, regulations and policies and the related interpretations, as well as changes in enforcement practices or regulatory scrutiny as to existing laws and regulations (including, but not limited to, in the U.S., shifting enforcement priorities for existing antitrust, competition and pricing laws, as well as proposed new rules and regulations) generally cannot be predicted, and changes in applicable laws, regulations and policies and the related interpretations and enforcement practices of existing laws and regulations may require extensive system and operational changes, be difficult to implement, increase our operating costs, require significant capital expenditures, or adversely impact the cost or attractiveness of the products or services we offer, or result in adverse publicity and harm our reputation. If we fail to predict or respond adequately to changes, including by implementing strategic and operational initiatives, or do not respond as effectively as our competitors, our business, operations and financial performance may be adversely affected.

In addition, we may face audits or investigations by one or more government agencies relating to our compliance with applicable laws and regulations. The regulatory, political and media scrutiny we face, which may continue, amplifies these risks. To the extent a regulator or court disagrees with our interpretation of these laws and determines that our practices are not in compliance with applicable laws and regulations, we could be subject to civil and criminal penalties that could adversely affect the continued operation of our businesses, including: suspension of payments from government programs; loss of required licenses and certifications; loss of authorizations to participate in or exclusion from government programs, including the Medicare and Medicaid programs in the U.S.; termination from contractual relationships, including those with our drug suppliers and third-party payers; and significant fines or monetary damages. Failure to comply with applicable legal or regulatory requirements in the U.S. or in any of the countries in which we operate could result in significant legal and financial exposure, damage to our reputation and have a material adverse effect on our business operations, financial position and results of operations.

**We are subject to risks related to litigation and other legal proceedings that may materially adversely affect our results of operations, financial position and liquidity.**

We operate in a highly regulated and litigious environment. We are involved in legal proceedings, including litigation, arbitration and other claims, and investigations, inspections, audits, claims, inquiries and similar actions by pharmacy, healthcare, tax, environmental and other governmental authorities. We may also have indemnification obligations for legal commitments of certain businesses we have divested. Legal proceedings, in general, and securities, derivative action and class action and multi-district litigation, in particular, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and/or involve parties seeking large and/or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. For example, we are currently a defendant in a number of cases containing class or collective-action allegations, or both, 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.

We have been responding to subpoenas, information requests and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids. We are also a defendant in numerous litigation proceedings related to opioids, including the consolidated multidistrict litigation entitled *In re National Prescription Opiate Litigation* (MDL No. 2804) currently pending in the U.S. District Court for the Northern District of Ohio and a lawsuit filed against us by the United States Department of Justice in the District of Delaware in 2020. Similar cases that name us also have been filed in state courts by state, local and tribal governments, healthcare providers and other plaintiffs. Plaintiffs in these cases are seeking compensatory and punitive damages, as well as injunctive relief including abatement. We have entered into a settlement framework to resolve certain of these matters and accrued a liability for approximately \$3.3 billion, almost all of which was paid in fiscal 2024. We cannot predict the ultimate number of opioids-related claims that may be filed or their outcomes and cannot reasonably estimate any loss or range of loss that may arise from opioids-related matters.

In addition, in July 2021, the Directorate of Enforcement in India issued a show cause notice to Flipkart and other parties requesting the recipients show cause as to why further proceedings under India's Foreign Direct Investment rules and regulations should not be initiated against them based on alleged violations that related to a period prior to our acquisition of a majority stake in Flipkart in 2018. Also, in October 2023, the main Mexican operating subsidiary of Wal-Mart de México was notified of the initiation of a quasi-judicial administrative process against it for alleged relative monopolistic practices in connection with the supply and wholesale distribution of certain consumer goods, retail marketing practices of such consumer

goods and related services. Because this process is at an early stage, we cannot provide any assurance as to the scope and outcome of this matter, and cannot reasonably estimate any loss or range of loss that may arise from this matter.

We can provide no assurance as to the scope or outcome of any proceeding that might result from the notice, the amount of proceeds we may receive in indemnification, and can provide no assurance as to whether there will be a material adverse effect to our business or Consolidated Financial Statements. We are also a defendant in litigation with the Federal Trade Commission regarding our money transfer agent services and is also cooperating with and responding to subpoenas issued by the U.S. Attorney's Office for the Middle District of Pennsylvania on behalf of the U.S. Department of Justice regarding our consumer fraud prevention program and anti-money laundering compliance related to our money transfer services, where we are an agent. We are unable to predict the outcome of the litigation or investigations or any other related actions by governmental entities regarding these matters and can provide no assurance as to the scope and outcome of these matters and whether our business, financial position, results of operations or cash flows will not be materially adversely affected. We discuss in more detail 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.

**Our amended and restated bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could increase the costs for our shareholders to bring claims, discourage our shareholders from bringing claims, or limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, associates or shareholders in such capacity.**

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for claims, including derivative claims that are based upon a violation of a duty by a current or former director, officer, associate or shareholder in such capacity or as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery. The exclusive forum provision may increase the costs for a shareholder to bring a claim or limit a shareholder's ability to bring a claim in a judicial forum that the shareholder finds favorable for disputes with us or our directors, officers, associates or shareholders in such capacity, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, the claims as to which they are intended to apply, then we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial position or results of operations. While the exclusive forum provision applies to state and federal law claims, our shareholders will not be deemed to have waived our compliance with, and the exclusive forum provision will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under, the federal securities laws, including the Exchange Act, as amended, or the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

**Our reputation may be adversely affected if we are not able to satisfy varied stakeholder expectations with respect to our ESG goals.**

We strive to deliver shared value through our business and our diverse stakeholders expect us to make significant progress in certain ESG priority issue areas. Stakeholder expectations regarding ESG matters continue to evolve and are not uniform. We have established, and may continue to establish, various goals and initiatives on these matters, including with respect to climate change initiatives. We cannot guarantee that we will achieve these goals and initiatives. Any failure, or perceived failure, by us to achieve these goals and initiatives or to otherwise meet evolving and varied stakeholder expectations could adversely affect our reputation. We periodically publish information about our ESG priorities, strategies and progress on our corporate website and update our ESG reporting from time to time. Achievement of these aspirations and goals is subject to risks and uncertainties, many of which are outside of our control, and it is possible that we may fail, or be perceived to have failed, in the achievement of our ESG goals or that certain of our customers, associates, shareholders, investors, suppliers, business partners, government agencies and non-governmental organizations might not be satisfied with our goals or our efforts toward achieving those goals. Certain challenges we face in the achievement of our ESG objectives are also captured within our ESG reporting, which is not incorporated by reference into and does not form any part of this Annual Report on Form 10-K. A failure or perceived failure to meet our goals could adversely affect public perception of our business, associate morale or customer or shareholder support.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 1C. CYBERSECURITY**

Walmart seeks to build and maintain the trust of customers, associates, shareholders and other stakeholders with respect to our use of technology and data. Our digital trust commitments, in line with our Company's values of service, excellence, integrity and respect for the individual, provide a foundation for our approach to cybersecurity.

The Board of Directors, committees of the Board of Directors and management coordinate risk oversight and management responsibilities, and cybersecurity represents an important component of our overall approach to enterprise risk management. In general, we seek to address cybersecurity risks through a cross-functional approach focused on protecting business operations and preserving the confidentiality, integrity and availability of information by identifying, preventing and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

#### **Board of Directors' oversight of risks from cybersecurity threats**

Our Board of Directors, which has primary responsibility for overseeing risk management, has delegated risk management oversight responsibility for information systems, information security, data privacy and cybersecurity to the Audit Committee. Several of our Board members, including certain members of our Audit Committee, have backgrounds or professional experience in risk management, digital platforms, information technology or cybersecurity.

The Audit Committee receives periodic updates from our Chief Information Security Officer ("CISO"), Chief Technology Officer ("CTO") and other members of management on risks related to information systems, information security, data privacy and cybersecurity. Specific topics may include updates to our company's approach to cybersecurity risk management; recent developments; key initiatives; the threat landscape; trends; and the results of certain assessments and testing. The Board of Directors receives regular reports from the Audit Committee chair on these and other risk-related matters as deemed necessary. Our CISO or other members of management provide information to the Audit Committee pursuant to risk-based escalation protocols for cybersecurity incidents that exceed established reporting thresholds.

#### **Management's role in assessing and managing material risks from cybersecurity threats**

Our CISO leads Walmart's Information Security organization and has responsibility for overseeing our Company's cybersecurity program. To operationalize our program, we deploy multidisciplinary teams, including cybersecurity personnel and professionals, to address cybersecurity threats and respond to cybersecurity incidents, including for those non-wholly owned subsidiaries whose systems have not been fully integrated into Walmart's networks. Through ongoing engagement with these teams and certain third-party service providers, our CISO monitors the prevention, detection, mitigation and remediation of cybersecurity threats and incidents and reports cybersecurity incidents that reach established thresholds to senior management and the Audit Committee, which are also analyzed for external reporting requirements.

Our CISO has been a Walmart associate for over 30 years, has served in various roles in information technology and information security at Walmart for almost 20 years, and has received industry-recognized information security certifications. Our CTO, to whom the CISO reports, has served as Walmart's CTO since 2019 and prior to that had experience managing technology and other risks at several other large public companies.

#### **Risk Management and Strategy**

Our cybersecurity program is informed by various industry frameworks including the National Institute of Standards and Technology Cybersecurity Framework for Improving Critical Infrastructure Cybersecurity (NIST-CSF Version 1.1), which are reflected in our related policies, standards, processes and practices. We may implement changes to our cybersecurity program when deemed necessary based on updates to industry standards among other things. We have multiple layers of security designed to detect and block cybersecurity events, as well as dedicated teams of cybersecurity personnel and professionals, which assist our CISO in helping to assess, identify, monitor, detect and manage cybersecurity risks, threats, vulnerabilities and incidents. We collaborate with public and private entities and industry groups and engage third-party service providers to expand the capabilities and capacity of our cybersecurity program when deemed necessary. Certain key components of our cybersecurity program include the following:

*Protecting our technology and information systems:* When we implement significant changes to our technologies or information systems, we conduct risk-based security and privacy impact assessments and deploy technical safeguards that are designed to reasonably protect our technology and information systems from cybersecurity threats. We actively monitor and proactively research potential cybersecurity threats to our technologies and information systems. We use what we learn to evolve our security controls over time to mitigate risks posed by such threats.

*Incident response and recovery planning:* We maintain incident response and recovery plans that address our response to cybersecurity incidents, including incidents that we become aware of at third parties that support our operations. These plans guide how we evaluate and assign incident severity levels and reporting thresholds; escalate and engage incident response teams; and manage and mitigate the related risks.

*Third-party risk management:* We maintain a risk-based approach to identifying and managing cybersecurity threats presented to Walmart by third-party systems that support our operations, as well as third-party users of our data and systems, including vendors, service providers and subcontractors.

*Training and awareness:* We provide recurring information security training (which includes cybersecurity training) to our associates and certain third parties based on access, risk, roles, policies, standards and behaviors.

*Assessments and testing:* We engage in periodic assessment and testing of our policies, standards, processes and practices that are designed to address cybersecurity threats. These efforts include tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. We regularly engage third parties to assist with our assessments and testing. Where appropriate we adjust our cybersecurity policies, standards, processes and practices accordingly based on internal and external assessment and testing results.

Certain of Walmart's systems and those of our third-party service providers have experienced cybersecurity incidents and threats. Based on the information available as of the date of this Annual Report on Form 10-K, we are not aware of any risks from cybersecurity threats, including as a result of any cybersecurity incidents, which have materially affected us or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. Despite our security measures, however, there can be no assurance that we, or the third parties with which we interact, will not experience a cybersecurity incident in the future that will materially affect us. Additional information about cybersecurity risks we face is discussed in "[Item 1A. Risk Factors](#)," which should be read in conjunction with the information above.

## **ITEM 2. PROPERTIES**

As of January 31, 2024<sup>(1)</sup>, retail unit counts for Walmart U.S., Sam's Club and International are summarized as follows:

	<b>Total</b>	<b>Square feet<sup>(2)</sup></b>
<b>Walmart U.S.</b>		
Supercenters	3,560	632,771
Discount Stores	360	37,816
Neighborhood Markets and other small formats	695	28,414
<b>Walmart U.S. Total</b>	<b>4,615</b>	<b>699,001</b>
<b>Sam's Club</b>	<b>599</b>	<b>80,199</b>
<b>Domestic Total</b>	<b>5,214</b>	<b>779,200</b>
<b>International</b>		
Retail	5,075	236,180
Wholesale	327	37,685
<b>International Total</b>	<b>5,402</b>	<b>273,865</b>
<b>Total Company</b>	<b>10,616</b>	<b>1,053,065</b>

<sup>(1)</sup> Walmart International unit counts, with the exception of Canada, are as of December 31, 2023, to correspond with the balance sheet date of the related geographic market. Canada unit counts are as of January 31, 2024.

<sup>(2)</sup> Square feet reported in thousands.

### **Owned and Leased Properties**

The following table provides further details of our retail units and distribution facilities, including return facilities and dedicated eCommerce fulfillment centers, as of January 31, 2024<sup>(1)</sup>:

	<b>Owned</b>	<b>Leased<sup>(2)</sup></b>	<b>Total</b>
<b>Retail Units</b>			
Walmart U.S. retail units	4,041	574	4,615
Sam's Club retail units	512	87	599
International retail units	1,469	3,933	5,402
<b>Total retail units</b>	<b>6,022</b>	<b>4,594</b>	<b>10,616</b>
<b>Distribution Facilities</b>			
Walmart U.S. distribution facilities	112	50	162
Sam's Club distribution facilities	10	20	30
International distribution facilities	22	154	176
<b>Total distribution facilities</b>	<b>144</b>	<b>224</b>	<b>368</b>

<sup>(1)</sup> Walmart International properties, with the exception of Canada, are as of December 31, 2023, to correspond with the balance sheet date of the related geographic market. Canada unit counts are as of January 31, 2024.

<sup>(2)</sup> Also includes U.S. and international distribution facilities which are third-party owned and operated.

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:** The Company is involved in legal proceedings arising in the normal course of its business, including litigation, arbitration and other claims, and investigations, inspections, subpoenas, audits, claims, inquiries and similar actions by governmental authorities. We discuss certain legal proceedings in [Note 10](#) to our Consolidated Financial Statements included in "[Item 8. Financial Statements and Supplementary Data.](#)" which is captioned "Contingencies," under the sub-caption "Legal Proceedings." 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.

**Prescription Opiate Litigation:** *In re National Prescription Opiate Litigation* (MDL No. 2804) (the "MDL"). The MDL is pending in the U.S. District Court for the Northern District of Ohio and includes over 340 cases as of March 4, 2024. The liability phase of a single, two-county trial in one of the MDL cases against a number of parties, including the Company, regarding opioid dispensing claims resulted in a jury verdict on November 23, 2021, finding in favor of the plaintiffs as to the liability of all defendants, including the Company. The abatement phase of the single, two-county trial resulted in a judgment on August 17, 2022, that ordered all three defendants, including the Company, to pay an aggregate amount of approximately \$0.7 billion over fifteen years, on a joint and several liability basis, and granted the plaintiffs injunctive relief. The Company has filed an appeal with the Sixth Circuit Court of Appeals. The monetary aspect of the judgment is stayed pending appeal, and the injunctive portion of the judgment went into effect on February 20, 2023. On September 11, 2023, the Sixth Circuit Court of Appeals issued an order certifying certain questions in the appeal for review by the Supreme Court of Ohio. On November 29, 2023, the Supreme Court of Ohio accepted the request for certification, and the matter remains pending with that court. On October 25, 2023, the MDL designated four cases brought by third-party payers as bellwether cases to proceed through discovery. Additional bellwethers of cases brought by hospitals and other healthcare providers may be designated in the future. In addition, there are over 50 other cases pending in state and federal courts throughout the country against the Company as of March 4, 2024, as well as other cases in Canada against Wal-Mart Canada Corp. and certain other subsidiaries of the Company. The case citations and currently scheduled trial dates, where applicable, are listed on Exhibit 99.1 to this Annual Report on Form 10-K.

**Opioid Settlement Framework:** On November 15, 2022, the Company announced that it had agreed to a Settlement Framework to resolve substantially all opioids-related lawsuits filed against the Company by states, political subdivisions, and Native American tribes (other than the single, two-county trial on appeal to the Sixth Circuit Court of Appeals as described above), as described in more detail in [Note 10](#) to the Consolidated Financial Statements. The Company now has settlement agreements with all 50 states, including four states that previously settled with the Company, as well as the District of Columbia, Puerto Rico and three other U.S. territories, that are intended to resolve substantially all opioids-related lawsuits brought by state and local governments against the Company. As described in more detail in [Note 10](#) to the Consolidated Financial Statements, the Settlement Framework became effective on September 6, 2023, and as of January 31, 2024 substantially all of the original approximately \$3.3 billion accrued liability for the Settlement Framework and other settlements have been paid.

**DOJ Opioid Civil Litigation:** A civil complaint pending in the U.S. District Court for the District of Delaware has been filed by the U.S. Department of Justice (the "DOJ") against the Company, in which the DOJ alleges violations of the Controlled Substances Act related to nationwide distribution and dispensing of opioids. *U.S. v. Walmart Inc., et al.*, USDC, Dist. of DE, 12/22/20. The Company filed a motion to dismiss the DOJ complaint on February 22, 2021. After the parties had fully briefed the Company's motion to dismiss, the DOJ filed an amended complaint on October 7, 2022. On November 7, 2022, the Company filed a partial motion to dismiss the amended complaint. The Court held a hearing on the partial motion to dismiss on January 18, 2024, and ordered the DOJ to file an amended complaint. The DOJ filed that amended complaint on February 1, 2024, and Walmart filed a partial motion to dismiss that complaint on February 6, 2024. On March 11, 2024, the Court granted in-part Walmart's motion by dismissing the entirety of the DOJ's claims related to distribution and dismissing the DOJ's claims arising under one of the DOJ's two dispensing liability theories. The DOJ's claims arising under its other dispensing liability theory remain pending.

**Opioids Related Securities Class Actions and Derivative Litigation:** Three derivative complaints and two securities class actions drawing heavily on the allegations of the DOJ complaint have been filed in Delaware naming the Company and various current and former directors and certain current and former officers as defendants. The plaintiffs in the derivative suits (in which the Company is a nominal defendant) allege, among other things, that the defendants breached their fiduciary duties in connection with oversight of opioids dispensing and distribution and that the defendants violated Section 14(a) of the Exchange Act, and are liable for contribution under Section 10(b) of the Exchange Act in connection with the Company's disclosures about opioids. Two of the derivative suits have been filed in the U.S. District Court in Delaware and those suits have been stayed pending further developments in other opioids litigation matters. The other derivative suit has been filed in the Delaware Court of Chancery. The defendants in the derivative suit pending in the Delaware Court of Chancery moved to dismiss and/or to stay that case on December 21, 2021; the plaintiffs responded by filing an amended complaint on February 22, 2022. On April 20, 2022, the defendants moved to dismiss and/or stay proceedings on the amended complaint. In two orders issued on April 12 and 26, 2023, the Court of Chancery granted the defendants' motion to dismiss with respect to claims involving the Company's distribution practices and denied the remainder of the motion, including the Company's request to stay the litigation. On May 5, 2023, the Company's Board of Directors appointed an independent Special Litigation Committee (the "SLC") to investigate the allegations regarding certain current and former officers and directors named in the various proceedings regarding oversight with respect to opioids. The Board has authorized the SLC to retain independent legal counsel and such other advisors as the SLC deems appropriate in carrying out its duties. The derivative matter pending in the Delaware Court of Chancery is stayed until the SLC completes its investigation.

The securities class actions, alleging violations of Sections 10(b) and 20(a) of the Exchange Act regarding the Company's disclosures with respect to opioids, purport to be filed on behalf of a class of investors who acquired Walmart stock from March 30, 2016, through December 22, 2020. On May 11, 2021, the U.S. District Court in Delaware consolidated the class actions and appointed a lead plaintiff and lead counsel. The defendants moved to dismiss the consolidated securities class action on October 8, 2021. On October 14, 2022, plaintiffs filed an amended complaint, which revised the applicable putative class of investors to those who acquired Walmart stock from March 31, 2017, through December 22, 2020. On November 16, 2022, the Company moved to dismiss the amended complaint. That motion remains pending.

**Derivative Lawsuits:** *Abt v. Alvarez et al.*, USDC, Dist. of DE, 2/9/21; *Nguyen v. McMillon et al.*, USDC, Dist. of DE, 4/16/21; *Ontario Provincial Council of Carpenters' Pension Trust Fund et al. v. Walton et al.*, DE Court of Chancery, 9/27/21.

**Securities Class Actions:** *Stanton v. Walmart Inc. et al.*, USDC, Dist. of DE, 1/20/21 and *Martin v. Walmart Inc. et al.*, USDC, Dist. of DE, 3/5/21, consolidated into *In re Walmart Inc. Securities Litigation*, USDC, Dist. of DE, 5/11/21.

**ASDA Equal Value Claims:** *Ms S Brierley & Others v. ASDA Stores Ltd (2406372/2008 & Others – Manchester Employment Tribunal)*; *Abbas & Others v Asda Stores limited (KB-2022-003243)*; and *Abusubih & Others v Asda Stores limited (KB-2022-003240)*.

**Money Transfer Agent Services Litigation:** *Federal Trade Commission v. Walmart Inc. (CV-3372)*, USDC, N. Dist. Of Ill, 6/28/22.

**Mexico Antitrust Matter:** *Comisión Federal de Competencia Económica of México, Investigative Authority v. Nueva Wal-Mart de México, S.de R.L. de C.V.* (Docket IO-002-2020, consolidated with Docket DE-026-2020), Mexico, 10/6/23.

## II. CERTAIN OTHER MATTERS:

**Foreign Direct Investment Matters:** In July 2021, the Directorate of Enforcement in India issued a show cause notice to Flipkart Private Limited and one of its subsidiaries ("Flipkart"), and to unrelated companies and individuals, including certain current and former shareholders and directors of Flipkart. The notice requests the recipients to show cause as to why further proceedings under India's Foreign Direct Investment rules and regulations (the "Rules") should not be initiated against them based on alleged violations during the period from 2009 to 2015, prior to the Company's acquisition of a majority stake in Flipkart in 2018. The notice is an initial stage of proceedings under the Rules which could, depending upon the conclusions at the end of the initial stage, lead to a hearing to consider the merits of the allegations described in the notice. If a hearing is initiated and if it is determined that violations of the Rules occurred, the regulatory authority has the authority to impose monetary and/or non-monetary relief. Flipkart has begun the process of responding to the notice and, if the matter progresses to a consideration of the merits of the allegations described in the notice is initiated, Flipkart intends to defend against the allegations vigorously. Due to the fact that this process is in an early stage, the Company is unable to predict whether the notice will lead to a hearing on the merits or, if it does, the final outcome of the resulting proceedings. While the Company does not currently believe that this matter will have a material adverse effect on its business, financial condition, results of operations or cash flows, the Company can provide no assurance as to the scope or outcome of any proceeding that might result from the notice, the amount of the proceeds the Company may receive in indemnification from individuals and entities that sold shares to the Company under the 2018 agreement pursuant to which the Company acquired its majority stake in Flipkart, and can provide no assurance as to whether there will be a material adverse effect to its business or its Consolidated Financial Statements.



**III. ENVIRONMENTAL MATTERS:** Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed an applied threshold not to exceed \$1 million.

In December 2021, the Office of the Attorney General of the State of California filed suit against the Company, bringing enforcement claims regarding Walmart's management of waste consumer products at its California facilities that are alleged to be hazardous. The suit was filed in Superior Court of Alameda County, California, Case No. 21CV004367, People v. Walmart Inc. Trial is currently set for September 30, 2024. The Company believes it has strong defenses and is vigorously defending this litigation matter. While the Company cannot predict the ultimate outcome of this matter, the potential for penalties or settlement costs could exceed \$1 million. Although the Company does not believe that this matter will have a material adverse effect on its business, financial position, results of operations or cash flows, the Company can provide no assurance as to the scope and outcome of this matter and no assurance as to whether there will be a material adverse effect to its business or its Consolidated Financial Statements.

In October 2023, the Company received a Finding of Violation from the U.S. Environmental Protection Agency (the "EPA") alleging violations of the Clean Air Act in connection with the Company's refrigeration leak detection and repair program at certain of its facilities. The Company is evaluating the findings and cooperating with the EPA in its investigation. The EPA may seek to impose monetary and non-monetary penalties for the alleged violations of the Clean Air Act. Due to the fact that this process is in an early stage, the Company is unable to predict the final outcome of this matter. Although the Company does not believe this matter will have a material adverse effect on its business, financial position, results of operations or cash flows, the Company can provide no assurance as to the scope or outcome of this matter and no assurance as to whether there will be a material adverse effect to its business or its Consolidated Financial Statements.

**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

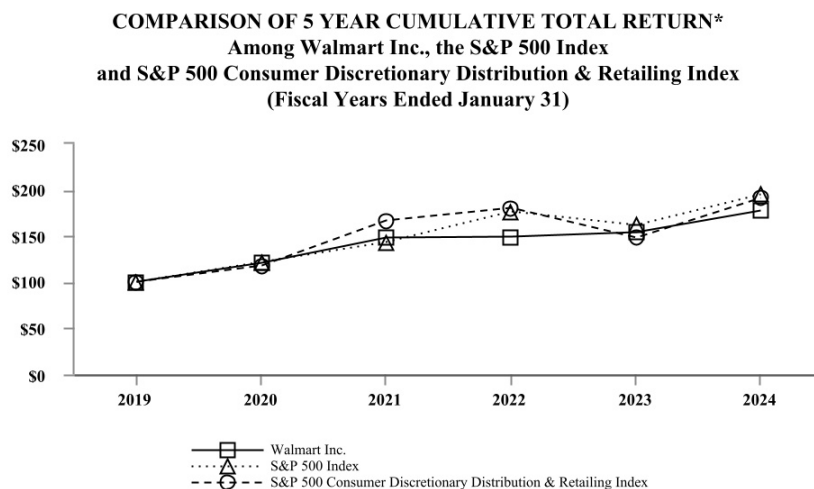
The principal market on which Walmart's common stock is listed for trading is the New York Stock Exchange. The common stock trades under the symbol "WMT."

#### Holders of Record of Common Stock

As of March 13, 2024, there were 200,344 holders of record of Walmart's common stock, although there is a much larger number of beneficial owners.

#### Stock Performance Chart

This graph compares the cumulative total shareholder return on Walmart's common stock during the five fiscal years ended through fiscal 2024 to the cumulative total returns on the S&P 500 Consumer Discretionary Distribution & Retailing Index (formerly named the S&P 500 Retailing Index) and the S&P 500 Index. The comparison assumes \$100 was invested on February 1, 2019 in shares of our common stock and in each of the indices shown and assumes that all of the dividends were reinvested.



\*Assumes \$100 Invested on February 1, 2019  
 Assumes Dividends Reinvested  
 Fiscal Year ended January 31, 2024

	Fiscal Years Ended January 31,					
	2019	2020	2021	2022	2023	2024
Walmart Inc.	\$ 100.00	\$ 120.27	\$ 148.41	\$ 148.47	\$ 153.58	\$ 177.30
S&P 500 Index	100.00	121.68	142.67	175.90	161.45	195.06
S&P 500 Consumer Discretionary Distribution & Retailing Index	100.00	117.54	166.19	180.56	147.66	190.67

#### Issuer Repurchases of Equity Securities

From time to time, the Company repurchases shares of our common stock under share repurchase programs authorized by the Company's Board of Directors. All repurchases made during fiscal 2024 were made under the current \$20.0 billion share repurchase program approved in November 2022, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases. As of January 31, 2024, authorization for \$16.5 billion of share repurchases remained under the 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, 2024, was as follows:

Fiscal Period	Total Number of Shares Repurchased <sup>(1)</sup>	Average Price Paid per Share (in dollars) <sup>(1)</sup>	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Approximate Dollar Value of Shares that May Yet Be Repurchased Under the Plans or Programs <sup>(2)</sup> (in billions)
November 1-30, 2023	5,340,951	\$ 51.99	5,340,951	\$ 17.8
December 1-31, 2023	13,913,403	51.41	13,913,403	17.1
January 1-31, 2024	10,211,025	53.62	10,211,025	16.5
<b>Total</b>	<u>29,465,379</u>		<u>29,465,379</u>	

<sup>(1)</sup> Share and per share information in this table has been adjusted to reflect the 3-for-1 common stock split effected on February 23, 2024. Refer to [Note 1](#).

<sup>(2)</sup> Represents the approximate dollar value of shares that could have been repurchased under the current plan at the end of the month.

**ITEM 6. RESERVED**

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

### **Overview**

This discussion, which presents our results for the fiscal years ended January 31, 2024 ("fiscal 2024"), January 31, 2023 ("fiscal 2023") and January 31, 2022 ("fiscal 2022"), 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 each of the three segments to provide a better understanding of how each of those segments and its results of operations affect the financial position and results of operations of the Company as a whole.

Throughout this Item 7, 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 and other measures as determined by the information regularly reviewed by our chief operating decision maker.

Management also measures the results of comparable store and club sales, or comparable sales, a metric that indicates the performance of our existing stores and clubs by measuring the change in sales for such stores and clubs, 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 digitally, including omni-channel transactions which are fulfilled through our stores and clubs as well as certain other business offerings that are part of our ecosystem, such as our Walmart Connect advertising business. Sales at 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. Sales related to divested businesses are excluded from comparable sales, and sales related to 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, the term currency exchange rates refers to the currency exchange rates we use to convert the operating results for countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior year period's currency exchange rates. Additionally, no currency exchange rate fluctuations are calculated for non-USD acquisitions until owned for 12 months. 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.

On February 23, 2024, the Company effected a 3-for-1 forward split of its common stock and a proportionate increase in the number of authorized shares. All share and per share information, including share based compensation, throughout this Annual Report on Form 10-K has been retroactively adjusted to reflect the stock split.

We have taken certain strategic actions across our segments, including an increased emphasis on investments in automation and supply chain as well as diversifying our earnings streams through category and business mix. Additionally, in the Walmart International segment, we have taken strategic actions to reshape our portfolio including the following highlights over the last three years:

- In February 2021, we completed the sale of Asda for net consideration of \$9.6 billion. Refer to [Note 12](#).
- In March 2021, we completed the sale of Seiyu for net consideration of \$1.2 billion. Refer to [Note 12](#).
- In November 2022, we completed the buyout of the noncontrolling interest shareholders of our Massmart subsidiary (Refer to [Note 3](#)) and in December 2022, we exited operations in certain countries in Africa.
- In December 2022, we increased our ownership in PhonePe as part of the separation from our majority-owned Flipkart subsidiary. Refer to [Note 3](#).

We operate in a highly competitive omni-channel 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, health and wellness, financial services, advertising and data service businesses. Many of these competitors are national, regional or international chains or have a national or international omni-channel or eCommerce presence. We compete with a number of companies for attracting and retaining quality associates. We, along with other retail companies, are

influenced by a number of factors including, but not limited to: catastrophic events, weather and other risks related to climate change, global health epidemics and pandemics, competitive pressures, consumer disposable income, consumer debt levels and buying patterns, consumer credit availability, disruptions in supply chain, inventory management, cost and availability of goods, currency exchange rate fluctuations, customer preferences, inflation, deflation, fuel and energy prices, general economic conditions, insurance costs, interest rates, labor availability and costs, tax rates, the imposition of tariffs, 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](#)."

We are committed to helping customers save money and live better through everyday low prices, supported by everyday low costs. Merchandise costs for fiscal 2024 continued to be impacted by inflation, however at a lower rate than we experienced in fiscal 2023. The impact to our net sales and gross profit margin is influenced in part by our pricing and merchandising strategies in response to cost increases. Those pricing strategies include but are not limited to: absorbing cost increases instead of passing those cost increases on to our customers and members; reducing prices in certain merchandise categories; focusing on opening price points for certain food categories; and when necessary, passing cost increases on to our customers and members. Merchandising strategies include, but are not limited to: working with our suppliers to reduce product costs and share in absorbing cost increases; focusing on private label brands and smaller pack sizes; earlier-than-usual purchasing and in greater volumes or moderating purchasing in certain categories; and securing ocean carrier and container capacity. These strategies have and may continue to impact gross profit as a percentage of net sales.

We expect continued uncertainty in our business and the global economy due to inflationary trends; swings in macroeconomic conditions and their effect on consumer confidence; volatility in employment trends; supply chain pressures; and ongoing uncertainties related to global health epidemics or pandemics, any of which may impact our results. For a detailed discussion on results of operations by reportable segment, refer to "[Results of Operations](#)" below.

### 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. We define our financial priorities as follows:

- Growth - serve customers through a seamless omni-channel experience;
- Margin - improve our operating income margin through productivity initiatives as well as category and business mix; and
- Returns - improve our Return on Investment ("ROI") through margin improvement and disciplined capital spend.

### Growth

Our objective of prioritizing growth means we will focus on serving customers and members however they want to shop through our omni-channel business model. This includes increasing comparable store and club sales through increasing membership at Sam's Club and through Walmart+, accelerating eCommerce sales growth and expansion of omni-channel initiatives that complement our strategy.

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 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, which may result in differences when compared to comparable sales using the retail calendar. We focus on comparable sales in the U.S. as we believe it is a meaningful metric within the context of the U.S. retail market where there is a single currency, one inflationary market and generally consistent store and club formats from year to year.

Calendar comparable sales, as well as the impact of fuel, for fiscal 2024 and 2023, were as follows:

	Fiscal Years Ended January 31,			
	2024	2023	2024	2023
	With Fuel		Fuel Impact	
Walmart U.S.	5.5%	7.0%	(0.1)%	0.4%
Sam's Club	2.3%	14.6%	(2.6)%	4.2%
<b>Total U.S.</b>	<b>4.9%</b>	<b>8.2%</b>	<b>(0.6)%</b>	<b>1.0%</b>

Comparable sales in the U.S., including fuel, increased 4.9% and 8.2% in fiscal 2024 and 2023, respectively, when compared to the previous fiscal year.

Walmart U.S. comparable sales increased 5.5% and 7.0% in fiscal 2024 and 2023, respectively. For fiscal 2024, comparable sales growth was driven by growth in transactions combined with growth in average ticket, including strong sales in grocery and health and wellness. For fiscal 2023, comparable sales growth was driven by growth in average ticket, including strong food sales and higher inflation impacts in certain merchandise categories, as well as growth in

transactions. Walmart U.S. eCommerce sales positively contributed approximately 2.6% and 0.7% to comparable sales for fiscal 2024 and 2023, respectively, which was primarily driven by store pickup and delivery.

Comparable sales at Sam's Club increased 2.3% and 14.6% in fiscal 2024 and 2023, respectively. For fiscal 2024, Sam's Club comparable sales benefited from growth in transactions and average ticket, including strong sales in grocery and health and wellness. Sam's Club comparable sales for fiscal 2023 benefited from growth in transactions and average ticket and included higher inflation impacts in certain merchandise categories. Sam's Club eCommerce sales positively contributed approximately 1.7% and 0.8% to comparable sales for fiscal 2024 and 2023, respectively.

## **Margin**

Our objective of prioritizing margin focuses on growth with a focus on incremental margin accretion through a combination of productivity improvements as well as category and business mix. We invest in technology and process improvements to increase productivity, manage inventory and reduce costs and we operate with discipline by managing expenses and optimizing the efficiency of how we work. Additionally, we focus on our mix of businesses, including the expansion of connected value streams with higher margins, such as advertising and membership income. Our objective is to achieve operating income leverage, which we define as growing operating income at a faster rate than net sales.

<i>(Amounts in millions, except unit counts)</i>	<b>Fiscal Years Ended January 31,</b>	
	<b>2024</b>	<b>2023</b>
Net sales	\$ 642,637	\$ 605,881
Percentage change from comparable period	6.1 %	6.7 %
Gross profit as a percentage of net sales	23.7 %	23.5 %
Operating, selling, general and administrative expenses as a percentage of net sales	20.4 %	21.0 %
Operating income	\$ 27,012	\$ 20,428
Operating income as a percentage of net sales	4.2 %	3.4 %

Gross profit as a percentage of net sales ("gross profit rate") increased 27 and decreased 98 basis points for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. For fiscal 2024, the increase was primarily driven by the Walmart U.S. segment, due to managing prices aligned to our competitive historic price gaps and lapping higher markdowns incurred in the prior year, partially offset by product mix shifts into lower margin categories. For fiscal 2023, the decrease was primarily due to markdowns and merchandise mix in the U.S., higher supply chain costs and inflation related LIFO charges in the Sam's Club segment.

For fiscal 2024, operating expenses as a percentage of net sales decreased 60 basis points when compared to the previous fiscal year. Operating expenses as a percentage of net sales were positively impacted by lapping charges of \$3.3 billion related to opioid-related legal settlements and \$0.8 billion related to the reorganization and restructuring of certain businesses in the Walmart International segment in the prior year.

For fiscal 2023, operating expenses as a percentage of net sales increased 23 basis points when compared to the previous fiscal year. Operating expenses as a percentage of net sales were negatively impacted by the charges related to opioid-related legal settlements and the reorganization and restructuring of certain businesses in the Walmart International segment discussed above. These charges were partially offset by growth in net sales and lower incremental COVID-19 costs.

Operating income as a percentage of net sales increased 83 basis points and decreased 120 basis points for fiscal 2024 and 2023, respectively, due to the factors described above.

## **Returns**

As we execute our financial framework, we believe our return on capital will improve over time. We measure return on capital with our return on assets, return on investment and free cash flow metrics. We also 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 strategic initiatives with possible short-term impacts. ROA was 6.6% and 4.6% for fiscal 2024 and 2023, respectively. The increase in ROA was primarily due to the increase in consolidated net income, which was driven by higher operating income. ROI was 15.0% and 12.7% for fiscal 2024 and 2023, respectively. The increase in ROI was the result of an increase in operating income, primarily due to lapping charges associated with opioid-related legal settlements as well as reorganization and restructuring expenses, all recorded in fiscal 2023, as well as improvements in business performance, partially offset by an increase in average invested capital, primarily due to higher purchases of property and equipment.

We define ROI as adjusted operating income (operating income plus interest income, depreciation and amortization, and rent expense) for the trailing twelve 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 amortization, less average accounts payable and average accrued liabilities for that period.

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 GAAP financial measure. For example, we exclude the impact of depreciation and amortization from our reported operating income in calculating the numerator of our calculation of ROI. As mentioned above, we consider ROA to be the financial measure computed in accordance with GAAP most directly comparable 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; and adjusts total assets for the impact of accumulated depreciation and amortization, accounts payable and accrued liabilities 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 measure, 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:

	Fiscal Years Ended January 31,	
	2024	2023
<i>(Amounts in millions)</i>		
<b>CALCULATION OF RETURN ON ASSETS</b>		
<b>Numerator</b>		
Consolidated net income	\$ 16,270	\$ 11,292
<b>Denominator</b>		
Average total assets <sup>(1)</sup>	\$ 247,798	\$ 244,029
<b>Return on assets (ROA)</b>	6.6 %	4.6 %
<b>CALCULATION OF RETURN ON INVESTMENT</b>		
<b>Numerator</b>		
Operating income	\$ 27,012	\$ 20,428
+ Interest income	546	254
+ Depreciation and amortization	11,853	10,945
+ Rent	2,277	2,306
ROI operating income	\$ 41,688	\$ 33,933
<b>Denominator</b>		
Average total assets <sup>(1)</sup>	\$ 247,798	\$ 244,029
+ Average accumulated depreciation and amortization <sup>(1)</sup>	114,944	106,249
- Average accounts payable <sup>(1)</sup>	55,277	54,502
- Average accrued liabilities <sup>(1)</sup>	29,943	28,593
Average invested capital	\$ 277,522	\$ 267,183
<b>Return on investment (ROI)</b>	15.0 %	12.7 %

<sup>(1)</sup> 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.

	As of January 31,		
	2024	2023	2022
<b>Certain Balance Sheet Data</b>			
Total assets	\$ 252,399	\$ 243,197	\$ 244,860
Accumulated depreciation and amortization	119,602	110,286	102,211
Accounts payable	56,812	53,742	55,261
Accrued liabilities	28,759	31,126	26,060

## Strategic Capital Allocation

Our strategy includes allocating the majority of our capital to higher-return areas focused on automation such as eCommerce, supply chain and store and club investments. The following table provides additional detail regarding our capital expenditures:

	Fiscal Years Ended January 31,	
	2024	2023
<i>(Amounts in millions)</i>		
<b>Allocation of Capital Expenditures</b>		
Supply chain, customer-facing initiatives and technology	\$ 11,828	\$ 9,209
Store and club remodels	5,792	4,990
New stores and clubs, including expansions and relocations	75	33
<b>Total U.S.</b>	\$ 17,695	\$ 14,232
Walmart International	2,911	2,625
<b>Total capital expenditures</b>	\$ 20,606	\$ 16,857

## 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 \$35.7 billion, \$28.8 billion and \$24.2 billion for fiscal 2024, 2023 and 2022, respectively. We generated free cash flow of \$15.1 billion, \$12.0 billion and \$11.1 billion for fiscal 2024, 2023 and 2022, respectively. The increase in net cash provided by operating activities in fiscal 2024 is primarily due to higher cash provided by operating income, as well as timing of certain payments and strategic inventory management as part of working capital initiatives, partially offset by payment of the remaining accrued opioid legal charges. Free cash flow for fiscal 2024 increased when compared to fiscal 2023 due to the increase in operating cash flows described above, partially offset by an increase of \$3.7 billion in capital expenditures to support our investment strategy. Net cash provided by operating activities for fiscal 2023 increased when compared to fiscal 2022 primarily due to moderated levels of inventory purchases, partially offset by a decline in operating income and the timing of certain payments. Free cash flow for fiscal 2023 increased when compared to fiscal 2022 due to the increase in net cash provided by operating activities described above, partially offset by an increase of \$3.8 billion in capital expenditures to support our investment strategy.

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 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,		
	2024	2023	2022
<i>(Amounts in millions)</i>			
Net cash provided by operating activities	\$ 35,726	\$ 28,841	\$ 24,181
Payments for property and equipment	(20,606)	(16,857)	(13,106)
<b>Free cash flow</b>	\$ 15,120	\$ 11,984	\$ 11,075
Net cash used in investing activities <sup>(1)</sup>	\$ (21,287)	\$ (17,722)	\$ (6,015)
Net cash used in financing activities	(13,414)	(17,039)	(22,828)

<sup>(1)</sup> "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,		
	2024	2023	2022
<i>(Amounts in millions, except unit counts)</i>			
Total revenues	\$ 648,125	\$ 611,289	\$ 572,754
Percentage change from comparable period	6.0 %	6.7 %	2.4 %
Net sales	\$ 642,637	\$ 605,881	\$ 567,762
Percentage change from comparable period	6.1 %	6.7 %	2.3 %
Total U.S. calendar comparable sales increase	4.9 %	8.2 %	7.7 %
Gross profit rate	23.7 %	23.5 %	24.4 %
Operating income	\$ 27,012	\$ 20,428	\$ 25,942
Operating income as a percentage of net sales	4.2 %	3.4 %	4.6 %
Loss on extinguishment of debt	\$ —	\$ —	\$ 2,410
Other (gains) and losses	\$ 3,027	\$ 1,538	\$ 3,000
Consolidated net income	\$ 16,270	\$ 11,292	\$ 13,940
Unit counts at period end <sup>(1)</sup>	10,616	10,623	10,593
Retail square feet at period end <sup>(1)</sup>	1,053	1,056	1,060

<sup>(1)</sup> Unit counts and associated retail square feet are presented for stores and clubs generally open as of period end, and reflects the removal of stores in the U.K. and Japan subsequent to closing the divestitures in fiscal 2022. Permanently closed locations are not included in these metrics.

Our total revenues, which includes net sales and membership and other income, increased \$36.8 billion or 6.0% and \$38.5 billion or 6.7% for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. These increases in revenues were primarily due to increases in net sales, which increased \$36.8 billion or 6.1% and \$38.1 billion or 6.7% for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. For fiscal 2024, the increase was primarily due to positive comparable sales for the Walmart U.S. and Sam's Club segments, which were driven by growth in transactions, combined with growth in average ticket, including strong sales in grocery and health and wellness, along with positive comparable sales across our international markets. Net sales were positively impacted by \$3.0 billion of fluctuations in currency exchange rates during fiscal 2024. For fiscal 2023, the increase was primarily due to strong positive comparable sales for the Walmart U.S. and Sam's Club segments which was driven by growth in average ticket, including strong food sales and higher inflation impacts in certain merchandise categories, as well as growth in transactions, along with positive comparable sales in all of our international markets. Additionally, net sales were negatively impacted by a decrease of \$5.0 billion related to the divestiture of our operations in the U.K. and Japan, which closed in the first quarter of fiscal 2022 and \$3.7 billion of fluctuations in currency exchange rates during fiscal 2023.

Our gross profit rate increased 27 basis points and decreased 98 basis points for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. For fiscal 2024, the increase was primarily driven by the Walmart U.S. segment, due to managing prices aligned to our competitive historic price gaps and lapping higher markdowns incurred in the prior year, partially offset by product mix shifts into lower margin categories. For fiscal 2023, the decrease was primarily due to markdowns and merchandise mix in the U.S., higher supply chain costs and inflation related LIFO charges in the Sam's Club segment.

For fiscal 2024, operating expenses as a percentage of net sales decreased 60 basis points when compared to the previous fiscal year. Operating expenses as a percentage of net sales were positively impacted by lapping charges of \$3.3 billion related to opioid-related legal settlements and \$0.8 billion related to the reorganization and restructuring of certain businesses in the Walmart International segment in the prior year. For fiscal 2023, operating expenses as a percentage of net sales increased 23 basis points when compared to the previous fiscal year. Operating expenses as a percentage of net sales were negatively impacted by the charges related to opioid-related legal settlements and the reorganization and restructuring of certain businesses in the Walmart International segment discussed above. These charges were partially offset by growth in net sales and lower incremental COVID-19 costs.

Loss on extinguishment of debt was \$2.4 billion in fiscal 2022 due to the early retirement of certain higher rate long-term debt to reduce interest expense in future periods. There were no such early retirements of debt in fiscal 2024 and fiscal 2023.

Other gains and losses consist of certain non-operating items, such as the change in the fair value of our investments and gains or losses on business dispositions, which by their nature can fluctuate from period to period. Other gains and losses consisted of a net loss of \$3.0 billion and \$1.5 billion for fiscal 2024 and 2023, respectively. The net loss in fiscal 2024 primarily consists of net losses associated with the fair value changes of our equity and other investments. The net loss in fiscal 2023 primarily consists of: net losses associated with the fair value changes of our equity and other investments; a gain of \$0.4 billion recognized on the sale of our remaining equity method investment in Brazil; and a \$0.2 billion dividend from one of our investments.

Our effective income tax rate was 25.5%, 33.6%, and 25.4% for fiscal 2024, 2023 and 2022, respectively. The higher effective tax rate in fiscal 2023 as compared to both fiscal 2024 and fiscal 2022 is primarily due to the tax impact of the business reorganization resulting in the full separation of PhonePe from Flipkart in fiscal 2023. Our effective income tax rate may also fluctuate as a result of various factors, including changes in our assessment of unrecognized tax benefits, valuation allowances, changes in tax law, outcomes of administrative audits, the impact of discrete items and the mix and size of earnings among our U.S. operations and international operations, which are subject to statutory rates that are generally higher than the U.S. statutory rate. The reconciliation from the U.S. statutory rate to the effective income tax rates for fiscal 2024, 2023 and 2022 is presented in [Note 9](#).

As a result of the factors discussed above, we reported \$16.3 billion and \$11.3 billion of consolidated net income for fiscal 2024 and 2023, respectively, which represents an increase of \$5.0 billion and a decrease of \$2.6 billion for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. Diluted net income per common share attributable to Walmart ("EPS") was \$1.91, \$1.42 and \$1.62 for fiscal 2024, 2023 and 2022, respectively.

### **Walmart U.S. Segment**

<i>(Amounts in millions, except unit counts)</i>	Fiscal Years Ended January 31,		
	2024	2023	2022
Net sales	\$ 441,817	\$ 420,553	\$ 393,247
Percentage change from comparable period	5.1 %	6.9 %	6.3 %
Calendar comparable sales increase	5.5 %	7.0 %	6.4 %
Operating income	\$ 22,154	\$ 20,620	\$ 21,587
Operating income as a percentage of net sales	5.0 %	4.9 %	5.5 %
Unit counts at period end	4,615	4,717	4,742
Retail square feet at period end	699	702	703

Net sales for the Walmart U.S. segment increased \$21.3 billion or 5.1% and \$27.3 billion or 6.9% for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. The increases in net sales were primarily due to increases in comparable sales of 5.5% and 7.0% for fiscal 2024 and 2023, respectively. Comparable sales in fiscal 2024 were driven by growth in transactions combined with growth in average ticket, including strong sales in grocery and health and wellness. Comparable sales in fiscal 2023 were driven by growth in average ticket, including strong food sales and higher inflation impacts in certain merchandise categories, as well as growth in transactions. Walmart U.S. eCommerce sales positively contributed approximately 2.6% and 0.7% to comparable sales for fiscal 2024 and 2023, respectively, which was primarily driven by store pickup and delivery.

Gross profit rate increased 20 basis points for fiscal 2024 and decreased 85 basis points for fiscal 2023, when compared to the respective previous fiscal year. The increase in fiscal 2024 gross profit rate was primarily due to managing prices aligned to our competitive historic price gaps and lapping higher net markdowns incurred in the prior year, partially offset by product mix shifts into lower margin categories. The decrease in fiscal 2023 gross profit rate was primarily due to net markdowns and product mix shifts into lower margin categories and increased supply chain costs, partially offset by price management impacts driven by cost inflation.

Operating expenses as a percentage of segment net sales increased 9 basis points for fiscal 2024 when compared to the previous fiscal year primarily driven by higher variable pay relative to last year as a result of exceeding our planned performance. For fiscal 2023, operating expenses as a percentage of segment net sales decreased 25 basis points primarily driven by strong sales growth and lower incremental COVID-19 related costs, partially offset by increased wage costs.

As a result of the factors discussed above, segment operating income increased \$1.5 billion and decreased \$1.0 billion for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year.

## Walmart International Segment

	Fiscal Years Ended January 31,		
	2024	2023	2022
(Amounts in millions, except unit counts)			
Net sales	\$ 114,641	\$ 100,983	\$ 100,959
Percentage change from comparable period	13.5 %	— %	(16.8)%
Operating income	\$ 4,909	\$ 2,965	\$ 3,758
Operating income as a percentage of net sales	4.3 %	2.9 %	3.7 %
Unit counts at period end	5,402	5,306	5,251
Retail square feet at period end	274	273	277

Net sales for the Walmart International segment increased \$13.7 billion or 13.5% for fiscal 2024 and were flat for 2023, when compared to the previous fiscal year. For fiscal 2024, the increase was primarily due to positive comparable sales across our international markets and positive fluctuations in currency exchange rates of \$3.0 billion during fiscal 2024. For fiscal 2023, net sales benefited from positive comparable sales across all of our international markets, offset by the impacts of a decrease of \$5.0 billion related to the divestiture of our operations in the U.K. and Japan, which closed in the first quarter of fiscal 2022, as well as \$3.7 billion of fluctuations in currency exchange rates during fiscal 2023.

Gross profit rate increased 20 basis points and decreased 50 basis points for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. For fiscal 2024, the increase was primarily driven by supply chain efficiencies partially offset by ongoing format and channel shifts. For fiscal 2023, the decrease was primarily driven by continued growth in lower margin formats and channels in China and category mix shifts into lower margin categories.

Operating expenses as a percentage of segment net sales decreased 152 basis points and increased 41 basis points for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. The decrease in operating expenses as a percentage of segment net sales for fiscal 2024 was primarily due to the lapping of business reorganization and restructuring charges incurred related to Flipkart and Massmart in fiscal 2023 and an increase in sales in the current year. The increase in operating expenses as a percentage of segment net sales for fiscal 2023, was primarily due to incurring these business reorganization and restructuring charges.

As a result of the factors discussed above, segment operating income increased \$1.9 billion and decreased \$0.8 billion for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year.

## Sam's Club Segment

	Fiscal Years Ended January 31,		
	2024	2023	2022
(Amounts in millions, except unit counts)			
<b>Including Fuel</b>			
Net sales	\$ 86,179	\$ 84,345	\$ 73,556
Percentage change from comparable period	2.2 %	14.7 %	15.1 %
Calendar comparable sales increase	2.3 %	14.6 %	15.0 %
Operating income	\$ 2,192	\$ 1,964	\$ 2,259
Operating income as a percentage of net sales	2.5 %	2.3 %	3.1 %
Unit counts at period end	599	600	600
Retail square feet at period end	80	80	80
<b>Excluding Fuel <sup>(1)</sup></b>			
Net sales	\$ 75,057	\$ 71,665	\$ 64,860
Percentage change from comparable period	4.7 %	10.5 %	9.6 %
Operating income	\$ 1,659	\$ 1,352	\$ 1,923
Operating income as a percentage of net sales	2.2 %	1.9 %	3.0 %

<sup>(1)</sup> We believe the "Excluding Fuel" information 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. Management uses such information to better measure underlying operating results in the segment.

Net sales for the Sam's Club segment increased \$1.8 billion or 2.2% and \$10.8 billion or 14.7% for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. The increases in net sales were primarily due to increases in comparable sales, including fuel, of 2.3% and 14.6% for fiscal 2024 and 2023, respectively. Comparable sales benefited from growth in transactions and average ticket, including strong sales in grocery and health and wellness. Additionally, fiscal 2024 growth was partially offset by lower fuel sales due to deflation in this category. Sam's Club eCommerce sales positively contributed approximately 1.7% and 0.8% to comparable sales for fiscal 2024 and 2023, respectively, which was primarily driven by curbside pickup and ship to home.

Gross profit rate increased 55 basis points and decreased 155 basis points for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. For fiscal 2024, the increase in gross profit rate was primarily due to the lapping of elevated markdowns in the prior year, partially offset by product mix shifts into lower margin categories. For fiscal 2023, the decrease in gross profit rate was primarily due to inventory markdowns, elevated supply chain and eCommerce fulfillment costs and inflation related LIFO charges.

Membership and other income increased 7.5% and 7.0% for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. For fiscal 2024 and 2023, the increases were primarily due to growth in membership base and Plus penetration. Fiscal 2024 was also positively impacted by higher Plus renewals, as well as the expiration of a promotional offering offsetting membership fee increases during the fourth quarter of fiscal 2024.

Operating expenses as a percentage of segment net sales increased 46 basis points and decreased 97 basis points for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year. Fiscal 2024 operating expenses as a percentage of net sales increased primarily due to lower fuel sales and elevated technology spend. Fiscal 2023 operating expenses as a percentage of net sales decreased primarily due to higher sales.

As a result of the factors discussed above, segment operating income increased \$0.2 billion and decreased \$0.3 billion for fiscal 2024 and 2023, respectively, when compared to the previous fiscal year.

## 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 dividends on our common stock and share repurchases. We believe our sources of liquidity will continue to be sufficient to fund operations, finance our global investment activities, pay dividends and fund our share repurchases for at least the next 12 months and for the foreseeable future.

### Net Cash Provided by Operating Activities

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
Net cash provided by operating activities	\$ 35,726	\$ 28,841	\$ 24,181

Net cash provided by operating activities was \$35.7 billion, \$28.8 billion and \$24.2 billion for fiscal 2024, 2023 and 2022, respectively. The increase in net cash provided by operating activities in fiscal 2024 is primarily due to higher cash provided by operating income, as well as timing of certain payments and strategic inventory management as part of working capital initiatives, partially offset by payment of the remaining accrued opioid legal charges. The increase in net cash provided by operating activities for fiscal 2023, when compared to the previous fiscal year, was primarily due to moderated levels of inventory purchases, partially offset by a decline in operating income and the timing of certain payments.

### Cash Equivalents and Working Capital Deficit

Cash and cash equivalents were \$9.9 billion and \$8.6 billion as of January 31, 2024 and 2023, respectively. Our working capital deficit, defined as total current assets less total current liabilities, was \$15.5 billion and \$16.5 billion as of January 31, 2024 and 2023, respectively. The decrease in our working capital deficit is primarily driven by a decrease in accrued liabilities primarily due to the payment of the remaining accrued opioid legal charges and an increase in cash, partially offset by an increase in accounts payable and a decrease in inventories as part of working capital initiatives. 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. Additionally, from time-to-time, we repatriate earnings and related cash from jurisdictions outside of the U.S. Under current law, repatriations of foreign earnings will generally be free of U.S. federal tax, but may incur other taxes such as withholding or state taxes. We do not expect current local laws, or other existing limitations on anticipated future repatriations of cash amounts held outside the U.S. to have a material effect on our overall liquidity, financial position or results of operations.

As of January 31, 2024 and 2023, cash and cash equivalents of \$3.5 billion and \$2.9 billion, respectively, may not be freely transferable to the U.S. due to local laws or other restrictions or are subject to the approval of the noncontrolling interest shareholders.

## Net Cash Used in Investing Activities

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
Net cash used in investing activities	\$ (21,287)	\$ (17,722)	\$ (6,015)

Net cash used in investing activities was \$21.3 billion, \$17.7 billion and \$6.0 billion for fiscal 2024, 2023 and 2022, respectively, and generally consisted of capital expenditures. Net cash used in investing activities increased \$3.6 billion for fiscal 2024 when compared to the previous fiscal year primarily due to increased payments for property and equipment. Net cash used in investing activities increased \$11.7 billion for fiscal 2023 when compared to the previous fiscal year, primarily due to the result of lapping the net proceeds received from the divestitures of our operations in the U.K. and Japan and an increase in capital expenditures to support our investment strategy.

### Capital expenditures

Refer to the "[Strategic Capital Allocation](#)" section in our [Company Performance Metrics](#) for capital expenditure detail for fiscal 2024 and 2023. For the fiscal year ending January 31, 2025 ("fiscal 2025"), we project capital expenditures will be approximately \$20 billion to \$24 billion, with a focus on technology, supply chain, and customer-facing initiatives.

## Net Cash Used in Financing Activities

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
Net cash used in financing activities	\$ (13,414)	\$ (17,039)	\$ (22,828)

Net cash from financing activities generally consists of debt transactions, dividends paid, repurchases of Company stock and transactions with noncontrolling interest shareholders. Fiscal 2024 net cash used in financing activities decreased \$3.6 billion when compared to the previous fiscal year. The decrease is primarily due to fewer repurchases of Company stock, partially offset by the purchase of certain noncontrolling interests. Fiscal 2023 net cash used in financing activities decreased \$5.8 billion when compared to the previous fiscal year. The decrease was primarily due to repayments of long-term debt and related payment of premiums for the early extinguishment of certain notes in the prior fiscal year, partially offset by the equity funding from the sale of subsidiary stock in the prior fiscal year.

### Purchase and Sale of Subsidiary Stock

During fiscal 2024, we paid \$3.5 billion to acquire shares from certain Flipkart noncontrolling interest holders and settle the liability to former noncontrolling interest holders of PhonePe. Additionally, we received \$0.7 billion related to new rounds of equity funding for the Company's majority owned PhonePe subsidiary.

During fiscal 2023, we completed a \$0.4 billion buyout of the noncontrolling interest shareholders of our Massmart subsidiary and completed a \$0.4 billion acquisition of Alert Innovation, bringing our ownership to approximately 100% of both Massmart and Alert Innovation.

During fiscal 2022, we received \$3.2 billion primarily related to a new equity funding for our majority-owned Flipkart subsidiary.

### Short-term Borrowings

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. The following table includes additional information related to the our short-term borrowings for fiscal 2024, 2023 and 2022:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
Maximum amount outstanding at any month-end	\$ 9,942	\$ 11,432	\$ 716
Average daily short-term borrowings	4,295	7,250	626
Annual weighted-average interest rate	5.1 %	2.4 %	3.7 %

Short-term borrowings as of January 31, 2024 and 2023 were \$0.9 billion and \$0.4 billion, respectively, with weighted-average interest rates of 7.7% and 6.6%, respectively. We also have \$15.0 billion of various undrawn committed lines of credit in the U.S. as of January 31, 2024 that provide additional liquidity, if needed. Additionally, we maintain access to various credit facilities outside of the U.S. to further support our Walmart International segment operations, as needed.

As of January 31, 2024, we have \$2.1 billion of syndicated and fronted letters of credit available, of which \$1.7 billion was drawn and represents an unrecorded current obligation.

## Long-term Debt

The following table provides the changes in our long-term debt for fiscal 2024:

<i>(Amounts in millions)</i>	<b>Long-term debt due within one year</b>	<b>Long-term debt</b>	<b>Total</b>
<b>Balances as of February 1, 2023</b>	\$ 4,191	\$ 34,649	\$ 38,840
Proceeds from issuance of long-term debt	—	4,967	4,967
Repayments of long-term debt	(4,213)	(4)	(4,217)
Reclassifications of long-term debt	3,486	(3,486)	—
Currency and other adjustments	(17)	6	(11)
<b>Balances as of January 31, 2024</b>	<u>\$ 3,447</u>	<u>\$ 36,132</u>	<u>\$ 39,579</u>

Our total outstanding long-term debt increased \$0.7 billion during fiscal 2024, primarily due to the issuance of new long-term debt in April 2023, partially offset by the maturities of certain long-term debt. Refer to [Note 6](#) to our Consolidated Financial Statements for details on the issuances of long-term debt.

Estimated contractual interest payments associated with our long-term debt amount to \$20.2 billion, with approximately \$1.8 billion expected to be paid in fiscal 2025. Estimated interest payments are based on our principal amounts and expected maturities of all debt outstanding as of January 31, 2024, and assumes interest rates remain at current levels for our variable rate instruments.

### Dividends

Our total dividend payments were \$6.1 billion, \$6.1 billion and \$6.2 billion for fiscal 2024, 2023 and 2022, respectively. Effective February 20, 2024, the Company approved the fiscal 2025 annual dividend of \$0.83 per share, an increase over the fiscal 2024 annual dividend of \$0.76 per share. For fiscal 2025, the annual dividend will be paid in four quarterly installments of \$0.2075 per share, according to the following record and payable dates:

<b>Record Date</b>	<b>Payable Date</b>
March 15, 2024	April 1, 2024
May 10, 2024	May 28, 2024
August 16, 2024	September 3, 2024
December 13, 2024	January 6, 2025

### Company 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 fiscal 2024 were made under the current \$20.0 billion share repurchase program approved in November 2022, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases. As of January 31, 2024, authorization for \$16.5 billion of share repurchases remained under the 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 majority of the ongoing share repurchase program will be funded through the Company's free cash flow.

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 2024, 2023 and 2022:

<i>(Amounts in millions, except per share data)</i>	<b>Fiscal Years Ended January 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Total number of shares repurchased	54.6	221.8	209.1
Average price paid per share	\$ 50.87	\$ 44.72	\$ 46.82
Total amount paid for share repurchases	\$ 2,779	\$ 9,920	\$ 9,787

### Material Cash Requirements

Material cash requirements from operating activities primarily consist of inventory purchases, employee related costs, taxes, interest and other general operating expenses, which we expect to be primarily satisfied by our cash from operations. Other material cash requirements from known contractual and other obligations include short-term borrowings, long-term debt and related interest payments, leases and purchase obligations. See [Note 6](#) and [Note 7](#) to our Consolidated Financial Statements for information regarding outstanding short-term borrowings and long-term debt, and leases, respectively.

As of January 31, 2024, the Company has \$34.3 billion of unrecorded purchase obligations outstanding, of which \$14.6 billion is due within one year. 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. 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 obligations quantified above. Accordingly, purchase orders for inventory are also excluded 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. 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.

### Capital Resources

We believe our cash flows from operations, current cash position, short-term borrowings and access to capital markets will continue to be sufficient to meet our anticipated cash requirements and contractual obligations, which includes funding seasonal buildups in merchandise inventories and funding our capital expenditures, acquisitions, 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. As of January 31, 2024, 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.

### Other Matters

In [Note 10](#) to our Consolidated Financial Statements, which is captioned "Contingencies" and appears in [Part II](#) of this Annual Report on Form 10-K under the caption "[Item 8. Financial Statements and Supplementary Data](#)," we discuss, under the sub-captions "*Settlement Framework Regarding Multidistrict and State or Local Opioid Related Litigation*," and "*Other Opioid Related Litigation*" the Prescription Opiate Litigation, the Settlement Framework, and other matters, including certain risks arising therefrom. In that [Note 10](#), we also discuss under the sub-caption "*Asda Equal Value Claims*" the Company's indemnification obligation for the Asda Equal Value Claims matter, under the sub-caption "*Money Transfer Agent Services Matters*," a United States Federal Trade Commission complaint related to money transfers and the Company's anti-fraud program and a government investigation by the U.S. Attorney's Office for the Middle District of Pennsylvania into the Company's consumer fraud prevention and anti-money laundering compliance related to the Company's money transfer agent services as well as under the sub-caption "*Mexico Antitrust Matter*," we disclose the main Mexican operating subsidiary of Wal-Mart de México was notified of the initiation of a quasi-judicial administrative process against it for alleged relative monopolistic practices in connection with the supply and wholesale distribution of certain consumer goods, retail marketing practices of such consumer goods and related services. We discuss various legal proceedings related to the Federal and State Prescription Opiate Litigation, the Settlement Framework, DOJ Opioid Civil Litigation and Opioids Related Securities Class Actions and Derivative Litigation in [Part I](#) of this Annual Report on Form 10-K under the caption "[Item 3. Legal Proceedings](#)," under the sub-caption "I. Supplemental Information." We also discuss the Foreign Direct Investment Matters in [Part I](#) of this Annual Report on Form 10-K under the caption "[Item 3. Legal Proceedings](#)," under the sub-caption "II. Certain Other Matters." We also discuss an environmental matter with the State of California in [Part I](#) of this Annual Report on Form 10-K under the caption "[Item 3. Legal Proceedings](#)," under the sub-caption "III. Environmental Matters." The foregoing matters and other

matters described elsewhere in this Annual Report on Form 10-K represent contingent liabilities of the Company that may or may not result in the incurrence of a material liability by the Company upon their final resolution.

### **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 including 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.

### ***Contingencies***

We are involved in a number of legal proceedings and certain regulatory matters. We record a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. We also perform an assessment of the materiality of loss contingencies where a loss is either reasonably possible or it is reasonably possible that a loss could be incurred in excess of amounts accrued. If a loss or an additional loss has at least a reasonable possibility of occurring and the impact on the financial statements would be material, we provide disclosure of the loss contingency in the footnotes to our financial statements. We review all contingencies at least quarterly to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or the range of the loss can be made. Although we are not able to predict the outcome or reasonably estimate a range of possible losses in certain matters described in [Note 10](#) to our Consolidated Financial Statements and have not recorded an associated accrual related to these matters, an adverse judgment or negotiated resolution in any of these matters could have a material adverse effect on our business, reputation, financial position, results of operations or cash flows.

### ***Uncertain Tax Positions***

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. 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. Accordingly, the determination of our uncertain tax positions requires judgment, the use of estimates in certain cases and the interpretation and application of complex tax laws.

## **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, currency exchange rates and the fair values of certain equity and equity method investments measured on a recurring basis.

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. 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 2024, the net fair value of our interest rate swaps increased \$35 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 long-term debt, 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 as of January 31, 2024.

(Amounts in millions)	Expected Maturity Date							Total
	Fiscal 2025	Fiscal 2026	Fiscal 2027	Fiscal 2028	Fiscal 2029	Thereafter		
<b>Liabilities</b>								
<b>Short-term borrowings:</b>								
Variable rate	\$ 878	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 878
Weighted-average interest rate	7.7 %	— %	— %	— %	— %	— %	— %	7.7 %
<b>Long-term debt<sup>(1)</sup>:</b>								
Fixed rate	\$ 3,447	\$ 2,600	\$ 3,483	\$ 1,760	\$ 3,458	\$ 24,831	\$ —	\$ 39,579
Weighted-average interest rate	3.0 %	3.8 %	2.5 %	3.6 %	3.0 %	4.5 %	— %	3.9 %
<b>Interest rate derivatives</b>								
<b>Interest rate swaps:</b>								
Fixed to variable	\$ 1,500	\$ —	\$ —	\$ —	\$ 1,250	\$ 3,521	\$ —	\$ 6,271
Weighted-average pay rate	6.7 %	— %	— %	— %	5.7 %	6.9 %	— %	6.6 %
Weighted-average receive rate	3.3 %	— %	— %	— %	1.5 %	2.9 %	— %	2.7 %

<sup>(1)</sup> Includes deferred loan costs, discounts, fair value hedges, foreign-held debt and secured debt.

As of January 31, 2024, our variable rate borrowings, including the effect of our commercial paper and interest rate swaps, represented 18% of our total short-term and long-term debt. Based on January 31, 2024 debt levels, a 100 basis point change in prevailing market rates would cause our annual interest costs to change by approximately \$0.1 billion.

#### Foreign Currency Risk

We are exposed to fluctuations in currency exchange rates as a result of our investments and operations in countries other than the U.S., as well as our foreign-currency-denominated long-term debt. For fiscal 2024, movements in currency exchange rates and the related impact on the translation of the balance sheets resulted in the \$0.3 billion net 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. The aggregate fair value of these swaps was in a liability position of \$1.3 billion and \$1.4 billion as of January 31, 2024 and January 31, 2023, respectively. The change in the fair value of these swaps was due to fluctuations in currency exchange rates, primarily due to the strengthening of certain currencies relative to the U.S. dollar in fiscal 2024. The hypothetical result of a uniform 10% weakening in the value of the U.S. dollar relative to other currencies underlying these swaps would have resulted in a change in the value of the swaps of \$0.7 billion. A hypothetical 10% change in interest rates underlying these swaps from the market rates in effect as of January 31, 2024 would have resulted in a change in the value of the swaps of \$0.1 billion.

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

We are exposed to investment risk primarily related to changes in the fair value of certain equity investments, including certain immaterial equity method investments where we have elected the fair value option, measured on a recurring basis. The amounts of gains and losses included in earnings from fair value changes for these investments are recorded within other gains and losses and resulted in a net loss of \$3.8 billion in fiscal 2024 primarily due to net decreases in the underlying stock prices of these investments. As of January 31, 2024, the fair value of our equity investments, including certain equity method investments, measured on a recurring basis was \$7.2 billion. As of January 31, 2024, a hypothetical 10% change in the stock price of such investments would have changed the fair value of such investments by approximately \$0.7 billion.

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

**Consolidated Financial Statements of Walmart Inc.  
For the Fiscal Year Ended January 31, 2024**

**Table of Contents**

	<b>Page</b>
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	51
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	53
Consolidated Statements of Income	54
Consolidated Statements of Comprehensive Income	55
Consolidated Balance Sheets	56
Consolidated Statements of Shareholders' Equity	57
Consolidated Statements of Cash Flows	58
Notes to Consolidated Financial Statements	59

## 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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2024, 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, 2024, 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 15, 2024 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.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the Consolidated Financial Statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

#### *Contingencies*

Description of the Matter

As described in Note 10 to the Consolidated Financial Statements, at January 31, 2024, the Company is involved in a number of legal proceedings and certain regulatory matters. The Company records a liability for those legal proceedings and regulatory matters when management determines it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses when it is reasonably possible that a material loss may be incurred. In assessing the probability of occurrence and whether an estimate of loss can be reasonably estimated for a particular legal proceeding, management exercises judgment on matters relevant to each proceeding. Auditing management's accounting for, and disclosure of, loss contingencies was complex and highly judgmental as it involved our assessment of the significant judgments made by management when assessing the probability of loss for contingencies or when determining whether an estimate of the loss or range of loss could be made.

How We Addressed  
the Matter in Our  
Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the identification and evaluation of contingencies. For example, we tested controls over the Company's assessment of the likelihood of loss and the Company's determinations regarding the measurement of loss.

To test the Company's assessment of the probability of loss or determination of an estimate of loss, or range of loss, among other procedures, we read the minutes of the meetings of the board of directors and committees of the board of directors, reviewed documents provided to the Company by certain outside legal counsel, read letters received directly by us from internal and outside legal counsel, evaluated the current status of contingencies based on discussions with internal and outside legal counsel, and obtained representations from management. We also assessed the adequacy of the related disclosures.

/s/ Ernst & Young LLP

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

Rogers, Arkansas  
March 15, 2024

## 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, 2024, 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, 2024, 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 consolidated balance sheets of the Company as of January 31, 2024 and 2023, 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, 2024, and the related notes and our report dated March 15, 2024 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 15, 2024

**Walmart Inc.**  
**Consolidated Statements of Income**

	Fiscal Years Ended January 31,		
	2024	2023	2022
<i>(Amounts in millions, except per share data)</i>			
<b>Revenues:</b>			
Net sales	\$ 642,637	\$ 605,881	\$ 567,762
Membership and other income	5,488	5,408	4,992
Total revenues	<u>648,125</u>	<u>611,289</u>	<u>572,754</u>
<b>Costs and expenses:</b>			
Cost of sales	490,142	463,721	429,000
Operating, selling, general and administrative expenses	130,971	127,140	117,812
<b>Operating income</b>	<u>27,012</u>	<u>20,428</u>	<u>25,942</u>
<b>Interest:</b>			
Debt	2,259	1,787	1,674
Finance lease	424	341	320
Interest income	(546)	(254)	(158)
Interest, net	<u>2,137</u>	<u>1,874</u>	<u>1,836</u>
Loss on extinguishment of debt	—	—	2,410
Other (gains) and losses	3,027	1,538	3,000
<b>Income before income taxes</b>	<u>21,848</u>	<u>17,016</u>	<u>18,696</u>
Provision for income taxes	5,578	5,724	4,756
<b>Consolidated net income</b>	<u>16,270</u>	<u>11,292</u>	<u>13,940</u>
Consolidated net (income) loss attributable to noncontrolling interest	(759)	388	(267)
<b>Consolidated net income attributable to Walmart</b>	<u>\$ 15,511</u>	<u>\$ 11,680</u>	<u>\$ 13,673</u>
<b>Net income per common share:</b>			
Basic net income per common share attributable to Walmart	\$ 1.92	\$ 1.43	\$ 1.63
Diluted net income per common share attributable to Walmart	1.91	1.42	1.62
<b>Weighted-average common shares outstanding:</b>			
Basic	8,077	8,171	8,376
Diluted	8,108	8,202	8,415
<b>Dividends declared per common share</b>	\$ 0.7600	\$ 0.7467	\$ 0.7333

See accompanying notes.

**Walmart Inc.**  
**Consolidated Statements of Comprehensive Income**

<i>(Amounts in millions)</i>	Fiscal Years Ended January 31,		
	2024	2023	2022
<b>Consolidated net income</b>	\$ 16,270	\$ 11,292	\$ 13,940
Consolidated net (income) loss attributable to noncontrolling interest	(759)	388	(267)
<b>Consolidated net income attributable to Walmart</b>	15,511	11,680	13,673
<b>Other comprehensive income (loss), net of income taxes</b>			
Currency translation and other	899	(1,858)	2,442
Net investment hedges	—	—	(1,202)
Cash flow hedges	56	(203)	(444)
Minimum pension liability	(11)	5	1,974
<b>Other comprehensive income (loss), net of income taxes</b>	944	(2,056)	2,770
Other comprehensive (income) loss attributable to noncontrolling interest	(566)	404	230
<b>Other comprehensive income (loss) attributable to Walmart</b>	378	(1,652)	3,000
<b>Comprehensive income, net of income taxes</b>	17,214	9,236	16,710
Comprehensive (income) loss attributable to noncontrolling interest	(1,325)	792	(37)
<b>Comprehensive income attributable to Walmart</b>	\$ 15,889	\$ 10,028	\$ 16,673

See accompanying notes.

**Walmart Inc.**  
**Consolidated Balance Sheets**

(Amounts in millions)	As of January 31,	
	2024	2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,867	\$ 8,625
Receivables, net	8,796	7,933
Inventories	54,892	56,576
Prepaid expenses and other	3,322	2,521
Total current assets	76,877	75,655
Property and equipment, net	110,810	100,760
Operating lease right-of-use assets	13,673	13,555
Finance lease right-of-use assets, net	5,855	4,919
Goodwill	28,113	28,174
Other long-term assets	17,071	20,134
<b>Total assets</b>	\$ 252,399	\$ 243,197
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 878	\$ 372
Accounts payable	56,812	53,742
Accrued liabilities	28,759	31,126
Accrued income taxes	307	727
Long-term debt due within one year	3,447	4,191
Operating lease obligations due within one year	1,487	1,473
Finance lease obligations due within one year	725	567
Total current liabilities	92,415	92,198
Long-term debt	36,132	34,649
Long-term operating lease obligations	12,943	12,828
Long-term finance lease obligations	5,709	4,843
Deferred income taxes and other	14,629	14,688
Commitments and contingencies		
Redeemable noncontrolling interest	222	237
<b>Equity:</b>		
Common stock	805	808
Capital in excess of par value	4,544	4,430
Retained earnings	89,814	83,135
Accumulated other comprehensive loss	(11,302)	(11,680)
Total Walmart shareholders' equity	83,861	76,693
Noncontrolling interest	6,488	7,061
Total equity	90,349	83,754
<b>Total liabilities, redeemable noncontrolling interest, and equity</b>	\$ 252,399	\$ 243,197

See accompanying notes.



**Walmart Inc.**  
**Consolidated Statements of Shareholders' Equity**

<i>(Amounts in millions)</i>	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Walmart Shareholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Amount						
<b>Balances as of February 1, 2021</b>	8,464	\$ 846	\$ 3,082	\$ 88,763	\$ (11,766)	\$ 80,925	\$ 6,606	\$ 87,531
Consolidated net income	—	—	—	13,673	—	13,673	267	13,940
Other comprehensive income (loss), net of income taxes	—	—	—	—	3,000	3,000	(230)	2,770
Cash dividends declared (\$0.7333 per share)	—	—	—	(6,152)	—	(6,152)	—	(6,152)
Purchase of Company stock	(210)	(21)	(412)	(9,375)	—	(9,808)	—	(9,808)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(416)	(416)
Sale of subsidiary stock	—	—	952	—	—	952	2,287	3,239
Other	30	3	665	(5)	—	663	124	787
<b>Balances as of January 31, 2022</b>	8,284	828	4,287	86,904	(8,766)	83,253	8,638	91,891
Consolidated net income	—	—	—	11,680	—	11,680	(388)	11,292
Other comprehensive (loss), net of income taxes	—	—	—	—	(1,652)	(1,652)	(404)	(2,056)
Cash dividends declared (\$0.7467 per share)	—	—	—	(6,114)	—	(6,114)	—	(6,114)
Purchase of Company stock	(221)	(22)	(518)	(9,326)	—	(9,866)	—	(9,866)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(449)	(449)
Purchase of noncontrolling interest	—	—	(18)	—	(1,262)	(1,280)	(493)	(1,773)
Sale of subsidiary stock	—	—	48	—	—	48	18	66
Other	17	2	631	(9)	—	624	139	763
<b>Balances as of January 31, 2023</b>	8,080	808	4,430	83,135	(11,680)	76,693	7,061	83,754
Consolidated net income	—	—	—	15,511	—	15,511	774	16,285
Other comprehensive income, net of income taxes	—	—	—	—	378	378	566	944
Cash dividends declared (\$0.7600 per share)	—	—	—	(6,140)	—	(6,140)	—	(6,140)
Purchase of Company stock	(55)	(6)	(150)	(2,635)	—	(2,791)	—	(2,791)
Cash dividend declared to noncontrolling interest	—	—	—	—	—	—	(776)	(776)
Purchase of noncontrolling interest	—	—	(1,076)	—	—	(1,076)	(1,367)	(2,443)
Sale of subsidiary stock	—	—	562	—	—	562	154	716
Other	29	3	778	(57)	—	724	76	800
<b>Balances as of January 31, 2024</b>	8,054	805	4,544	89,814	(11,302)	83,861	6,488	90,349

See accompanying notes.

**Walmart Inc.**  
**Consolidated Statements of Cash Flows**

	Fiscal Years Ended January 31,		
	2024	2023	2022
<i>(Amounts in millions)</i>			
<b>Cash flows from operating activities:</b>			
Consolidated net income	\$ 16,270	\$ 11,292	\$ 13,940
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization	11,853	10,945	10,658
Net unrealized and realized (gains) and losses	3,193	1,683	2,440
Losses on disposal of business operations	—	—	433
Deferred income taxes	(175)	449	(755)
Loss on extinguishment of debt	—	—	2,410
Other operating activities	2,642	1,919	1,652
Changes in certain assets and liabilities, net of effects of acquisitions and dispositions:			
Receivables, net	(797)	240	(1,796)
Inventories	2,017	(528)	(11,764)
Accounts payable	2,515	(1,425)	5,520
Accrued liabilities	(1,324)	4,393	1,404
Accrued income taxes	(468)	(127)	39
Net cash provided by operating activities	35,726	28,841	24,181
<b>Cash flows from investing activities:</b>			
Payments for property and equipment	(20,606)	(16,857)	(13,106)
Proceeds from the disposal of property and equipment	250	170	394
Proceeds from disposal of certain operations, net of divested cash	135	—	7,935
Payments for business acquisitions, net of cash acquired	(9)	(740)	(359)
Other investing activities	(1,057)	(295)	(879)
Net cash used in investing activities	(21,287)	(17,722)	(6,015)
<b>Cash flows from financing activities:</b>			
Net change in short-term borrowings	512	(34)	193
Proceeds from issuance of long-term debt	4,967	5,041	6,945
Repayments of long-term debt	(4,217)	(2,689)	(13,010)
Premiums paid to extinguish debt	—	—	(2,317)
Dividends paid	(6,140)	(6,114)	(6,152)
Purchase of Company stock	(2,779)	(9,920)	(9,787)
Dividends paid to noncontrolling interest	(763)	(444)	(424)
Purchase of noncontrolling interest	(3,462)	(827)	—
Sale of subsidiary stock	716	66	3,239
Other financing activities	(2,248)	(2,118)	(1,515)
Net cash used in financing activities	(13,414)	(17,039)	(22,828)
Effect of exchange rates on cash, cash equivalents and restricted cash	69	(73)	(140)
Net increase (decrease) in cash, cash equivalents and restricted cash	1,094	(5,993)	(4,802)
Change in cash and cash equivalents reclassified from assets held for sale	—	—	1,848
Cash, cash equivalents and restricted cash at beginning of year	8,841	14,834	17,788
Cash, cash equivalents and restricted cash at end of year	\$ 9,935	\$ 8,841	\$ 14,834
<b>Supplemental disclosure of cash flow information:</b>			
Income taxes paid	\$ 5,879	\$ 3,310	\$ 5,918
Interest paid	2,519	2,051	2,237

See accompanying notes.

## Walmart Inc.

### Notes to Consolidated Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### *General*

Walmart Inc. ("Walmart" or the "Company") is a people-led, technology-powered omni-channel retailer dedicated to helping people around the world save money and live better – anytime and anywhere – by providing the opportunity to shop in both retail stores and through eCommerce. Through innovation, the Company is striving to continuously improve a customer-centric experience that seamlessly integrates eCommerce and retail stores in an omni-channel offering that saves time for its customers.

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, 2024 ("fiscal 2024"), January 31, 2023 ("fiscal 2023") and January 31, 2022 ("fiscal 2022"). 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 common stock or in-substance common stock for which the Company exercises significant influence but does not have control are accounted for under the equity method. These variable interest entities and 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 2024 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 ("GAAP"). 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.

##### *Common Stock Split*

On February 23, 2024, the Company effected a 3-for-1 forward split of its common stock and a proportionate increase in the number of authorized shares. All share and per share information, including share based compensation, throughout this Annual Report on Form 10-K has been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of \$0.10 per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from capital in excess of par value to common stock.

##### *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 \$2.1 billion and \$2.0 billion as of January 31, 2024 and 2023, respectively.

The Company's cash balances are held in various locations around the world. Of the Company's \$9.9 billion and \$8.6 billion in cash and cash equivalents as of January 31, 2024 and January 31, 2023, approximately 60% and 62% were held outside of the U.S., respectively. 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.

As of January 31, 2024 and 2023, cash and cash equivalents of approximately \$3.5 billion and \$2.9 billion, respectively, may not be freely transferable to the U.S. due to local laws, other restrictions or are subject to the approval of the noncontrolling interest shareholders.

### Receivables

Receivables are stated at their carrying values, net of a reserve for doubtful accounts, and are primarily due from the following: customers, which includes pharmacy insurance companies as well as advertisers, and banks for customer credit, debit cards and electronic transfer transactions that take in excess of seven days to process; suppliers for marketing or incentive programs; governments for income taxes; and real estate transactions. Net receivables from transactions with customers were \$3.7 billion as of January 31, 2024 and January 31, 2023.

### Inventories

The Company utilizes various inventory methods to account for and value its inventories depending upon the nature of the store formats and businesses in each of its segments, resulting in inventories that are recorded at the lower of cost or market or net realizable value, as appropriate.

- Walmart U.S. Segment - Inventories are primarily accounted for under the retail inventory method of accounting ("RIM") to determine inventory cost, using the last-in, first-out ("LIFO") valuation method. RIM generally results in inventory being valued at the lower of cost or market as permanent markdowns are immediately recorded as a reduction of the retail value of inventory.
- Walmart International Segment – Depending on the store format in each market, inventories are generally accounted for using either the RIM or weighted-average cost method, using the first-in, first-out valuation method.
- Sam's Club Segment - The majority of this segment's inventory is accounted for and valued using the weighted-average cost LIFO method.

For those segments that utilize the LIFO method, the Company records an adjustment each quarter, if necessary, for the projected annual effect of inflation or deflation. These estimates are adjusted to actual results determined at year end for inflation or deflation and inventory levels.

### 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 expensed 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>(Dollars in millions)</i>	Estimated Useful Lives (in Years)	As of January 31,	
		2024	2023
Land	N/A	\$ 19,562	\$ 19,317
Buildings and improvements	3 - 40	111,767	104,554
Fixtures and equipment	2 - 30	72,161	65,235
Transportation equipment	3 - 15	2,979	2,462
Construction in progress	N/A	13,390	10,802
<b>Property and equipment</b>		<b>219,859</b>	<b>202,370</b>
Accumulated depreciation		(109,049)	(101,610)
<b>Property and equipment, net</b>		<b>\$ 110,810</b>	<b>\$ 100,760</b>

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 finance leases and intangible assets for fiscal 2024, 2023 and 2022 was \$11.9 billion, \$10.9 billion and \$10.7 billion, respectively.

### Leases

For any new or modified lease, the Company, at the inception of the contract, determines whether a contract is or contains a lease. The Company records right-of-use ("ROU") assets and lease obligations for its finance and operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. If the rate implicit in the Company's leases is not readily determinable, the Company's applicable incremental borrowing rate is used in calculating the present value of the sum of the lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option. The Company has elected not to recognize ROU asset and lease obligations for its short-term leases, which are defined as leases with an initial term of 12 months or less.

For a majority of all classes of underlying assets, the Company has elected to not separate lease from non-lease components. For leases in which the lease and non-lease components have been combined, the variable lease expense includes expenses such as common area maintenance, utilities and repairs and maintenance.

### Impairment of Long-Lived Assets

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 typically assigned to the reporting unit which consolidates the acquisition. Components within the same reportable segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics. As of January 31, 2024, the Company's reporting units consisted of Walmart U.S., Walmart International and Sam's Club. Goodwill and other indefinite-lived acquired intangible assets are 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. Management has performed its evaluation and determined the fair value of each reporting unit is significantly greater than the carrying amount and, accordingly, the Company has not recorded any impairment charges related to goodwill during fiscal 2024, fiscal 2023 or fiscal 2022.

The following table reflects goodwill activity, by reportable segment, for fiscal 2024 and 2023:

<i>(Amounts in millions)</i>	Walmart U.S.	Walmart International	Sam's Club	Total
<b>Balances as of February 1, 2022</b>	\$ 2,941	\$ 25,752	\$ 321	\$ 29,014
Changes in currency translation and other	—	(1,475)	—	(1,475)
Acquisitions	433	202	—	635
<b>Balances as of January 31, 2023</b>	3,374	24,479	321	28,174
Changes in currency translation and other	(10)	(58)	—	(68)
Acquisitions	—	7	—	7
<b>Balances as of January 31, 2024</b>	\$ 3,364	\$ 24,428	\$ 321	\$ 28,113

Intangible assets are recorded in other long-term assets in the Company's Consolidated Balance Sheets. As of January 31, 2024 and 2023, the Company had \$4.1 billion and \$4.3 billion, respectively, in indefinite-lived intangible assets which primarily consists of acquired trade names. There were no significant impairment charges related to intangible assets for fiscal 2024, 2023 or 2022.

### Fair Value Measurement

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. Refer to [Note 8](#) for more information.

### Investments

Investments in equity securities are recorded in other long-term assets in the Consolidated Balance Sheets. Changes in the fair value of certain equity securities, as well as certain immaterial equity method investments where the Company has elected the fair value option, are measured on a recurring basis and recognized within other gains and losses in the Consolidated Statements of Income. These fair value changes, along with certain other immaterial investment activity, resulted in net losses of \$3.8 billion, \$1.7 billion and \$2.4 billion for fiscal 2024, 2023 and 2022, respectively, primarily due to net changes in the underlying stock prices of those investments. Refer to [Note 8](#) for details. Equity investments without readily determinable fair values are

carried at cost and adjusted for any observable price changes or impairments within other gains and losses in the Consolidated Statements of Income.

Investments in debt securities classified as trading are reported at fair value and adjustments in fair value are recorded within other gains and losses in the Consolidated Statements of Income. As of January 31, 2024 and January 31, 2023, the Company had \$1.2 billion and \$0.5 billion, respectively, in debt securities classified as trading.

#### ***Indemnification Liabilities***

The Company has provided certain indemnifications in connection with its divestitures and has recorded indemnification liabilities equal to the estimated fair value of the obligations upon inception. As of January 31, 2024 and January 31, 2023, the Company had \$0.7 billion and \$0.6 billion, respectively, of certain legal indemnification liabilities recorded within deferred income taxes and other in the Consolidated Balance Sheets. The maximum of potential future payments under these indemnities was \$3.2 billion, based on exchange rates as of January 31, 2024.

#### ***Supplier Financing Program Obligations***

In September 2022, the FASB issued *ASU 2022-04, Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which enhances the transparency about the use of supplier finance programs for investors and other allocators of capital. The Company adopted this ASU as of February 1, 2023, other than the roll-forward disclosure requirement, which the Company will adopt in fiscal 2025.

The Company has supplier financing programs with financial institutions, in which the Company agrees to pay the financial institution the stated amount of confirmed invoices on the invoice due date for participating suppliers. Participation in these programs is optional and solely up to the supplier, who negotiates the terms of the arrangement directly with the financial institution and may allow early payment. Supplier participation in these programs has no bearing on the Company's amounts due. The payment terms that the Company has with participating suppliers under these programs generally range between 30 and 90 days. The Company does not have an economic interest in a supplier's participation in the program or a direct financial relationship with the financial institution funding the program. The Company is responsible for ensuring that participating financial institutions are paid according to the terms negotiated with the supplier, regardless of whether the supplier elects to receive early payment from the financial institution. The outstanding payment obligations to financial institutions under these programs were \$5.3 billion and \$5.2 billion, as of January 31, 2024 and January 31, 2023, respectively. These obligations are generally classified as accounts payable within the Consolidated Balance Sheets. The activity related to these programs is classified as an operating activity within the Consolidated Statements of Cash Flows.

#### ***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 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. 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.

#### ***Derivatives***

The Company uses derivatives for hedging 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 derivatives in hedging programs subjects the Company to certain risks, such as market and credit risks. The Company may be exposed to credit-related losses in the event of nonperformance by its counterparties to derivatives. Credit risk is monitored through established approval procedures, including setting concentration limits by counterparty, reviewing credit ratings and requiring collateral from the counterparty. The Company enters into derivatives with counterparties rated generally "A-" or better by nationally recognized credit rating agencies. The Company is subject to master netting arrangements which provides set-off and close-out netting of exposures with counterparties, but the Company does not offset derivative assets and liabilities in its Consolidated Balance Sheets. The Company's collateral arrangements require the counterparty in a net liability position in excess of pre-determined thresholds, after considering the effects of netting arrangements, to pledge cash collateral. Cash collateral received from counterparties and cash collateral provided to counterparties under these arrangements was not significant as of January 31, 2024 and 2023.

In order to qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge. If a derivative is recorded using hedge accounting, depending on the nature of the hedge, derivative gains and losses are recorded through the same financial statement line item in earnings or are recognized in accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives 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. Derivatives 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 derivatives with an unrealized loss are recorded as either current or non-current liabilities, based on maturity date. Refer to [Note 8](#) for the presentation of the Company's derivative assets and liabilities.

#### *Fair Value Hedges*

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. All interest rate swaps designated as fair value hedges of the related long-term debt meet the shortcut method requirements under U.S. GAAP. Accordingly, changes in the fair values of these interest rate swaps are considered to exactly offset changes in the fair value of the underlying long-term debt. These derivatives will mature on dates ranging from April 2024 to September 2031.

#### *Cash Flow Hedges*

The Company is a party to receive fixed-rate, pay fixed-rate cross currency interest rate swaps used to hedge the currency exposure associated with the forecasted payments of principal and interest of certain non-U.S. denominated debt. The Company records changes in the fair value of these swaps in accumulated other comprehensive loss which is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. These derivatives will mature on dates ranging from July 2024 to January 2039.

#### *Net Investment Hedges*

Prior to the divestiture of the Company's operations in the United Kingdom and Japan as discussed in [Note 12](#), the Company was a party to receive fixed-rate, pay fixed-rate cross currency interest rate swaps used to hedge the currency exposure associated with net investments of these foreign operations. Changes in fair value attributable to the hedged risk were recorded in accumulated other comprehensive loss. The Company also previously designated certain foreign currency denominated long-term debt as a hedge of currency exposure associated with the net investment of these divested operations and recorded foreign currency gain or loss associated with designated long-term debt in accumulated other comprehensive loss. Upon closing of the sale of the Company's operations in the U.K. and Japan during the first quarter of fiscal 2022, these amounts were released from accumulated other comprehensive loss as discussed in [Note 4](#).

#### *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 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.

### ***Redeemable Noncontrolling Interest***

Noncontrolling interests that are redeemable outside the Company's control at fixed or determinable prices and dates are presented as temporary equity in the Consolidated Balance Sheets. Redeemable noncontrolling interests are recorded at the greater of the redemption fair value or the carrying value of the noncontrolling interest and adjusted each reporting period for income, loss and any distributions made. Remeasurements to the redemption value of the redeemable noncontrolling interest are recognized in capital in excess of par. As of January 31, 2024, the Company has a redeemable noncontrolling interest related to an acquisition in the Walmart U.S. segment as the minority interest owner holds a put option which may require the Company to purchase its interest beginning in December 2027, with annual options thereafter.

### ***Revenue Recognition***

#### ***Net Sales***

The Company recognizes sales revenue, net of sales taxes and estimated sales returns, at the time it sells merchandise or services to the customer. eCommerce sales include shipping revenue and are recorded upon delivery to the customer. Estimated sales returns are calculated based on expected returns.

#### ***Membership Fee Revenue***

The Company recognizes membership fee revenue over the term of the membership, which is typically 12 months. Membership fee revenue was \$3.1 billion for fiscal 2024, \$2.6 billion for fiscal 2023 and \$2.2 billion for fiscal 2022. Membership fee revenue is included in membership and other income in the Company's Consolidated Statements of Income. Deferred membership fee revenue is included in accrued liabilities in the Company's Consolidated Balance Sheets.

#### ***Gift Cards***

Customer purchases of gift cards are not recognized as sales 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 and services indefinitely. Gift cards in some countries where the Company does business have expiration dates. While gift cards are generally redeemed within 12 months, a certain number of gift cards, both with and without expiration dates, will not be fully redeemed. Management estimates unredeemed balances and recognizes revenue for these amounts in membership and other income in the Company's Consolidated Statements of Income over the expected redemption period.

#### ***Financial, Advertising 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, certain advertising arrangements and supplier-specific fixtures. Payments from suppliers are accounted for as a reduction of cost of sales and recognized in the Company's Consolidated Statements of Income when the related inventory is sold, except in certain limited situations when the payment is a reimbursement of specific, incremental and identifiable costs.

### ***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, and consist primarily of digital, television and print advertisements that are recorded in operating, selling, general and administrative expenses in the Company's Consolidated Statements of Income. Advertising costs were \$4.4 billion, \$4.1 billion and \$3.9 billion for fiscal 2024, 2023 and 2022, 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

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands the requirements for income tax disclosures in order to provide greater transparency. The amendments are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied prospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

### 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 2024, 2023 and 2022.

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:

	Fiscal Years Ended January 31,		
	2024	2023	2022
<i>(Amounts in millions, except per share data)</i>			
<b>Numerator</b>			
Consolidated net income	\$ 16,270	\$ 11,292	\$ 13,940
Consolidated net (income) loss attributable to noncontrolling interest	(759)	388	(267)
Consolidated net income attributable to Walmart	<u>\$ 15,511</u>	<u>\$ 11,680</u>	<u>\$ 13,673</u>
<b>Denominator</b>			
Weighted-average common shares outstanding, basic	8,077	8,171	8,376
Dilutive impact of stock options and other share-based awards	31	31	39
Weighted-average common shares outstanding, diluted	<u>8,108</u>	<u>8,202</u>	<u>8,415</u>
<b>Net income per common share attributable to Walmart</b>			
Basic	\$ 1.92	\$ 1.43	\$ 1.63
Diluted	1.91	1.42	1.62

### Note 3. Shareholders' Equity

The total authorized shares of \$0.10 par value common stock is 33.0 billion, of which 8.1 billion were issued and outstanding as of January 31, 2024 and 2023. The total authorized shares of \$0.10 par value preferred stock is 0.1 billion; none of which were issued or outstanding for any period presented.

#### Purchases and Sales of Subsidiary Stock

During fiscal 2024, the Company paid \$3.5 billion to acquire shares from certain Flipkart noncontrolling interest holders and settle the liability to former noncontrolling interest holders of PhonePe. The Company's ownership of Flipkart increased from approximately 75% as of January 31, 2023 to approximately 85% as of January 31, 2024.

Also during fiscal 2024, the Company received \$0.7 billion related to new rounds of equity funding for the Company's majority owned PhonePe subsidiary, which decreased the Company's ownership from approximately 89% as of January 31, 2023 to approximately 84% as of January 31, 2024.

During fiscal 2023, the Company completed a \$0.4 billion buyout of the noncontrolling interest shareholders of the Company's Massmart subsidiary. This transaction increased the Company's ownership in Massmart from approximately 53% to 100%. Additionally, the Company completed a \$0.4 billion acquisition of Alert Innovation, which was previously consolidated as a variable interest entity, and resulted in the Company becoming a 100% owner.

Also during fiscal 2023, the Company increased its ownership in PhonePe from approximately 76% to approximately 89% as part of the separation from the Company's majority-owned Flipkart subsidiary. In consideration for the transaction, the Company initially recorded a liability to noncontrolling interest holders of \$0.9 billion within accrued liabilities in the Company's Consolidated Balance Sheet as of January 31, 2023, which was paid during fiscal 2024.

During fiscal 2022, the Company received \$3.2 billion primarily related to a new equity funding for the Company's majority-owned Flipkart subsidiary, which reduced the Company's ownership from approximately 83% as of January 31, 2021 to approximately 75% as of January 31, 2022.

#### Share-Based Compensation

The Company has awarded share-based compensation to associates and nonemployee directors of the Company. The compensation expense recognized for all stock incentive plans, including expense associated with plans of the Company's consolidated subsidiaries granted in the subsidiaries' respective stock, was \$2.1 billion, \$1.6 billion and \$1.2 billion for fiscal 2024, 2023 and 2022, 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 \$0.5 billion, \$0.4 billion and \$0.3 billion for fiscal 2024, 2023 and 2022, respectively. The following table summarizes the Company's share-based compensation expense by award type for all plans:

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
Restricted stock units	\$ 1,258	\$ 927	\$ 659
Restricted stock and performance-based restricted stock units	609	444	321
Other	226	207	183
<b>Share-based compensation expense</b>	<b>\$ 2,093</b>	<b>\$ 1,578</b>	<b>\$ 1,163</b>

The Walmart Inc. Stock Incentive Plan of 2015 (the "Plan"), as subsequently amended and restated, was established to grant stock options, restricted (non-vested) stock, restricted stock units, performance share units and other equity compensation awards for which 780 million shares of Walmart common stock issued or to be issued under the Plan have been registered under the Securities Act of 1933. 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 Units.** Restricted stock units provide rights to Company stock after a specified service period. Beginning in fiscal 2023, restricted stock units generally vest at a rate of approximately 8% each quarter over a three year period from the date of grant. For grants made from fiscal 2020 through fiscal 2022, restricted stock units generally vest at a rate of 25% each year over a four year period from the date of the grant. Prior to fiscal 2020, 50% of restricted stock units generally vested three years from the grant date and the remaining 50% were vested 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 2024, 2023 and 2022 was 2.2%, 2.3% and 3.8%, respectively.

- **Restricted Stock and Performance-based Restricted Stock Units.** Restricted stock awards are for shares that vest based on the passage of time and include restrictions related to employment. Performance-based restricted stock units vest based on the passage of time and achievement of performance criteria and generally range from 0% to 150% of the original award amount. Vesting periods for restricted stock are generally between one month and three years. Vesting periods for performance-based restricted stock units are generally between one and three years. Restricted stock and performance-based restricted stock 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-based restricted stock 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-based restricted stock units in fiscal 2024, 2023 and 2022 was 3.3%, 3.3% and 4.2%, respectively.

In addition to the Plan, Flipkart and PhonePe have share-based compensation plans for associates under which options to acquire their own common shares may be issued. These plans may be subject to performance or other conditions, including vesting upon an initial public offering. Share-based compensation expense associated with certain of these plans is included in the Other line in the table above.

The following table shows the activity for restricted stock units and restricted stock and performance-based restricted stock units during fiscal 2024:

	Restricted Stock Units		Restricted Stock and Performance-based Restricted Stock Units	
	Shares	Weighted-Average Grant-Date Fair Value Per Share	Shares	Weighted-Average Grant-Date Fair Value Per Share
<i>(Shares in thousands)</i>				
Outstanding as of February 1, 2023	48,660	\$ 42.67	21,480	\$ 46.29
Granted	35,751	48.37	12,999	49.07
Adjustment for performance achievement <sup>(1)</sup>	—	—	1,713	47.27
Vested/exercised	(31,794)	42.29	(10,383)	45.85
Forfeited	(3,426)	46.47	(2,706)	46.51
<b>Outstanding as of January 31, 2024</b>	<b>49,191</b>	<b>\$ 46.79</b>	<b>23,103</b>	<b>\$ 48.09</b>

<sup>(1)</sup> Represents the adjustment to previously granted performance share units for performance achievement.

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

<i>(Amounts in millions, except years)</i>	Fiscal Years Ended January 31,		
	2024	2023	2022
Fair value of restricted stock units vested	\$ 1,345	\$ 931	\$ 703
Fair value of restricted stock and performance-based restricted stock units vested	477	390	264
Unrecognized compensation cost for restricted stock units	1,686	1,323	1,102
Unrecognized compensation cost for restricted stock and performance-based restricted stock units	656	548	417
Weighted average remaining period to expense for restricted stock units (years)	0.9	1.0	1.2
Weighted average remaining period to expense for restricted stock and performance-based restricted stock units (years)	1.3	1.4	1.5

#### 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 fiscal 2024 were made under the current \$20.0 billion share repurchase program approved in November 2022, which has no expiration date or other restrictions limiting the period over which the Company can make repurchases. As of January 31, 2024 authorization for \$16.5 billion of share repurchases remained under the share repurchase program. Any repurchased shares are constructively retired and returned to an unissued status.

The Company regularly reviews share repurchase activity and considers several factors in determining when to execute share repurchases, including, among other things, current cash needs, capacity for leverage, cost of borrowings, results of operations

and the market price of the Company's 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 2024, 2023 and 2022:

	Fiscal Years Ended January 31,		
	2024	2023	2022
<i>(Amounts in millions, except per share data)</i>			
Total number of shares repurchased	54.6	221.8	209.1
Average price paid per share	\$ 50.87	\$ 44.72	\$ 46.82
Total cash paid for share repurchases	\$ 2,779	\$ 9,920	\$ 9,787

#### Note 4. Accumulated Other Comprehensive Loss

The following table provides the changes in the composition of total accumulated other comprehensive loss for fiscal 2024, 2023 and 2022:

<i>(Amounts in millions and net of immaterial income taxes)</i>	Currency Translation and Other	Net Investment Hedges	Cash Flow Hedges	Minimum Pension Liability	Total
<b>Balances as of February 1, 2021</b>	\$ (10,772)	\$ 1,296	\$ (304)	\$ (1,986)	\$ (11,766)
Other comprehensive loss before reclassifications, net	(586)	(7)	(540)	—	(1,133)
Reclassifications related to business dispositions, net <sup>(1)</sup>	3,258	(1,195)	30	1,966	4,059
Reclassifications to income, net	—	—	66	8	74
<b>Balances as of January 31, 2022</b>	(8,100)	94	(748)	(12)	(8,766)
Other comprehensive income (loss) before reclassifications, net	(1,145)	—	(571)	5	(1,711)
Return of currency translation to parent <sup>(2)</sup>	(1,262)	—	—	—	(1,262)
Reclassifications to income, net	(309)	—	368	—	59
<b>Balances as of January 31, 2023</b>	(10,816)	94	(951)	(7)	(11,680)
Other comprehensive income (loss) before reclassifications, net	333	—	(8)	(11)	314
Reclassifications to income, net	—	—	64	—	64
<b>Balances as of January 31, 2024</b>	\$ (10,483)	\$ 94	\$ (895)	\$ (18)	\$ (11,302)

<sup>(1)</sup> Upon closing of the sale of the Company's operations in the U.K. and Japan during the first quarter of fiscal 2022, these amounts were released from accumulated other comprehensive loss, the majority of which was considered in the impairment evaluation when the individual disposal groups met the held for sale classification in fiscal 2021.

<sup>(2)</sup> Upon closing of the noncontrolling interest shareholder buyout of the Company's Massmart subsidiary during the fourth quarter of fiscal 2023, the cumulative amount of currency translation was reallocated from the Company's noncontrolling interest back to the Company. Refer to [Note 3](#).

Amounts reclassified from accumulated other comprehensive loss for derivative instruments are generally recorded in interest, net, in the Company's Consolidated Statements of Income. The amounts for the minimum pension liability, as well as the cumulative translation resulting from the disposition of a business, are recorded in other gains and losses 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 5. Accrued Liabilities

The Company's accrued liabilities consist of the following as of January 31, 2024 and 2023:

<i>(Amounts in millions)</i>	January 31,	
	2024	2023
Accrued wages and benefits <sup>(1)</sup>	8,590	8,287
Self-insurance <sup>(2)</sup>	4,916	4,724
Accrued non-income taxes <sup>(3)</sup>	3,459	3,425
Opioid litigation settlement <sup>(4)</sup>	—	2,949
Deferred gift card revenue	2,664	2,488
Other <sup>(5)</sup>	9,130	9,253
<b>Total accrued liabilities</b>	<b>\$ 28,759</b>	<b>\$ 31,126</b>

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

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

<sup>(3)</sup> Accrued non-income taxes include accrued payroll, property, value-added, sales and miscellaneous other taxes.

<sup>(4)</sup> Represents the remaining balance for the opioids litigation settlement (substantially all of the balance outstanding at the end of fiscal 2023 was paid in fiscal 2024, see [Note 10](#).)

<sup>(5)</sup> Other accrued liabilities includes items such as deferred membership revenue, interest, the purchase of PhonePe stock (see [Note 3](#)), supply chain, advertising, and maintenance & utilities.

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

Short-term borrowings consist of commercial paper and lines of credit. Short-term borrowings as of January 31, 2024 and 2023 were \$0.9 billion and \$0.4 billion, respectively, with weighted-average interest rates of 7.7% and 6.6%, respectively.

The Company has various committed lines of credit in the U.S. to support its commercial paper program and are summarized in the following table:

(Amounts in millions)	January 31, 2024			January 31, 2023		
	Available	Drawn	Undrawn	Available	Drawn	Undrawn
Five-year credit facility <sup>(1)</sup>	\$ 5,000	\$ —	\$ 5,000	\$ 5,000	\$ —	\$ 5,000
364-day revolving credit facility <sup>(1)</sup>	10,000	—	10,000	10,000	—	10,000
<b>Total</b>	<b>\$ 15,000</b>	<b>\$ —</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ —</b>	<b>\$ 15,000</b>

<sup>(1)</sup> In April 2023, the Company renewed and extended its existing 364-day revolving credit facility as well as its five year credit facility.

The committed lines of credit in the table above mature in April 2024 and April 2028, carry interest rates of the Secured Overnight Financing Rate plus 55 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 has syndicated and fronted letters of credit available which totaled \$2.1 billion as of January 31, 2024 and 2023, of which \$1.7 billion and \$1.8 billion was drawn as of January 31, 2024 and 2023, respectively.

The Company's long-term debt, which includes the fair value instruments further discussed in [Note 8](#), consists of the following as of January 31, 2024 and 2023:

(Amounts in millions)	January 31, 2024			January 31, 2023	
	Maturity Dates By Fiscal Year	Amount	Average Rate <sup>(1)</sup>	Amount	Average Rate <sup>(1)</sup>
<b>Unsecured debt</b>					
Fixed	2025 - 2054	\$ 34,527	3.7%	\$ 33,707	3.6%
<b>Total U.S. dollar denominated</b>		<b>34,527</b>		<b>33,707</b>	
Fixed	2027 - 2030	1,789	4.0%	1,790	4.0%
<b>Total Euro denominated</b>		<b>1,789</b>		<b>1,790</b>	
Fixed	2031 - 2039	3,412	5.4%	3,318	5.4%
<b>Total Sterling denominated</b>		<b>3,412</b>		<b>3,318</b>	
Fixed	2025 - 2028	677	0.4%	767	0.4%
<b>Total Yen denominated</b>		<b>677</b>		<b>767</b>	
<b>Total unsecured debt</b>		<b>40,405</b>		<b>39,582</b>	
<b>Total other<sup>(2)</sup></b>		<b>(826)</b>		<b>(742)</b>	
<b>Total debt</b>		<b>39,579</b>		<b>38,840</b>	
Less amounts due within one year		(3,447)		(4,191)	
<b>Long-term debt</b>		<b>\$ 36,132</b>		<b>\$ 34,649</b>	

<sup>(1)</sup> The average rate represents the weighted-average stated rate for each corresponding debt category, based on year-end balances and year-end interest rates.

<sup>(2)</sup> Includes deferred loan costs, discounts, fair value hedges, foreign-held debt and secured debt.

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

(Amounts in millions)	Annual Maturities
<b>Fiscal Year</b>	
2025	\$ 3,447
2026	2,600
2027	3,483
2028	1,760
2029	3,458
Thereafter	24,831
<b>Total</b>	<b>\$ 39,579</b>

## Debt Issuances

Information on significant long-term debt issued during fiscal 2024 and 2023, for general corporate purposes, is as follows:

(Amounts in millions)

Issue Date	Principal Amount	Maturity Date	Fixed vs. Floating	Interest Rate	Net Proceeds
April 18, 2023	\$750	April 15, 2026	Fixed	4.000%	\$ 748
April 18, 2023	\$750	April 15, 2028	Fixed	3.900%	746
April 18, 2023	\$500	April 15, 2030	Fixed	4.000%	497
April 18, 2023	\$1,500	April 15, 2033	Fixed	4.100%	1,491
April 18, 2023	\$1,500	April 15, 2053	Fixed	4.500%	1,485
<b>Total</b>					<b>\$ 4,967</b>

(Amounts in millions)

Issue Date	Principal Amount	Maturity Date	Fixed vs. Floating	Interest Rate	Net Proceeds
September 9, 2022	\$1,750	September 9, 2025	Fixed	3.900%	\$ 1,744
September 9, 2022	\$1,000	September 9, 2027	Fixed	3.950%	994
September 9, 2022	\$1,250	September 9, 2032	Fixed	4.150%	1,239
September 9, 2022	\$1,000	September 9, 2052	Fixed	4.500%	992
<b>Total</b>					<b>\$ 4,969</b>

These issuances are senior, unsecured notes which rank equally with all other senior, unsecured debt obligations of the Company, and are not convertible or exchangeable. These issuances do not contain any financial covenants which restrict the Company's ability to pay dividends or repurchase Company stock. Additionally, the Company received immaterial proceeds from debt issuances by certain international markets during fiscal 2023.

## Maturities and Extinguishments

The following tables provide details of significant long-term debt repayments during fiscal 2024 and 2023:

(Amounts in millions)

Maturity Date	Principal Amount	Fixed vs. Floating	Interest Rate	Repayment
April 11, 2023	\$1,750	Fixed	2.550%	\$ 1,750
June 26, 2023	\$2,280	Fixed	3.400%	2,280
<b>Total repayment of matured debt</b>				<b>\$ 4,030</b>

(Amounts in millions)

Maturity Date	Principal Amount	Fixed vs. Floating	Interest Rate	Repayment
April 8, 2022	€850	Fixed	1.900%	\$ 927
July 15, 2022	¥70,000	Fixed	0.183%	512
December 15, 2022	\$1,250	Fixed	2.350%	1,250
<b>Total repayment of matured debt</b>				<b>\$ 2,689</b>

## Note 7. Leases

The Company leases certain retail locations, distribution and fulfillment centers, warehouses, office spaces, land and equipment throughout the U.S. and internationally. The Company's lease costs recognized in the Consolidated Statements of Income consist of the following:

(Amounts in millions)	Fiscal years ended January 31,		
	2024	2023	2022
Operating lease cost	\$ 2,277	\$ 2,306	\$ 2,274
Finance lease cost:			
Amortization of right-of-use assets	755	596	565
Interest on lease obligations	326	256	232
Variable lease cost	1,082	899	823

Other lease information is as follows:

<i>(Amounts in millions)</i>	Fiscal years ended January 31,		
	2024	2023	2022
Cash paid for amounts included in measurement of lease obligations:			
Operating cash flows from operating leases	\$ 2,273	2,280	2,234
Operating cash flows from finance leases	315	248	225
Financing cash flows from finance leases	1,055	563	538
Assets obtained in exchange for operating lease obligations	1,514	1,714	1,816
Assets obtained in exchange for finance lease obligations	1,572	1,226	1,044
	As of January 31,		
	2024	2023	
Weighted-average remaining lease term - operating leases		11.7 years	12.0 years
Weighted-average remaining lease term - finance leases		12.4 years	13.3 years
Weighted-average discount rate - operating leases		6.4%	6.0%
Weighted-average discount rate - finance leases		6.8%	6.5%

The aggregate annual lease obligations at January 31, 2024, are as follows:

<i>(Amounts in millions)</i>		
Fiscal Year	Operating Leases	Finance Leases
2025	\$ 2,181	\$ 1,071
2026	2,107	1,000
2027	1,970	926
2028	1,815	823
2029	1,645	636
Thereafter	11,295	5,850
<b>Total undiscounted lease obligations</b>	<b>21,013</b>	<b>10,306</b>
Less imputed interest	(6,583)	(3,872)
<b>Net lease obligations</b>	<b>\$ 14,430</b>	<b>\$ 6,434</b>

## Note 8. Fair Value Measurements

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.

As described in [Note 1](#), the Company measures the fair value of certain equity investments, including certain immaterial equity method investments where the Company has elected the fair value option, on a recurring basis within other long-term assets in the accompanying Consolidated Balance Sheets. The amounts of gains and losses included in earnings from fair value changes for these investments are recognized within other gains and losses in the Consolidated Statements of Income. The fair value of these investments is as follows:

<i>(Amounts in millions)</i>	Fair Value as of January 31, 2024	Fair Value as of January 31, 2023
Equity investments measured using Level 1 inputs	\$ 2,835	\$ 5,099
Equity investments measured using Level 2 inputs	4,414	5,570
<b>Total</b>	<b>\$ 7,249</b>	<b>\$ 10,669</b>

Changes in the fair value of these investments were primarily due to gains and losses resulting from net changes in the underlying stock prices, along with certain other immaterial investment activity. The fair value of these investments decreased \$3.4 billion and \$1.2 billion during fiscal 2024 and 2023, respectively. Equity investments without readily determinable fair

values are carried at cost and adjusted for any observable price changes or impairments within other gains and losses in the Consolidated Statements of Income.

### Derivatives

The Company also has derivatives recorded at fair value. Derivative 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, 2024 and January 31, 2023, the notional amounts and fair values of these derivatives were as follows:

	January 31, 2024		January 31, 2023	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<i>(Amounts in millions)</i>				
Receive fixed-rate, pay variable-rate interest rate swaps designated as fair value hedges	\$ 6,271	\$ (654) <sup>(1)</sup>	\$ 8,021	\$ (689) <sup>(1)</sup>
Receive fixed-rate, pay fixed-rate cross-currency swaps designated as cash flow hedges	5,879	(1,302) <sup>(1)</sup>	5,900	(1,423) <sup>(1)</sup>
<b>Total</b>	<b>\$ 12,150</b>	<b>\$ (1,956)</b>	<b>\$ 13,921</b>	<b>\$ (2,112)</b>

<sup>(1)</sup> Primarily classified in deferred income taxes and other in the Company's Consolidated Balance Sheets.

### 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.

Upon completing the sales of the Company's operations in the U.K. in February 2021 and Japan in March 2021, the Company recorded incremental non-recurring impairment charges of \$0.4 billion in the first quarter of fiscal 2022 within other gains and losses in the Consolidated Statements of Income. Refer to [Note 12](#). The Company did not have any material assets or liabilities resulting in nonrecurring fair value measurements as of January 31, 2024 and January 31, 2023.

### Other Fair Value Disclosures

The Company records cash and cash equivalents, restricted cash 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, 2024 and 2023, are as follows:

	January 31, 2024		January 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<i>(Amounts in millions)</i>				
Long-term debt, including amounts due within one year	\$ 39,579	\$ 38,431	\$ 38,840	\$ 38,169

## Note 9. Taxes

The components of income before income taxes are as follows:

	Fiscal Years Ended January 31,		
	2024	2023	2022
<i>(Amounts in millions)</i>			
U.S.	\$ 20,092	\$ 15,089	\$ 15,536
Non-U.S.	1,756	1,927	3,160
<b>Total income before income taxes</b>	<b>\$ 21,848</b>	<b>\$ 17,016</b>	<b>\$ 18,696</b>



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

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
<b>Current:</b>			
U.S. federal	\$ 3,215	\$ 2,030	\$ 3,313
U.S. state and local	762	610	649
International	1,772	2,654	1,553
<b>Total current tax provision</b>	<b>5,749</b>	<b>5,294</b>	<b>5,515</b>
<b>Deferred:</b>			
U.S. federal	(438)	608	(671)
U.S. state and local	141	119	41
International	126	(297)	(129)
<b>Total deferred tax expense (benefit)</b>	<b>(171)</b>	<b>430</b>	<b>(759)</b>
<b>Total provision for income taxes</b>	<b>\$ 5,578</b>	<b>\$ 5,724</b>	<b>\$ 4,756</b>

### Effective Income Tax Rate Reconciliation

A reconciliation of the significant differences between the U.S. statutory tax rate and the effective income tax rate on pre-tax income from continuing operations is as follows:

	Fiscal Years Ended January 31,		
	2024	2023	2022
U.S. statutory tax rate	21.0 %	21.0 %	21.0 %
U.S. state income taxes, net of federal income tax benefit	3.0 %	3.1 %	2.8 %
Income taxed outside the U.S.	0.1 %	1.1 %	(1.5)%
Separation, disposal and wind-down of certain business operations	— %	6.3 %	0.5 %
Valuation allowance	1.2 %	1.7 %	4.4 %
Net impact of repatriated international earnings	(0.4)%	(0.4)%	(0.3)%
Federal tax credits	(1.5)%	(1.3)%	(1.1)%
Change in unrecognized tax benefits	0.6 %	0.3 %	0.2 %
Other, net	1.5 %	1.8 %	(0.6)%
<b>Effective income tax rate</b>	<b>25.5 %</b>	<b>33.6 %</b>	<b>25.4 %</b>

The following sections regarding deferred taxes, unremitted earnings, net operating losses, tax credit carryforwards, valuation allowances and uncertain tax positions exclude amounts related to operations classified as held for sale.

### Deferred Taxes

The significant components of the Company's deferred tax account balances are as follows:

(Amounts in millions)	January 31,	
	2024	2023
<b>Deferred tax assets:</b>		
Loss and tax credit carryforwards	\$ 7,136	\$ 7,690
Accrued liabilities	3,066	3,312
Share-based compensation	238	237
Lease obligations	4,831	4,653
Other	1,124	839
<b>Total deferred tax assets</b>	<b>16,395</b>	<b>16,731</b>
Valuation allowances	(7,485)	(7,815)
<b>Deferred tax assets, net of valuation allowances</b>	<b>8,910</b>	<b>8,916</b>
<b>Deferred tax liabilities:</b>		
Property and equipment	4,813	4,352
Acquired intangibles	898	932
Inventory	3,035	3,032
Lease right of use assets	4,941	4,727
Mark-to-market investments	322	1,390
Other	486	249
<b>Total deferred tax liabilities</b>	<b>14,495</b>	<b>14,682</b>
<b>Net deferred tax liabilities</b>	<b>\$ 5,585</b>	<b>\$ 5,766</b>

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

(Amounts in millions)	January 31,	
	2024	2023
<b>Balance Sheet classification</b>		
<b>Assets:</b>		
Other long-term assets	\$ 1,663	\$ 1,503
<b>Liabilities:</b>		
Deferred income taxes and other	7,248	7,269
<b>Net deferred tax liabilities</b>	<u>\$ 5,585</u>	<u>\$ 5,766</u>

#### Unremitted Earnings

Prior to the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), the Company asserted that all unremitted earnings of its foreign subsidiaries were considered indefinitely reinvested. As a result of the Tax Act, the Company reported and paid U.S. tax on the majority of its previously unremitted foreign earnings, and repatriations of foreign earnings will generally be free of U.S. federal tax, but may incur other taxes such as withholding or state taxes. As of January 31, 2024, the Company has not recorded approximately \$1 billion of deferred tax liabilities associated with remaining unremitted foreign earnings considered indefinitely reinvested, for which U.S. and foreign income and withholding taxes would be due upon repatriation.

#### Net Operating Losses, Tax Credit Carryforwards and Valuation Allowances

As of January 31, 2024, the Company's net operating loss and capital loss carryforwards totaled approximately \$30.3 billion. Of these carryforwards, approximately \$16.5 billion will expire, if not utilized, in various years through 2044. The remaining carryforwards have no expiration.

The realizability 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 generally established. To the extent that a valuation allowance was established and it is subsequently determined that it is more likely than not that the deferred tax assets will be recovered, the change in the valuation allowance is recognized in the Consolidated Statements of Income.

The Company had valuation allowances of approximately \$7.5 billion and \$7.8 billion as of January 31, 2024 and 2023, respectively, on deferred tax assets associated primarily with the net operating loss carryforwards. Activity in the valuation allowance during fiscal 2024 related to valuation allowance builds in multiple markets, as well as releases due to the expiration of unrealized deferred tax assets.

#### 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, 2024 and 2023, the amount of gross unrecognized tax benefits related to continuing operations was \$3.5 billion and \$3.3 billion, respectively. The amount of unrecognized tax benefits that would affect the Company's effective income tax rate was \$1.7 billion and \$1.5 billion as of January 31, 2024 and 2023, respectively.

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

(Amounts in millions)	Fiscal Years Ended January 31,		
	2024	2023	2022
<b>Gross unrecognized tax benefits, beginning of year</b>	\$ 3,307	\$ 3,245	\$ 3,135
Increases related to prior year tax positions	336	79	170
Decreases related to prior year tax positions	(74)	(248)	(97)
Increases related to current year tax positions	102	357	75
Settlements during the period	(102)	(89)	(5)
Lapse in statutes of limitations	(29)	(37)	(33)
<b>Gross unrecognized tax benefits, end of year</b>	<u>\$ 3,540</u>	<u>\$ 3,307</u>	<u>\$ 3,245</u>

The Company classifies interest and penalties related to uncertain tax benefits as interest expense and as operating, selling, general and administrative expenses, respectively. Interest expense and penalties related to these positions were immaterial for fiscal 2024, 2023 and 2022. During the next twelve months, it is reasonably possible that tax audit resolutions could reduce unrecognized tax benefits by an immaterial amount, either because the tax positions are sustained on audit or because the Company agrees to their disallowance. 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 2018 through 2023. The Company also remains subject to income tax examinations for international income taxes for fiscal 2013 through 2023, and for U.S. state and local income taxes generally for the fiscal years ended 2017 through 2023. With few exceptions, the Company is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before fiscal 2013.

#### *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 and judgments 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.

### **Note 10. Contingencies**

#### ***Legal Proceedings***

The Company is involved in a number of legal proceedings and certain regulatory matters. The Company records a liability for those legal proceedings and regulatory matters when it determines it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses when it is reasonably possible that a material loss may be incurred. From time to time, 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 position, results of operations or cash flows.

#### *Settlement Framework Regarding Multidistrict and State or Local Opioid-Related Litigation*

During fiscal 2023, the Company accrued a liability for approximately \$3.3 billion for the Settlement Framework (described below) and other previously agreed upon state and tribal settlements. The Settlement Framework includes no admission of wrongdoing or liability by the Company, and the Company continues to believe it has substantial factual and legal defenses to opioids-related litigation. As of January 31, 2024, substantially all of the original approximately \$3.3 billion accrued liability for the Settlement Framework and other settlements have been paid.

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 payers, 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) (the "MDL") 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 the MDL.

On November 15, 2022, the Company announced it had agreed to financial amounts and payment terms to resolve substantially all opioids-related lawsuits filed against the Company by states, political subdivisions, and Native American tribes whether as part of the MDL (excluding, however, a single, two-county trial described further below) or in state court, as well as all potential claims that could be made against the Company by states, political subdivisions, and Native American tribes for up to approximately \$3.1 billion (the "Settlement Amount"). The Settlement Amount includes amounts for remediation of alleged harms as well as attorneys' fees and costs and also includes some, but not all, amounts from previously agreed recent settlements by the Company. One settlement framework with corresponding conditions and participation thresholds applies for the states and political subdivisions, and another settlement framework with corresponding conditions and participation thresholds applies for the Native American tribes. Both settlement frameworks are referred to collectively as the "Settlement Framework."

The Settlement Framework, among other applicable conditions, provides that payments to states and political subdivisions are contingent upon the number of states and political subdivisions, including those states and political subdivisions who have not yet sued the Company, that agree to participate in the Settlement Framework or otherwise have their claims foreclosed within a prescribed deadline. On December 20, 2022, the Company announced that it had settlement agreements with all 50 states, including four states that previously settled with the Company, as well as the District of Columbia, Puerto Rico and three other U.S. territories (the "Settling States"), thus satisfying the initial threshold of required participation by Settling States. On August 22, 2023, the settlement administrator determined that a sufficient number of political subdivisions had agreed to participate in the Settlement Framework, which was a necessary condition for the Settlement Framework to become effective. The Settlement Framework became effective 15 days later, on September 6, 2023. The Company deposited the full portion of the Settlement Amount attributable to the Settling States on October 11, 2023. Although the settlement administrator has determined that sufficient number of political subdivisions have agreed to participate in the Settlement Framework, and thus the

Settlement Framework was effective, eligible political subdivisions still have until July 15, 2025, to join the Settlement Framework.

#### Other Opioid-Related Litigation

The Company will continue to vigorously defend against any opioid-related litigation not covered or otherwise resolved by the Settlement Framework, including, but not limited to, each of the matters described below; any other actions filed by healthcare providers, individuals, and third-party payers; and any action filed by a political subdivision or Native American tribe that is not resolved by the Settlement Framework. Accordingly, the Company has not accrued a liability for these opioid-related litigation matters nor can the Company reasonably estimate any loss or range of loss that may arise from these matters. The Company can provide no assurance as to the scope and outcome of any of these matters and no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

*Two-County Trial and MDL Bellwethers; Canada; and Other Litigation.* The liability phase of a single, two-county trial in one of the MDL cases resulted in a jury verdict on November 23, 2021, finding in favor of the plaintiffs as to the liability of all defendants, including the Company. The abatement phase of the single, two-county trial resulted in a judgment on August 17, 2022, that ordered all three defendants, including the Company, to pay an aggregate amount of approximately \$0.7 billion over fifteen years, on a joint and several liability basis, and granted the plaintiffs injunctive relief. On September 7, 2022, the Company filed an appeal with the Sixth Circuit Court of Appeals. The monetary aspect of the judgment is stayed pending appeal, and the injunctive aspect of the judgment went into effect on February 20, 2023. On September 11, 2023, the Sixth Circuit Court of Appeals issued an order of certifying certain questions in the appeal for review by the Supreme Court of Ohio. On November 29, 2023, the Supreme Court of Ohio accepted the request for certification, and the matter remains pending with the court.

The MDL designated five additional single-county cases as bellwethers to proceed through discovery; however, these five counties have elected to participate in the Settlement Framework and receive a portion of the Settlement Amount rather than go to trial. On October 25, 2023, the MDL designated four cases brought by third-party payers as bellwether cases to proceed through discovery. Additional bellwethers of cases brought by hospitals and other healthcare providers may be designated in the future.

Wal-Mart Canada Corp. and certain other subsidiaries of the Company have been named as defendants in two putative class action complaints filed in Canada related to dispensing and distribution practices involving opioids. These matters remain pending.

Similar cases that name the Company also have been filed in state and federal courts by state, local, and tribal governments, healthcare providers, and other plaintiffs. Plaintiffs in these cases and in the MDL are seeking compensatory and punitive damages, as well as injunctive relief including abatement. The Company has also been responding to subpoenas, information requests, and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids.

*DOJ Opioid Civil Litigation.* On December 22, 2020, the U.S. Department of Justice (the "DOJ") filed a civil complaint in the U.S. District Court for the District of Delaware alleging that the Company unlawfully dispensed controlled substances from its pharmacies and unlawfully distributed controlled substances to those pharmacies. The complaint alleges that this conduct resulted in violations of the Controlled Substances Act. The DOJ is seeking civil penalties and injunctive relief. The Company initially moved to dismiss the DOJ complaint on February 22, 2021. After that motion was fully briefed, the DOJ filed an amended complaint on October 7, 2022. On November 7, 2022, the Company filed a partial motion to dismiss the amended complaint. The Court held a hearing on the partial motion to dismiss on January 18, 2024, and ordered the DOJ to file an amended complaint. The DOJ filed that amended complaint on February 1, 2024, and Walmart filed a partial motion to dismiss that complaint on February 6, 2024. On March 11, 2024, the Court granted in-part Walmart's motion by dismissing the entirety of the DOJ's claims related to distribution and dismissing the DOJ's claims arising under one of the DOJ's two dispensing liability theories. The DOJ's claims arising under its other dispensing liability theory remain pending.

*Opioid-Related Securities Class Actions and Derivative Litigation.* In addition, the Company is the subject of two securities class actions alleging violations of the federal securities laws regarding the Company's disclosures with respect to opioids, filed in the U.S. District Court for the District of Delaware on January 20, 2021 and March 5, 2021, purportedly on behalf of a class of investors who acquired Walmart stock from March 30, 2016 through December 22, 2020. Those cases have been consolidated. On October 8, 2021, the defendants filed a motion to dismiss the consolidated securities action. After the parties had fully briefed the motion to dismiss, on September 9, 2022, the Court entered an order permitting the plaintiffs to file an amended complaint, which was filed on October 14, 2022, and which revised the applicable putative class of investors to those who acquired Walmart stock from March 31, 2017, through December 22, 2020. On November 16, 2022, the defendants filed a motion to dismiss the amended complaint. That motion remains pending.

Derivative actions were also filed by two of the Company's shareholders in the U.S. District Court for the District of Delaware on February 9, 2021 and April 16, 2021, alleging breach of fiduciary duties against certain of its current and former directors with respect to oversight of the Company's distribution and dispensing of opioids and also alleging violations of the federal

securities laws and other breaches of duty by certain current and former directors and officers in connection with the Company's opioids disclosures. Those cases have been stayed pending developments in other opioids litigation matters. On September 27, 2021, three shareholders filed a derivative action in the Delaware Court of Chancery alleging that certain members of the Board of Directors and certain former officers breached their fiduciary duties in failing to adequately oversee the Company's prescription opioids business. The defendants moved to dismiss and/or to stay proceedings on December 21, 2021, and the plaintiffs responded by filing an amended complaint on February 22, 2022. On April 20, 2022, the defendants moved to dismiss and/or to stay proceedings with respect to the amended complaint. In two orders issued on April 12 and 26, 2023, the Court of Chancery granted the defendants' motion to dismiss with respect to claims involving the Company's distribution practices and denied the remainder of the motion, including the Company's request to stay the litigation. On May 5, 2023, the Company's Board of Directors (the "Board") appointed an independent Special Litigation Committee (the "SLC") to investigate the allegations regarding certain current and former officers and directors named in the various derivative proceedings regarding oversight with respect to opioids. The Board has authorized the SLC to retain independent legal counsel and such other advisors as the SLC deems appropriate in carrying out its duties. The derivative matter pending in the Delaware Court of Chancery is stayed until the SLC completes its investigation.

#### Other Legal Proceedings

*Asda Equal Value Claims.* Asda, formerly a subsidiary of the Company, was and still is a defendant in certain equal value claims that began in 2008 and are proceeding before an Employment Tribunal in Manchester in the United Kingdom on behalf of current and former Asda store employees, as well as additional claims in the High Court of the United Kingdom (the "Asda Equal Value Claims"). Further claims may be asserted in the future. Subsequent to the divestiture of Asda in February 2021, the Company continues to oversee the conduct of the defense of these claims. While potential liability for these claims remains with Asda, the Company has agreed to provide indemnification with respect to certain of these claims up to a contractually determined amount. 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 related to these proceedings. Accordingly, the Company can provide no assurance as to the scope and outcome of these matters.

*Money Transfer Agent Services Matters.* The Company has responded to grand jury subpoenas issued by the United States Attorney's Office for the Middle District of Pennsylvania on behalf of the DOJ seeking documents regarding the Company's consumer fraud prevention program and anti-money laundering compliance related to the Company's money transfer services, where Walmart is an agent. The most recent subpoena was issued in August 2020. Walmart's responses to DOJ's subpoenas have been complete since 2021. The Company continues to cooperate with and provide information and documents voluntarily in response to supplemental requests from the DOJ. The Company has also responded to civil investigative demands from the United States Federal Trade Commission (the "FTC") in connection with the FTC's investigation related to money transfers and the Company's anti-fraud program in its capacity as an agent. On June 28, 2022, the FTC filed a complaint against the Company in the U.S. District Court for the Northern District of Illinois alleging that Walmart violated the Federal Trade Commission Act and the Telemarketing Sales Rule regarding its money transfer agent services and is requesting non-monetary relief and civil penalties. On August 29, 2022, the Company filed a motion to dismiss the complaint. On March 27, 2023, the Court issued an opinion dismissing the FTC's claim under the Telemarketing Sales Rule and denying Walmart's motion to dismiss the claim under Section 5 of the Federal Trade Commission Act. On April 12, 2023, Walmart filed a motion to certify the Court's March 27, 2023, order for interlocutory appeal. On June 30, 2023, the FTC filed an amended complaint against Walmart again asserting claims under the Federal Trade Commission Act and Telemarketing Sales Rule. On July 20, 2023, the Court denied Walmart's motion to certify the Court's March 27, 2023, order for interlocutory appeal, finding that it would be more orderly to consider a request for interlocutory appeal after a ruling on Walmart's motion to dismiss the amended complaint. Walmart's motion to dismiss the amended complaint was filed on August 11, 2023. The motion remains pending. No other deadlines have yet been set, and discovery is stayed.

The Company intends to vigorously defend these matters. However, the Company can provide no assurance as to the scope and outcome of these matters and cannot reasonably estimate any loss or range of loss that may arise. Accordingly, the Company can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

*Mexico Antitrust Matter.* On October 6, 2023, the Comisión Federal de Competencia Económica de México ("COFECE") notified the main Mexican operating subsidiary of Wal-Mart de México, S.A.B. de C.V. ("Walmex"), a majority owned subsidiary of the Company, that COFECE's Investigatory Authority ("IA") had requested COFECE to initiate a quasi-judicial administrative process against Walmex's subsidiary for alleged relative monopolistic practices in connection with the supply and wholesale distribution of certain consumer goods, retail marketing practices of such consumer goods and related services. The quasi-judicial administrative process is the first opportunity for Walmex's subsidiary to respond to and defend against the IA's allegations before COFECE. While COFECE has the authority to impose monetary relief and/or non-structural conduct measures, such relief and conduct measures would be subject to appeal by Walmex's subsidiary. On December 14, 2023, Walmex's subsidiary submitted its defense arguments and will continue to defend against the allegations vigorously, both at the quasi-judicial administrative process and, if required, before any courts. Because this process is at an early stage, the Company can provide no assurance as to the scope and outcome of these matters, cannot reasonably estimate any loss or range of loss that

may arise and can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

#### Note 11. 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 pre-tax 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 2024, 2023 and 2022:

	Fiscal Years Ended January 31,		
	2024	2023	2022
<i>(Amounts in millions)</i>			
<b>Defined contribution plans:</b>			
U.S.	\$ 1,528	\$ 1,491	\$ 1,441
International	85	74	39
<b>Total contribution expense for defined contribution plans</b>	<b>\$ 1,613</b>	<b>\$ 1,565</b>	<b>\$ 1,480</b>

#### Note 12. Disposals, Acquisitions and Related Items

The following dispositions impact the Company's Walmart International segment. Other immaterial transactions have also occurred.

##### *Asda*

In February 2021, the Company completed the divestiture of Asda, the Company's retail operations in the U.K., for net consideration of \$9.6 billion. Upon closing of the transaction, the Company recorded an incremental pre-tax loss of \$0.2 billion in other gains and losses in its Consolidated Statements of Income in the first quarter of fiscal 2022, primarily related to changes in the net assets of the disposal group, currency exchange rate fluctuations and customary purchase price adjustments upon closing. During the first quarter of fiscal 2022, the Company deconsolidated the financial statements of Asda and recognized its retained investment in Asda as a debt security within other long-term assets and also recognized certain legal and tax indemnity liabilities within deferred income taxes and other in the Consolidated Balance Sheet.

##### *Seiyu*

In March 2021, the Company completed the divestiture of Seiyu, the Company's retail operations in Japan, for net consideration of \$1.2 billion. Upon closing of the transaction, the Company recorded an incremental pre-tax loss of \$0.2 billion in other gains and losses in its Consolidated Statements of Income in the first quarter of fiscal 2022, primarily related to changes in the net assets of the disposal group, currency exchange rate fluctuations and customary purchase price adjustments upon closing. During the first quarter of fiscal 2022, the Company deconsolidated the financial statements of Seiyu and recognized its retained 15 percent ownership interest in Seiyu as an equity investment within other long-term assets in the Consolidated Balance Sheet.

#### Note 13. Segments and Disaggregated Revenue

##### *Segments*

The Company is engaged in the operation of retail and wholesale stores and clubs, as well as eCommerce websites and mobile applications, located throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico. The Company previously operated in the United Kingdom and Japan prior to the sale of those operations in the first quarter of fiscal 2022. Refer to [Note 12](#) for discussion of recent divestitures. 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 impracticable 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., as well as eCommerce, which includes omni-channel initiatives and certain other business offerings such as advertising services through Walmart Connect. The

Walmart International segment consists of the Company's operations outside of the U.S., as well as eCommerce and omni-channel initiatives. The Sam's Club segment includes the warehouse membership clubs in the U.S., as well as eCommerce and omni-channel initiatives. 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. 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>	<b>Walmart U.S.</b>	<b>Walmart International</b>	<b>Sam's Club</b>	<b>Corporate and support</b>	<b>Consolidated</b>
<b>Fiscal Year Ended January 31, 2024</b>					
Net sales	\$ 441,817	\$ 114,641	\$ 86,179	\$ —	\$ 642,637
Operating income (loss)	22,154	4,909	2,192	(2,243)	27,012
Interest, net					(2,137)
Other gains and (losses)					(3,027)
Income before income taxes					\$ 21,848
Total assets	\$ 137,782	\$ 86,136	\$ 15,682	\$ 12,799	\$ 252,399
Depreciation and amortization	7,671	2,159	642	1,381	11,853
Capital expenditures	\$ 13,877	\$ 2,911	\$ 1,041	\$ 2,777	\$ 20,606
<b>Fiscal Year Ended January 31, 2023</b>					
Net sales	\$ 420,553	\$ 100,983	\$ 84,345	\$ —	\$ 605,881
Operating income (loss)	20,620	2,965	1,964	(5,121)	20,428
Interest, net					(1,874)
Other gains and (losses)					(1,538)
Income before income taxes					\$ 17,016
Total assets	\$ 130,659	\$ 86,766	\$ 15,490	\$ 10,282	\$ 243,197
Depreciation and amortization	\$ 7,054	\$ 1,964	\$ 609	\$ 1,318	10,945
Capital expenditures	\$ 11,425	\$ 2,625	\$ 727	\$ 2,080	16,857
<b>Fiscal Year Ended January 31, 2022</b>					
Net sales	\$ 393,247	\$ 100,959	\$ 73,556	\$ —	\$ 567,762
Operating income (loss)	21,587	3,758	2,259	(1,662)	25,942
Interest, net					(1,836)
Loss on extinguishment of debt					(2,410)
Other gains and (losses)					(3,000)
Income before income taxes					\$ 18,696
Total assets	\$ 125,044	\$ 91,403	\$ 14,678	\$ 13,735	\$ 244,860
Depreciation and amortization	\$ 6,773	\$ 1,963	\$ 601	\$ 1,321	10,658
Capital expenditures	\$ 8,475	\$ 2,497	\$ 622	\$ 1,512	13,106

Total revenues, consisting of net sales and membership and other income, and long-lived assets, consisting primarily of net property and equipment and lease right-of-use assets, aggregated by the Company's U.S. and non-U.S. operations for fiscal 2024, 2023 and 2022, are as follows:

<i>(Amounts in millions)</i>	<b>Fiscal Years Ended January 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>			
U.S. operations	\$ 532,076	\$ 508,685	\$ 470,295
Non-U.S. operations	116,049	102,604	102,459
<b>Total revenues</b>	<b>\$ 648,125</b>	<b>\$ 611,289</b>	<b>\$ 572,754</b>
<b>Long-lived assets</b>			
U.S. operations	\$ 104,480	\$ 95,567	\$ 89,795
Non-U.S. operations	25,858	23,667	22,829
<b>Total long-lived assets</b>	<b>\$ 130,338</b>	<b>\$ 119,234</b>	<b>\$ 112,624</b>

No individual country outside of the U.S. had total revenues or long-lived assets that were material to the consolidated totals. Long-lived assets related to operations classified as held for sale are excluded from the table above. Additionally, the Company did not generate material revenues from any single customer.

### Disaggregated Revenues

In the following tables, segment net sales are disaggregated by either merchandise category or market. In addition, net sales related to eCommerce, which include omni-channel sales where a customer initiates an order digitally and the order is fulfilled through a store or club, are provided for each segment.

(Amounts in millions)

Walmart U.S. net sales by merchandise category	Fiscal Years Ended January 31,		
	2024	2023	2022
Grocery	\$ 264,210	\$ 247,299	\$ 218,944
General merchandise	113,985	118,597	125,876
Health and wellness	54,898	46,591	42,839
Other categories	8,724	8,066	5,588
<b>Total</b>	<b>\$ 441,817</b>	<b>\$ 420,553</b>	<b>\$ 393,247</b>

Of Walmart U.S.'s total net sales, approximately \$65.4 billion, \$53.4 billion and \$47.8 billion related to eCommerce for fiscal 2024, 2023 and 2022, respectively.

(Amounts in millions)

Walmart International net sales by market	Fiscal Years Ended January 31,		
	2024	2023	2022
Mexico and Central America	\$ 49,726	\$ 40,496	\$ 35,964
Canada	22,639	22,300	21,773
China	17,011	14,711	13,852
United Kingdom	—	—	3,811
Other	25,265	23,476	25,559
<b>Total</b>	<b>\$ 114,641</b>	<b>\$ 100,983</b>	<b>\$ 100,959</b>

Of Walmart International's total net sales, approximately \$24.8 billion, \$20.3 billion and \$18.5 billion related to eCommerce for fiscal 2024, 2023 and 2022, respectively.

(Amounts in millions)

Sam's Club net sales by merchandise category	Fiscal Years Ended January 31,		
	2024	2023	2022
Grocery and consumables	\$ 56,449	\$ 53,027	\$ 46,822
Fuel, tobacco and other categories	12,854	14,636	10,751
Home and apparel	9,263	9,579	9,037
Health and wellness	5,005	4,248	3,956
Technology, office and entertainment	2,608	2,855	2,990
<b>Total</b>	<b>\$ 86,179</b>	<b>\$ 84,345</b>	<b>\$ 73,556</b>

Of Sam's Club's total net sales, approximately \$9.9 billion, \$8.4 billion and \$6.9 billion related to eCommerce for fiscal 2024, 2023 and 2022, respectively.

### Note 14. Subsequent Event

#### Dividends Declared

The Company approved, effective February 20, 2024, the fiscal 2025 annual dividend of \$0.83 per share, an increase over the fiscal 2024 dividend of \$0.76 per share. For fiscal 2025, the annual dividend will be paid in four quarterly installments of \$0.2075 per share, according to the following record and payable dates:

Record Date	Payable Date
March 15, 2024	April 1, 2024
May 10, 2024	May 28, 2024
August 16, 2024	September 3, 2024
December 13, 2024	January 6, 2025



**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, standardizing controls globally, migrating certain processes to our shared services organizations and increasing monitoring controls. We are currently upgrading our financial system in stages, beginning in our U.S. and Canadian markets, including our general ledger which was upgraded for these markets during fiscal 2024. Our financial system is a significant component of our internal control over financial reporting. We will continue to implement other components of our new financial system in stages, and each implementation will impact our internal control over financial reporting.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2024 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, 2024. 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, 2024. The Company's internal control over financial reporting as of January 31, 2024, has been audited by Ernst & Young LLP as stated in their report which appears herein.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting as of January 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

***Security Trading Plans of Directors and Executive Officers***

None of the Company's directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended January 31, 2024, as such terms are defined under Item 408(a) or Regulation S-K.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

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

Information required by this Item 10 with respect to the Company's directors and certain family relationships is incorporated by reference to such information under the caption "Proposal No. 1 – Election of Directors" included in our Proxy Statement relating to our 2024 Annual Meeting of Shareholders (our "Proxy Statement").

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 2023 Annual Shareholders' Meeting as previously filed with the SEC.

The information regarding our Audit Committee, including our audit committee financial experts, our Reporting Protocols for Senior Financial Officers and our Code of Conduct 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 10 is incorporated herein by reference to the information under the captions "Corporate Governance" and "Proposal No. 4: Ratification of Independent Accountants" included in our Proxy Statement. "[Item 1. Business](#)" above contains information relating to the availability of a copy of our Reporting Protocols for Senior Financial Officers and our Code of Conduct and the posting of amendments to and any waivers of the Reporting Protocols for Senior Financial Officers and our Code of Conduct on our website.

#### **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item 11 is incorporated herein by reference to the information under the captions "Corporate Governance – Director Compensation" and "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 12 is incorporated herein by reference to the information that appears under the caption "Stock Ownership" included in our Proxy Statement.

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

The information required by this Item 13 is incorporated herein by reference to the information under the caption "Corporate Governance – Board Processes and Practices" included in our Proxy Statement.

#### **ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The information required by this Item 14 is incorporated herein by reference to the information under the caption "Proposal No. 4 – Ratification of Independent Accountants" 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 "[Item 8. Financial Statements and Supplementary Data.](#)"
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:  
See exhibits listed under part (b) below.

(b) The required exhibits are filed as part of this Form 10-K or are incorporated by reference herein.<sup>(1)</sup>

- 3.1(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 filed by the Company on February 1, 2018](#)
- 3.1(b) [Certificate of Amendment to the Restated Certificate of Incorporation of the Company, effective February 23, 2024 is incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on February 23, 2024](#)
- 3.2 [Amended and Restated Bylaws of the Company dated November 10, 2022 are incorporated herein by reference to Exhibit 3.1 to the Report on Form 8-K filed by the Company on November 16, 2022](#)
- 4.1 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) <sup>(P)</sup>
- 4.2 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) <sup>(P)</sup>
- 4.3 [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 \(File Number 333-101847\)](#)
- 4.4 [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 \(File Number 333-126512\)](#)
- 4.5 [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 \(File Number 333-130569\)](#)
- 4.6 [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 \(File Number 333-201074\)](#)
- 4.7 [Third Supplemental Indenture, dated June 26, 2018, 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\(S\) to Current Report on Form 8-K filed on June 26, 2018](#)
- 4.8\* [Description of Registrant's Securities](#)

- 10.1\* [Walmart Inc. Deferred Compensation Matching Plan, as amended and restated effective November 8, 2023](#) <sup>(C)</sup>
- 10.2 [Walmart Inc. Management Incentive Plan, as amended effective February 1, 2018 is incorporated by reference to Exhibit 10\(b\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018, filed on March 30, 2018](#) <sup>(C)</sup>
- 10.3\* [Walmart Inc. 2016 Associate Stock Purchase Plan, as amended effective February 1, 2024](#) <sup>(C)</sup>
- 10.4 [Walmart Inc. Stock Incentive Plan of 2015, as amended effective February 1, 2018 is incorporated by reference to Exhibit 10\(d\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018, filed on March 30, 2018](#) <sup>(C)</sup>
- 10.5 [Walmart Inc. Supplemental Executive Retirement Plan, as amended and restated effective February 1, 2023 is incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2023 filed on March 17, 2023](#) <sup>(C)</sup>
- 10.6 [Walmart Inc. Director Compensation Deferral Plan, as amended effective February 1, 2018 is incorporated by reference to Exhibit 10\(f\) to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2018, filed on March 30, 2018](#) <sup>(C)</sup>
- 10.7 [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](#) <sup>(C)</sup>
- 10.7(a)\* [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](#) <sup>(C)</sup>
- 10.8 [Form of Walmart Inc. Stock Incentive Plan of 2015 Restricted Stock Notification of Award and Terms and Conditions of Award is incorporated by reference to Exhibit 10.8 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2022, filed March 18, 2022](#) <sup>(C)</sup>
- 10.9 [Form of Walmart Inc. Stock Incentive Plan of 2015 Global Share-Settled Performance-Based Restricted Stock Unit Notification and Terms and Conditions is incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2022, filed on March 18, 2022](#) <sup>(C)</sup>
- 10.10 [Walmart Inc. Officer Deferred Compensation Plan, as amended and restated effective February 1, 2023 is incorporated by reference to Exhibit 10.10 to the Annual Report on Form 10-K of the Company for the fiscal year ended January 31, 2023 filed on March 17, 2023](#) <sup>(C)</sup>
- 10.11 [Post Termination Agreement and Covenant Not to Compete between the Company and Suresh Kumar dated June 6, 2019 is incorporated herein by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the fiscal year ended January 31, 2020 filed on March 20, 2020](#) <sup>(C)</sup>
- 10.12 [Retirement Agreement between the Company and M. Brett Biggs dated November 29, 2021 is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on November 29, 2021](#) <sup>(C)</sup>
- 10.13 [Share Issuance and Acquisition Agreement by and Between Flipkart Private Limited and Walmart Inc. dated as of May 9, 2018 is incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2018 filed on September 6, 2018 \(portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.\)](#)
- 10.14 [Counterpart Form of Share Purchase Agreement by and Among Wal-Mart International Holdings, Inc., the shareholders of Flipkart Private Limited identified on Schedule I thereto, Fortis Advisors LLC and Walmart Inc. dated as of May 9, 2018 is incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2018 filed on September 6, 2018.\(portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.\)](#)
- 10.15 [Retirement Agreement between the Company and Judith McKenna dated August 16, 2023 is incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended July 31, 2023 filed on September 1, 2023](#) <sup>(C)</sup>
- 21\* [List of the Company's Significant Subsidiaries](#)
- 23\* [Consent of Independent Registered Public Accounting Firm](#)

31.1*	<a href="#">Chief Executive Officer Section 302 Certification</a>
31.2*	<a href="#">Chief Financial Officer Section 302 Certification</a>
32.1**	<a href="#">Chief Executive Officer Section 906 Certification</a>
32.2**	<a href="#">Chief Financial Officer Section 906 Certification</a>
97.1*	<a href="#">Walmart Executive Compensation Recoupment Policy</a>
99.1*	<a href="#">Certain Federal and State Court Opioids Litigation Case Citations and Currently Scheduled Trial Dates</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith as an Exhibit.

\*\* Furnished herewith as an Exhibit.

(C) This Exhibit is a management contract or compensatory plan or arrangement

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

(1) Certain instruments defining the rights of holders of long-term debt securities of the Registrant are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Company hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.

(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 15, 2024

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 15, 2024

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

Date: March 15, 2024

By /s/ Gregory B. Penner  
Gregory B. Penner  
Chairman of the Board and Director

Date: March 15, 2024

By /s/ John David Rainey  
John David Rainey  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Date: March 15, 2024

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, 2024

Date: March 15, 2024	By	<u>/s/ Cesar Conde</u> Cesar Conde Director
Date: March 15, 2024	By	<u>/s/ Timothy P. Flynn</u> Timothy P. Flynn Director
Date: March 15, 2024	By	<u>/s/ Sarah Friar</u> Sarah Friar Director
Date: March 15, 2024	By	<u>/s/ Carla A. Harris</u> Carla A. Harris Director
Date: March 15, 2024	By	<u>/s/ Thomas W. Horton</u> Thomas W. Horton Director
Date: March 15, 2024	By	<u>/s/ Marissa A. Mayer</u> Marissa A. Mayer Director
Date: March 15, 2024	By	<u>/s/ Randall L. Stephenson</u> Randall L. Stephenson Director
Date: March 15, 2024	By	<u>/s/ S. Robson Walton</u> S. Robson Walton Director
Date: March 15, 2024	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, 2024

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Walmart Inc. has ten classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"): (i) Common Stock, \$0.10 par value per share ("*Common Stock*"), (ii) 2.550% Notes due 2026 (the "*2.550% 2026 Notes*"), (iii) 1.050% Notes due 2026 (the "*2026 Notes*"), (iv) 1.500% Notes due 2028 (the "*2028 Notes*"), (v) 5.750% Notes due 2030 (the "*2030 Notes*"), (vi) 1.800% Notes due 2031 (the "*2031 Notes*," and, collectively with the 2026 Notes, 2028 Notes and 2030 Notes, the "*Luxembourg Notes*"), (vii) 4.875% Notes due 2029 (the "*2029 Notes*"), (viii) 5.625% Notes due 2034 (the "*2034 Notes*"), (ix) 5.250% Notes due 2035 (the "*2035 Notes*") and (x) 4.875% Notes due 2039 (the "*2039 Notes*," and, collectively with the 2029 Notes, 2034 Notes, and 2035 Notes, the "*Irish Notes*" and, together with the 2.550% 2026 Notes and the Luxembourg Notes, the "*Notes*"). Each of the Company's securities registered under Section 12 of the Exchange Act is listed on The New York Stock Exchange (the "*NYSE*"). Except as the context otherwise requires, or as otherwise specified in this Exhibit 4.8 or the information incorporated by reference into this Exhibit 4.8, the terms "*Walmart Inc.*," "*Walmart*," the "*Company*," "*we*," "*us*," "*our*" and "*our company*" refer to Walmart Inc.

**DESCRIPTION OF COMMON STOCK**

The following is a description of the rights of holders of Common Stock and related provisions of the Company's Restated Certificate of Incorporation, as amended (the "*Certificate*"), and Amended and Restated Bylaws (the "*Bylaws*"), which are incorporated by reference as [Exhibit 3.1\(a\)](#), [Exhibit 3.1\(b\)](#) and [Exhibit 3.2](#), respectively, to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part, and applicable Delaware law, including the General Corporation Law of Delaware, as amended (the "*DGCL*"). This description is qualified in its entirety by, and should be read in conjunction with, the Certificate, Bylaws and applicable Delaware law.

**Authorized Capital Stock**

Pursuant to our Certificate, our authorized capital stock consists of 33,100,000,000 shares, with a par value of \$0.10 per share, of which 33,000,000,000 shares are designated as Common Stock and 100,000,000 shares are designated as preferred stock. The number of shares of Common Stock issued and outstanding varies from time to time.

**Common Stock**

***Fully Paid and Non-Assessable Shares; No Liability for Corporate Obligations***

All of the outstanding shares of Common Stock are fully paid and non-assessable. A share of Common Stock is fully paid and non-assessable if such share has been issued for consideration legally permissible under the DGCL with a value at least equal to the par value per share of Common Stock. Holders of fully paid and non-assessable shares of the Common Stock will not be liable for any obligations or liabilities of the Company that the Company may fail to discharge.

***Voting Rights***

Each holder of shares of Common Stock is entitled to one vote for each share owned of record on all matters submitted to a vote of shareholders. Except as noted below or as otherwise required by the DGCL, the vote of shareholders required to decide any matter brought before a shareholder meeting at which a quorum is present is a majority of the outstanding shares present in person or represented by proxy at that meeting and entitled to vote on the question subject to the shareholder vote. In a contested election of directors, which is an election in which there are more nominees for election than board positions to be filled, directors are elected by the vote of a plurality of the outstanding shares present in person or represented by proxy at that meeting and entitled to vote on the election of directors. The holders of a majority of the outstanding shares of our stock must approve any amendments to our Certificate, any merger or consolidation to which we are a party (other than parent-subsidiary mergers), any sale of all or substantially all of our assets or our dissolution as a corporation. In addition, the DGCL requires the holders of a majority of the outstanding shares of our stock to approve any conversion of our corporation to another type of entity, such as a limited liability company. Our shareholders do not have cumulative voting rights as to the election of directors.



### ***Dividends***

Subject to the preferential rights of any holders of any series of our preferred stock that may be issued in the future, the holders of shares of Common Stock are entitled to such dividends and distributions, whether payable in cash or otherwise, as may be declared from time to time by our board of directors from legally available funds.

### ***Liquidation Distributions***

Subject to the preferential rights of any holders of any series of our preferred stock that may be issued in the future, upon our liquidation, dissolution or winding-up and after payment of all prior claims against our assets and our outstanding obligations, the holders shares of Common Stock will be entitled to receive, pro rata, all of our remaining assets.

### ***Preemptive, Conversion, Redemption or Similar Rights***

The holders of shares of Common Stock are not entitled to any preemptive or other similar rights to subscribe for or acquire additional shares of Common Stock or any other securities of the Company. The shares of Common Stock are not subject to conversion or redemption by the Company and the holders of shares of Common Stock do not have any right or option to convert such shares into any other security or property of the Company or to cause the Company to redeem such shares of Common Stock. There are no sinking fund provisions applicable to the Common Stock.

### **Certificate, Bylaws and DGCL**

Provisions of the Certificate and Bylaws may delay or discourage transactions involving an actual or potential change in control of the Company or change in the Company's management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that shareholders might otherwise deem to be in their best interests. Among other things, the Certificate and Bylaws include the following provisions:

- i. vacancies on our board of directors, and any new director positions created by the expansion of our board of directors, may be filled only by a majority of the directors then in office, subject to certain exceptions;
- ii. our Bylaws establish an advance notice procedure for shareholders to submit proposed nominations of persons for election to our board of directors and other proposals for business to be brought before an annual meeting of our shareholders;
- iii. our Bylaws include enhanced procedural and disclosure requirements with which shareholders must comply in connection proposed nominations of persons for election to our board of directors, including related to the U.S. Securities and Exchange Commission's ("**SEC**") rules regarding universal proxy cards;
- iv. our board of directors may issue up to 100,000,000 shares of preferred stock, with designations, rights and preferences as may be determined from time to time by our board of directors; and
- v. our Bylaws may be amended by our shareholders or our board of directors.

### ***Anti-Takeover Provisions of Delaware Law, Our Certificate and Our Bylaws***

In addition, as a Delaware corporation, the Company is subject to the provisions of Section 203 of the DGCL, which prohibits the Company, subject to certain exceptions described below, from engaging in a "business combination" with:

- a stockholder who owns 15% or more of the Company's outstanding voting stock (otherwise known as an "**interested stockholder**");
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder,

in each case, for three years following the date that the stockholder became an interested stockholder.

A "**business combination**" includes a merger or sale of more than 10% of the Company's assets. However, the above provisions of Section 203 do not apply if:

- the board of directors approves the transaction that made the stockholder an "interested stockholder," prior to the date of the transaction;

- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of the Company’s voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of Common Stock; or
- on or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at a meeting of the Company’s stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

***Exclusive Forum Provision***

Our Certificate provides that, unless we select or consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, be the sole and exclusive forum for any current or former stockholder (including any current or former beneficial owner) to bring claim, including claims in the right of the corporation (a) that are based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity; or (b) as to which the DGCL confers jurisdiction upon the Court of Chancery.

**Listing**

Shares of the Common Stock are listed for trading on the NYSE under the symbol “WMT.”

**Transfer Agent and Registrar**

The transfer agent and registrar for the Common Stock is Computershare Trust Company, N.A.

**DESCRIPTION OF DEBT SECURITIES**

**The Indentures**

The following description of the Notes is qualified in its entirety by reference to:

- i. the Indenture, dated as of July 19, 2005, between the Company and The Bank of New York Mellon Trust Company, N.A. (“**BNYM**”), as successor-in-interest to J.P. Morgan Trust Company, National Association (“**JPMTC**”), as trustee, as amended by the First Supplemental Indenture, dated as of December 1, 2006, the Second Supplemental Indenture, dated as of December 19, 2014, and the Third Supplemental Indenture, dated as of June 26, 2018 (the “**2005 Indenture**”), incorporated by reference to [Exhibit 4.4](#), [Exhibit 4.5](#), [Exhibit 4.6](#) and [Exhibit 4.7](#), respectively, to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part;
- ii. the Indenture, dated as of December 11, 2002, between the Company and BNYM, as successor trustee to JPMTC, as successor trustee to Bank One Trust Company, NA (“**Bank One**”), as trustee (the “**2002 Indenture**”), incorporated by reference to [Exhibit 4.3](#) to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part; and
- iii. the Indenture, dated as of April 1, 1991, between the Company and BNYM, as successor trustee to JPMTC, as successor trustee to Bank One, as successor trustee to the First National Bank of Chicago, as trustee, as amended by the First Supplemental Indenture, dated as of September 9, 1992 (the “**1991 Indenture**”), incorporated by reference to Exhibit 4.1 and Exhibit 4.2, respectively, to the Annual Report on Form 10-K of which this Exhibit 4.8 is a part.

Notes issued under the 2005 Indenture are referred to herein as the “**2005 Indenture Notes**,” Notes issued under the 2002 Indenture are referred to herein as the “**2002 Indenture Notes**” and Notes issued under the 1991 Indenture are referred to herein as the “**1991 Indenture Notes**”.

***Trustee under the Indentures***

BNYM is the trustee under each of the Indentures. We have commercial deposits and custodial arrangements with BNYM and its affiliates. We may enter into similar or other banking relationships with BNYM in the future in the normal course of business. In addition, BNYM acts as trustee and as paying agent with respect to other debt securities issued by us, and may do so for future issuances of debt securities by us as well.

## **The 2005 Indenture**

The 2005 Indenture Notes were issued under the 2005 Indenture, which provides that debt securities may be issued under the 2005 Indenture from time to time in one or more series. The 2005 Indenture and the 2005 Indenture Notes are governed by, and construed in accordance with, the laws of the State of New York. The 2005 Indenture does not limit the amount of debt securities that we may issue under the 2005 Indenture. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the public offering price and the issue date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold.

## **Covenants**

The 2005 Indenture sets forth limited covenants that apply to the 2005 Indenture Notes. However, these covenants do not, among other things:

- limit the amount of indebtedness or lease obligations that may be incurred by us and our subsidiaries;
- limit our ability or that of our subsidiaries to issue, assume or guarantee debt secured by liens; or
- restrict us from paying dividends or making distributions on our capital stock or purchasing or redeeming our capital stock.

## **Consolidation, Merger and Sale of Assets**

The 2005 Indenture provides that we may amalgamate, consolidate with, merge into or transfer our assets substantially as an entirety to any person; provided that the following conditions are satisfied:

- any successor to us (a “**Successor**”) assumes our obligations on the 2005 Indenture Notes and under the 2005 Indenture;
- any Successor be an entity incorporated or organized under the laws of the United States;
- after giving effect to such transaction, no event of default, as described below under “—Events of Default,” has occurred and is continuing; and
- certain other conditions under the 2005 Indenture are met.

Upon any amalgamation, consolidation, merger, reorganization or arrangement or any conveyance or transfer of the properties and assets of the Company substantially as an entirety, the Successor will succeed to, and be substituted for, and may exercise every right and power of, the Company, as the case may be, under the 2005 Indenture with the same effect as if such Successor had been named as the Company therein.

Any such amalgamation, consolidation, merger or transfer of assets substantially as an entirety that meets the conditions described above would not constitute a default or event of default that would entitle holders of the 2005 Indenture Notes or the trustee, on their behalf, to take any of the actions described below under “—Events of Default.”

## **Events of Default**

Each of the following events are defined in the 2005 Indenture as an “**event of default**” with respect to the debt securities of any series, including the 2005 Indenture Notes:

- i. we fail to pay interest on any outstanding debt securities of that series when that interest is due and payable and that failure continues for 30 days;
- ii. we fail to pay principal of or premium, if any, on any outstanding debt securities of that series when that principal or premium, if any, is due and payable;
- iii. we fail to perform or we breach any covenant or warranty in the 2005 Indenture with respect to any outstanding debt securities of that series and that failure continues for 90 days after we receive written notice of that default;
- iv. certain events of bankruptcy, insolvency or reorganization occur with respect to us; or
- v. any other event occurs that is designated as an event of default with respect to the particular series of debt securities when that particular series of debt security is established.

An event of default with respect to the debt securities of any series issued under the 2005 Indenture does not necessarily constitute an event of default with respect to the debt securities of any other series issued under the 2005 Indenture.

If an event of default with respect to any series of outstanding debt securities occurs and is continuing (other than an event of default relating to certain events of bankruptcy, insolvency or reorganization with respect to us), the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of the outstanding debt securities of that series to be immediately due and payable. If an event of default relating to certain events of bankruptcy, insolvency or reorganization with respect to us occurs and is continuing, the principal of and accrued and unpaid interest on the then outstanding debt securities of all series issued under the 2005 Indenture will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holders.

The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series may rescind a declaration of acceleration and its consequences, if we have deposited certain sums with the trustee and all events of default with respect to the debt securities of such series, other than the nonpayment of the principal which have become due solely by such acceleration, have been cured or waived, as provided in the 2005 Indenture.

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under the 2005 Indenture.

We are required to file annually with the trustee a written statement as to the existence or non-existence of defaults under the 2005 Indenture or any series of debt securities issued thereunder.

No holder of any debt securities of any series, including the 2005 Indenture Notes, will have any right to institute any proceeding, judicial or otherwise, with respect to the 2005 Indenture, or for the appointment of a receiver or trustee, or for any other remedy, unless:

- i. such holder has previously given written notice to the trustee of a continuing event of default with respect to the debt securities of such series;
- ii. the holders of not less than 25% in principal amount of the outstanding debt securities of such series have made a written request to the trustee to institute proceedings in respect of such event of default in its own name as trustee;
- iii. such holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- iv. the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- v. no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in principal amount of the outstanding debt securities of such series;

it being understood and intended that no one or more holders of the debt securities of such series has any right in any manner whatever by virtue of, or by availing of, any provision of the 2005 Indenture to affect, disturb or prejudice the rights of any other holders of the debt securities of such series or to obtain or to seek to obtain priority or preference over any other such holders or to enforce any right under the 2005 Indenture, except in the manner herein provided and for the equal and ratable benefit of all the holders of the debt securities of such series.

The holders of a majority in aggregate principal amount of outstanding debt securities of a series will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee with respect to the debt securities of that series or exercising any trust or power conferred on the trustee, and to waive certain defaults. The 2005 Indenture provides that if an event of default occurs and is continuing, the trustee will exercise such of its rights and powers under the 2005 Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Notwithstanding the foregoing, the holder of any debt security will have the right to institute suit for the enforcement of any payment of principal of and premium, if any, and interest on that debt security or any redemption price or repurchase price when due and that that right will not be impaired without the consent of that holder.

### ***Modification and Waivers***

We and the trustee may execute a supplemental indenture to add provisions to or to eliminate or change provisions of the 2005 Indenture or to modify otherwise the rights of the holders of the 2005 Indenture Notes if we have the consent of the holders of not less than a majority in aggregate principal amount of the 2005 Indenture Notes affected by that supplemental indenture. However, we and the trustee may not execute a supplemental indenture without the consent of each holder of the 2005 Indenture Notes affected by that supplemental indenture if that supplemental indenture would, among other things:

- change the maturity of the principal of, or the stated maturity of any installment of interest or premium, if any, on, any Note, reduce the principal amount of or the premium, if any, or rate of interest on any Note, change any method for determining the rate of interest on any Note, change the obligation to pay any additional amounts with respect to any Note, reduce the amount due and payable on a Note upon the acceleration of its maturity or upon its repurchase or redemption if the amount payable upon acceleration, repurchase or redemption is otherwise less than the stated principal amount of that Note, change the method of calculating interest on a Note, change the currency in which the principal of or the premium, if any, or interest on a Note is payable, reduce the minimum rate of interest on any Note or impair the right to institute suit for the enforcement of any such payment on or with respect to any such holder's 2005 Indenture Notes;
- reduce the percentage in principal amount of outstanding 2005 Indenture Notes described above as being required to consent to entry into a particular supplemental indenture or for the waiver of certain defaults under the 2005 Indenture and their consequences; or
- modify the provisions of the 2005 Indenture relating to modification of the 2005 Indenture, except in certain specified respects.

The trustee and we, without the consent of any holders, may execute a supplemental indenture to, among other things:

- evidence the succession of another corporation to us and the Successor's assumption to our covenants with respect to the 2005 Indenture Notes and the 2005 Indenture;
- add to our covenants further restrictions or conditions for the benefit of holders of the 2005 Indenture Notes;
- cure ambiguities or correct or supplement any provision contained in the 2005 Indenture or any supplemental indenture that may be inconsistent with another provision;
- add additional events of default with respect to the 2005 Indenture Notes;
- add to, change or eliminate any provision of the Indenture, provided that the addition, change or elimination will not affect any outstanding 2005 Indenture Notes;
- establish new series of debt securities and the form or terms of such series of debt securities and to provide for the issuance of securities of any series so established;
- evidence and provide for the acceptance of appointment of a successor trustee with respect to the 2005 Indenture Notes and to add or change any provision to or of the 2005 Indenture as necessary to have more than one trustee under the 2005 Indenture; and
- comply with the requirements of the SEC in order to maintain the qualification of the 2005 Indenture under the Trust Indenture Act of 1939.

The holders of a majority in aggregate principal amount of the outstanding 2005 Indenture Notes may waive an event of default resulting in acceleration of the 2005 Indenture Notes and rescind and annul that acceleration, but only if all other events of default with respect to the 2005 Indenture Notes have been remedied or waived and all payments due with respect to the 2005 Indenture Notes, other than those becoming due as a result of acceleration, have been made. If an event of default occurs and is continuing with respect to the 2005 Indenture Notes, the trustee may, in its discretion, and will, at the written request of holders of not less than a majority in aggregate principal amount of the outstanding 2005 Indenture Notes and upon reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request and subject to certain other conditions set forth in the 2005 Indenture, proceed to protect the rights of the holders of the 2005 Indenture Notes.

The holders of a majority in aggregate principal amount of the 2005 Indenture Notes may waive any past default under the 2005 Indenture and its consequences except an uncured default in the payment of principal of and premium, if any, or interest on the 2005 Indenture Notes or with respect to any covenant or provision of the 2005 Indenture that the 2005 Indenture or the 2005 Indenture Notes specifically provide cannot be waived without the consent of each holder of the 2005 Indenture Notes. Upon such a waiver, the default and any event of default arising out of the default will be deemed cured for all purposes of the 2005 Indenture Notes.

### **The 2002 Indenture**

The 2002 Indenture Notes were issued under the 2002 Indenture, which provides that debt securities may be issued under the 2002 Indenture from time to time in one or more series. The 2002 Indenture and the 2002 Indenture Notes are governed by, and construed in accordance with, the laws of the State of New York. The 2002 Indenture does not limit the amount of debt securities that we may issue under the 2002 Indenture. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the public offering price and the issue date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold.

### ***Conversion or Exchange Rights***

Debt securities offered under the 2002 Indenture may be convertible into or exchangeable for other securities, including, for example, shares of our equity securities. The terms and conditions may include, among others, the following:

- the conversion or exchange price or prices or the ratio or ratios or method of determining the conversion or exchange prices or ratios;
- the conversion or exchange period;
- provisions regarding our ability or the ability of the holder to convert or exchange the debt securities;
- events requiring adjustment to the conversion or exchange price; and
- provisions affecting conversion or exchange in the event of our redemption of the debt securities.

### ***Events of Default and Waiver***

An event of default with respect to debt securities of a series issued under the 2002 Indenture will occur if:

- we fail to pay interest on any outstanding debt securities of that series when it is due and payable and that failure continues for 30 days;
- we fail to pay principal of, or premium, if any, on any outstanding debt securities of that series when it is due and payable;
- we fail to perform or we breach any covenant or warranty in the 2002 Indenture with respect to any outstanding debt securities of that series and that failure continues for 90 days after we receive written notice of that default;
- certain events of bankruptcy, insolvency or reorganization occur with respect to us; or
- any other event occurs that is designated as an event of default with respect to the particular series of debt securities when that particular series of debt securities is established.

An event of default with respect to a particular series of debt securities issued under the 2002 Indenture does not necessarily constitute an event of default with respect to any other series of debt securities issued under the 2002 Indenture. If an event of default with respect to any series of outstanding debt securities occurs and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of the outstanding debt securities of that series to be immediately due and payable. The holders of a majority in aggregate principal amount of the outstanding debt securities of a series may waive an event of default resulting in acceleration of the debt securities of that series and rescind and annul that acceleration, but only if all other events of default with respect to the debt securities of that series have been remedied or waived and all payments due with respect to the debt securities of that series, other than those due as a result of acceleration, have been made. If an event of default occurs and is continuing with respect to the debt securities of a series, the trustee may, in its discretion, and will, at the written request of holders of not less than a majority in aggregate principal amount of the outstanding debt securities of that series and upon reasonable

indemnity against the costs, expenses and liabilities to be incurred in compliance with such request and subject to certain other conditions set forth in the indenture, proceed to protect the rights of the holders of the debt securities of that series. The holders of a majority in aggregate principal amount of the debt securities of that series may waive any past default under the 2002 Indenture and its consequences except a default in the payment of principal of, premium, if any, or interest on, those debt securities and any covenant or provision of the 2002 Indenture that cannot be waived without the consent of each holder of debt securities of that series. Upon such a waiver, the default and any event of default arising out of the default will be deemed cured for all purposes of the debt securities of that series.

The 2002 Indenture provides that upon the occurrence of an event of default described in the first two bullet points in the first paragraph under “—Events of Default and Waiver” with respect to debt securities of a series, we will, upon the trustee’s demand, pay to the trustee for the benefit of the holders of the outstanding debt securities of that series, the whole amount then due and payable on the debt securities of that series for principal, premium, if any, and interest. The 2002 Indenture also provides that if we fail to pay such amount forthwith upon such demand, the trustee may, among other things, institute a judicial proceeding for the collection of those amounts.

The 2002 Indenture also provides that, notwithstanding any other provision of the 2002 Indenture, the holder of any debt securities of a series will have the right to institute suit for the enforcement of any payment of principal of, and interest on, the debt securities of that series or any redemption price or repurchase price when due and that that right will not be impaired without the consent of that holder.

The trustee is required, within 90 days after the occurrence of a default with respect to the debt securities of a series, to give to the holders of the debt securities of that series notice of all uncured defaults known to it. However, except in the case of default in the payment of principal or interest on any of the debt securities of that series, the trustee will be protected in withholding that notice if the trustee in good faith determines that the withholding of that notice is in the interest of the holders of the debt securities of that series. The term “*default*,” for the purpose of this provision only, means the occurrence of any event that is or would become, after notice or the passage of time or both, an event of default with respect to that series.

We are required to file annually with the trustee a written statement as to the existence or non-existence of defaults under the 2002 Indenture or any series of debt securities.

#### ***Legal Defeasance and Covenant Defeasance***

We may, at our option and at any time, elect to have all of the obligations discharged with respect to the outstanding debt securities issued under the 2002 Indenture or as to any series thereof, except for:

- the rights of holders of debt securities to receive payments of principal and interest from the trust referred to below when those payments are due;
- our obligations respecting the debt securities concerning issuing temporary notes, registration of transfers of debt securities, mutilated, destroyed, lost or stolen debt securities, the maintenance of an office or agency for payment and money for debt security payments being held in trust;
- the rights, powers, trusts, duties and immunities of the trustee and our obligations in connection therewith; and
- the provisions of the 2002 Indenture relating to such a discharge of obligations.

We refer to a discharge of this type as “*defeasance*.”

In addition, other than our covenant to pay the amounts due and owing with respect to a series of debt securities, we may elect to have our obligations as the issuer of a series of debt securities released with respect to covenants relating to that series of debt securities. Thereafter, any failure to comply with those obligations will not constitute a default or event of default with respect to the debt securities of that series. If such a release of our covenants occurs, our failure to perform or our breach of the covenants or warranties defeased will no longer constitute an event of default with respect to those debt securities.

To exercise either of the rights we describe above, certain conditions must be met, including:

- we must irrevocably deposit with the trustee, in trust for the debt security holders’ benefit, moneys in the currency in which the securities are denominated, securities issued by a government, governmental agency or central bank of the country in whose currency the securities are denominated, or a combination of cash

and such securities, in amounts sufficient to pay the principal of and interest on all of the then outstanding debt securities to be affected by the defeasance at their stated maturity;

- the trustee must receive an opinion of counsel confirming that the holders of the outstanding debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if that defeasance had not occurred, which opinion, only in the case of the type of defeasance described first above, will be based on a ruling of the Internal Revenue Service or a change in federal income tax law to that effect occurring after the date of the indenture;
- no default or event of default exists on the date of such deposit, subject to certain exceptions; and
- the trustee must receive an opinion of counsel to the effect that, after the 91st day following the deposit, the trust funds will not be part of any “estate” formed by the bankruptcy or reorganization of the party depositing those funds with the trustee or subject to the “automatic stay” under the United States Bankruptcy Code or, in the case of covenant defeasance, will be subject to a first priority lien in favor of the trustee for the benefit of the holders.

#### ***Satisfaction and Discharge***

If we so request, the 2002 Indenture will cease to be of further effect, other than as to certain rights of registration of transfer or exchange of the notes, as provided for in the 2002 Indenture, and the trustee, at our expense, will execute proper instruments acknowledging satisfaction and discharge of the 2002 Indenture and the debt securities when:

- either all the debt securities previously authenticated and delivered under the 2002 Indenture, other than destroyed, lost or stolen securities that have been replaced or paid and notes that have been subject to defeasance, have been delivered to the trustee for cancellation; or
- all of the securities issued under the 2002 Indenture not previously delivered to the trustee for cancellation have become due and payable, will become due and payable at their stated maturity within 60 days or will become due and payable at redemption within 60 days under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in our name and expense; and
- in each of the foregoing cases, we have irrevocably deposited or caused to be deposited with the trustee cash in U.S. dollars, certain United States government securities or a combination thereof, in trust for the purpose and in an amount sufficient to pay and discharge the entire indebtedness arising under the debt securities issued pursuant to the 2002 Indenture not previously delivered to the trustee for cancellation, for principal and premium, if any, on and interest on these securities to the date of such deposit (in the case of notes that have become due and payable) or to the stated maturity of these securities or redemption date, as the case may be; and
- we have paid or caused to be paid all sums payable under the 2002 Indenture by us; and
- no default or event of default then exists; and
- we have delivered to the trustee an officers’ certificate and an opinion of counsel, each stating that all conditions precedent provided in the 2002 Indenture relating to the satisfaction and discharge of the 2002 Indenture and the securities issued under the indenture have been complied with.

#### ***Modification of the 2002 Indenture***

The 2002 Indenture provides that, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each affected series, modifications and alterations of the 2002 Indenture may be made which affect the rights of the holders of such debt securities. However, no such modification or alteration may be made without the consent of the holder of each debt security affected if the modification or alteration would, among other things:

- change the maturity of the principal of, or of any installment of interest on, any such debt security, or reduce the principal amount of any such debt security, or change the method of calculation of interest or the currency of payment of principal or interest on, or reduce the minimum rate of interest thereon, or impair the right to institute suit for the enforcement of any such payment on or with respect to any such debt security, or



- reduce the above-stated percentage in principal amount of outstanding debt securities required to modify or alter the 2002 Indenture.

The trustee and we, without the consent of the holders of the debt securities, may execute a supplemental indenture to the 2002 Indenture to, among other things:

- evidence the succession of another corporation to us and the successor's assumption to our respective covenants with respect to the debt securities and the 2002 Indenture;
- add to our covenants further restrictions or conditions that our board of directors and the trustee consider to be for the protection of holders of all or any series of the debt securities and to make the occurrence of a default in any of those additional covenants, restrictions or conditions a default or an event of default under the 2002 Indenture subject to certain limitations;
- cure ambiguities or correct or supplement any provision contained in the 2002 Indenture or any supplemental indenture that may be defective or inconsistent with another provision;
- add additional events of default with respect to all or any series of the debt securities;
- add to, change or eliminate any provision of the 2002 Indenture provided that the addition, change or elimination will not affect any outstanding debt securities;
- provide for the issuance of debt securities whether or not then outstanding under the 2002 Indenture in coupon form and to provide for exchangeability of the coupon form securities with other debt securities issued under the 2002 Indenture in fully registered form;
- establish new series of debt securities and the form or terms of such series of debt securities and to provide for the issuance of securities of any series so established; and
- evidence and provide for the acceptance of appointment of a successor trustee and to change the 2002 Indenture as necessary to have more than one trustee under the 2002 Indenture.

***Amalgamation, Consolidation, Merger or Sale of Assets***

The 2002 Indenture provides that we may, without the consent of the holders of any of the outstanding debt securities of any series, amalgamate, consolidate with, merge into or transfer our assets substantially as an entirety to any person, provided that:

- any successor to us assumes our obligations on the debt securities and under the 2002 Indenture;
- any successor to us must be an entity incorporated or organized under the laws of the United States;
- after giving effect thereto, no event of default, as defined in the 2002 Indenture, shall have occurred and be continuing; and
- certain other conditions under the 2002 Indenture are met.

Any such amalgamation, consolidation, merger or transfer of assets substantially as an entirety that meets the conditions described above would not constitute a default or event of default that would entitle holders of the debt securities or the trustee, on their behalf, to take any of the actions described above under “—Events of Default and Waiver.”

***No Limitations on Additional Debt and Liens***

The 2002 Indenture does not contain any covenants or other provisions that would limit our right to incur additional indebtedness, enter into any sale and leaseback transaction or grant liens on our assets.

***The 1991 Indenture***

The 1991 Indenture Notes were issued under the 1991 Indenture, which provides that debt securities may be issued under the 1991 Indenture from time to time in one or more series. The 1991 Indenture and the 1991 Indenture Notes are governed by, and construed in accordance with, the laws of the State of New York. The 1991 Indenture does not limit the amount of debt securities that we may issue under the 1991 Indenture. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the public offering price and the issue date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold.

## ***Covenants***

We will not, and will not permit any of our subsidiaries to issue, assume or guarantee any debt for money we borrow if that debt is secured by any mortgage, deed of trust, security interest, pledge, lien or other encumbrance upon any Operating Property (as defined below) belonging to us or of any of our subsidiaries or any shares of stock or indebtedness of any of our subsidiaries, whether owned at the date of the 1991 Indenture or thereafter acquired, without effectively securing the debt securities equally and ratably with that debt. This restriction does not, however, apply to:

- mortgages on any property acquired, constructed or improved by us or any of our subsidiaries after January 31, 1991, created or assumed within 60 months after the acquisition, or construction or improvement is complete, or within six months after completion pursuant to a firm commitment for financing arrangement that we enter into within that 60-month period, to secure or provide for the payment of the purchase price or cost;
- mortgages existing on any property at the time of its acquisition;
- mortgages existing on any property, shares of stock or debt acquired from a corporation merged with or into us or one of our subsidiaries;
- mortgages on property of any corporation existing at the time it becomes our subsidiary;
- mortgages to secure debt of any of our subsidiaries to us or to another of our subsidiaries;
- mortgages in favor of governmental bodies to secure partial progress, advance or other payments pursuant to any contract or statute or to secure indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to those mortgages; or
- mortgages for extending, renewing or replacing debt secured by any mortgage referred to in the foregoing items or in this item or any mortgages existing on January 31, 1991.

This restriction does not apply to the issuance, assumption or guarantee by us or any of our subsidiaries of debt secured by a mortgage which would otherwise be subject to the restrictions described above up to an aggregate amount which, together with all of our and our subsidiaries' secured debt, not including secured debt permitted under the foregoing exceptions, and the Value (as defined below) of Sale and Lease-back Transactions (as defined below) existing at that time other than those Sale and Lease-back Transactions the proceeds of which have been applied to the retirement of certain long-term debt or to the purchase of other operating property, and other than those Sale and Lease-back Transactions in which the property involved would have been permitted to be mortgaged under the principle described in the first item above, does not exceed the greater of 10% of our Consolidated Net Tangible Assets (as defined below) or 15% of Consolidated Capitalization (as defined below).

We will not, and will not permit any of our subsidiaries to, engage in Sale and Lease-back Transactions relating to any Operating Property, except for temporary leases for a term, including renewals, of not more than 48 months and except for leases between us and one of our subsidiaries or between our subsidiaries. However, we or our subsidiaries can engage in that type of transaction if the net proceeds of the Sale and Lease-back Transaction are at least equal to the sum of all costs incurred by us in connection with the acquisition of, and construction of any improvement on, the Operating Property to be leased and either:

- we or our subsidiary would be entitled to incur debt secured by a mortgage on the property to be leased without securing the debt securities pursuant to the first exception to the prohibition on liens stated above; or
- the Value thereof would be an amount permitted as described above; or
- we apply an amount equal to the sum of all costs incurred by us in connection with the acquisition of, and the construction of any improvements on, that property (1) to the payment or other retirement of certain of our or one of our subsidiary's long-term debt or (2) to the purchase of Operating Property, other than that involved in that Sale and Lease-back Transaction.

We may merge with or consolidate into another corporation or sell or convey all or substantially all of our property to another corporation that is authorized to purchase and operate our property, as long as:

- immediately after the merger, consolidation, sale or conveyance, the surviving or acquiring corporation is not in default under the 1991 Indenture;

- the surviving or acquiring corporation is a U.S. corporation; and
- the surviving or acquiring corporation assumes, by a supplemental indenture satisfactory to the trustee, the obligation to pay the principal of and interest and any premium on all of the debt securities and to perform our covenants under the 1991 Indenture.

In the case of a merger or consolidation or a sale or conveyance of all or substantially all of our assets and the assumption of our liabilities under the 1991 Indenture by a successor corporation, the successor corporation will assume our place in the 1991 Indenture as if it had originally been a party to the 1991 Indenture. The successor corporation may then issue debt securities under the 1991 Indenture.

***Events of Default, Notice and Waiver***

An event of default with respect to any series of debt securities under the 1991 Indenture is:

- a default in payment of principal or premium, if any, at maturity;
- a default for 30 days in payment of any interest;
- our failure for 60 days after notice to perform any other of the covenants or agreements in the 1991 Indenture;
- our default in the payment of any of our debt or acceleration of any of that debt under the terms of the instrument under which that debt is issued, if that default in payment is not cured or that acceleration is not annulled within 10 days after written notice;
- certain events in the case of our bankruptcy, insolvency or reorganization; or
- any other event of default provided with respect to any series of debt securities.

If an event of default occurs and is continuing with respect to any series of debt securities, either the trustee or the holders of 25% in principal amount then outstanding of the debt securities of that series may declare the principal of all the debt securities to be due and payable immediately, but upon certain conditions that declaration may be annulled. The holders of a majority in principal amount then outstanding of the debt securities of a series may waive defaults, except an uncured default in the payment of principal of or interest or any premium on the debt securities.

We are required to file annually with the trustee a certificate either stating the absence of any default or specifying any default that exists. The trustee is required, within 90 days after the occurrence of a default with respect to the debt securities of any series, to give to the holders of the debt securities notice of all uncured defaults known to it. However, except in the case of default in the payment of principal and premium, if any, or interest on any of the debt securities of that series, the trustee will be protected in withholding that notice if the trustee in good faith determines that the withholding of that notice is in the interest of the holders of the debt securities of that series. The term “default,” for the purpose of this provision only, means the occurrence of any of the events of default specified above excluding any grace periods.

The trustee is entitled, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of the debt securities of any series before proceeding to exercise any right or power under the 1991 Indenture at the request of those holders. The 1991 Indenture provides that the holders of a majority in principal amount of each series of outstanding debt securities may direct, with regard to that series, the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, provided that the trustee may decline to act if that direction is contrary to law or if the trustee determines in good faith that the proceeding so directed would be illegal or would involve it in personal liability.

***Modification of the 1991 Indenture***

The trustee and we, with the consent of the holders of not less than 66 2/3% in aggregate principal amount of each series of the debt securities at the time outstanding affected thereby, may execute supplemental indentures amending, changing or eliminating the provisions of the 1991 Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of those debt securities. However, no supplemental indenture of that kind may:

- extend the fixed maturity of any debt securities or the time of payment of interest, reduce the interest rate, the principal amount or any premium to be paid upon redemption or the amount of principal of an original issue discount security that would be payable upon acceleration of maturity, or impair or affect the right of

any debt security holder to institute suit for payment or the right of repayment, if any, at the option of the holder of debt securities, without the consent of the holder of each debt securities so affected; or

- reduce the above percentage of debt securities, the holders of which are required to consent to any supplemental indenture of that kind, without the consent of the holders of all the affected debt securities then outstanding.

In some circumstances, the holders of a majority in aggregate principal amount of each series of debt securities may waive all defaults and rescind and annul a declaration that the series of debt securities has become due and payable and the consequences of a declaration of that kind.

The trustee and we, without the consent of the holders of the debt securities, may execute an indenture or supplemental indentures to:

- evidence the succession of another corporation to us and our successor's assumption to our agreements and obligations with respect to the debt securities and the indenture;
- add to our covenants further restrictions or conditions that our board of directors and the trustee consider to be for the protection of holders of all or any series of the debt securities and to make the occurrence of a default in any of those additional covenants, restrictions or conditions a default or an event of default permitting enforcement of all or any of the several remedies provided in the indenture with some permissible limitations;
- cure ambiguities or correct or supplement any provision contained in the indenture or any supplemental indenture that may be defective or inconsistent with another provision;
- provide for the issuance of debt securities whether or not then outstanding under the indenture in coupon form and to provide for exchangeability of the coupon form securities with debt securities issued under the indenture in fully registered form;
- establish the form or terms and to provide for the issuance of any series of debt securities under the indenture; and
- evidence and provide for the acceptance of appointment of a successor trustee and to change the indenture as necessary to have more than one trustee under the indenture.

#### ***Defeasance of Offered Debt Securities in Certain Circumstances***

The 1991 Indenture provides that our board of directors may provide by resolution that we will be discharged from any and all obligations in respect of the debt securities of any series upon the deposit with the trustee, in trust, of money and/or obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, which through the payment of interest and principal those debt securities in accordance with their terms will provide money in an amount sufficient to pay any installment of principal of and interest on the debt securities of that series on the stated maturity of that payments in accordance with the terms of the 1991 Indenture and those debt securities. A discharge may only occur if we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that the discharge will not be deemed, or result in, a taxable event with respect to holders of the debt securities of that series.

#### ***Definitions***

The 1991 Indenture contains the following defined terms:

***“Consolidated Capitalization”*** means the total of all the assets appearing on our and our subsidiaries' consolidated balance sheets less current liabilities and deferred income taxes.

***“Consolidated Net Tangible Assets”*** means the total of all the assets appearing on our and our subsidiaries' consolidated balance sheets less:

- current liabilities;
- reserves for depreciation and other asset valuation reserves;
- intangible assets such as goodwill, trademarks, trade names, patents, and unamortized debt discount and expense; and
- appropriate adjustments on account of minority interests of other persons holding stock in any of our majority-owned subsidiaries.

**“Operating Property”** means any manufacturing or processing plant, office facility, retail store, wholesale club, Supercenter, hypermart, warehouse, distribution center or equipment located within the United States of America or its territories or possessions and owned and operated now or hereafter by us or any of our subsidiaries and having a book value on the date as of which the determination is being made of more than 0.60% of Consolidated Net Tangible Assets; provided, however, that separate items of equipment with an aggregate book value in excess of \$200,000,000 that are secured pursuant to the same financing transaction will constitute one “Operating Property.”

**“Sale and Lease-back Transaction”** means any arrangement with any person providing for the leasing to us or any of our subsidiaries of any Operating Property, except for temporary leases for a term, including any renewal thereof, of not more than 48 months and except for leases between us and one of our subsidiaries or between our subsidiaries, which Operating Property has been or is to be sold or transferred by us or one of our subsidiaries to that person.

**“Value”** means, with respect to a Sale and Lease-back Transaction, as of any particular time, the amount equal to the greater of:

- the net proceeds from the sale or transfer of the property leased pursuant to that Sale and Lease-back Transaction; or
- the sum of all of our costs incurred in connection with the acquisition of that property and the construction of any improvements thereon, as determined in good faith by us at the time of entering into that Sale and Lease-back Transaction,

in either case multiplied by a fraction, the numerator of which shall be equal to the number of full years of the term of the lease remaining at the time of determination and the denominator of which shall be equal to the number of full years of that term, without regard to any renewal or extension options contained in the lease.

## **The Notes**

### **The 2.550% 2026 Notes**

The 2.550% 2026 Notes were issued under and pursuant to the 2005 Indenture. The 2.550% 2026 Notes were issued in an aggregate principal amount of €650,000,000. The maturity date of the 2.550% 2026 Notes is April 8, 2026, and interest at a rate of 2.550% per annum is paid annually on April 8 of each year and on the maturity date.

### **Ranking**

The 2.550% 2026 Notes are our senior unsecured debt obligations and rank equally among themselves and with all of our existing and future unsecured and unsubordinated debt obligations. Consequently, the holders of the 2.550% 2026 Notes have a right to payment equal to that of our other unsecured creditors. None of our subsidiaries have any obligation as to any of the 2.550% 2026 Notes or will guarantee the payment of amounts owing with respect to any of the 2.550% 2026 Notes. Neither the 2.550% 2026 Notes nor the 2005 Indenture restricts the ability of our subsidiaries to incur indebtedness.

### **Payment on the 2.550% 2026 Notes**

All payments of principal, including payments made upon any redemption of the 2.550% 2026 Notes, of, accrued interest on, and any additional amounts payable with respect to, the 2.550% 2026 Notes are payable in euro; provided, however, if the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the 2.550% 2026 Notes will be made in U.S. dollars until the euro is again available to us or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the Board of Governors of the U.S. Federal Reserve System as of the close of business on the second Business Day prior to the relevant payment date or, in the event the Board of Governors of the U.S. Federal Reserve System has not mandated a rate of conversion on such date, on the basis of the most recent U.S. dollar/euro exchange rate published in *The Wall Street Journal* on or most recently prior to the second Business Day prior to the relevant payment date. Any payment in respect of the 2.550% 2026 Notes so made in U.S. dollars will not constitute an event of default under such 2.550% 2026 Notes or the 2005 Indenture.

“**Business Day**” means any day, other than a Saturday or a Sunday, (1) which is not a day on which banking institutions are authorized or obligated by law or executive order to close in New York City or London and (2) on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, is open.

**Payment of Additional Amounts**

All payments of principal and interest in respect of the 2.550% 2026 Notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature required to be deducted or withheld by the United States or any political subdivision or taxing authority of or in the United States, unless such withholding or deduction is required by law.

In the event any withholding or deduction on payments in respect of the 2.550% 2026 Notes for or on account of any present or future tax, assessment or other governmental charge is required to be deducted or withheld by the United States or any taxing authority thereof or therein, we will pay such additional amounts on the 2.550% 2026 Notes as will result in receipt by each beneficial owner of a Note that is a Non-U.S. Person (as defined below) of such amounts (after all such withholding or deduction, including on any additional amounts) as would have been received by such beneficial owner had no such withholding or deduction been required. We will not be required, however, to make any payment of additional amounts for or on account of:

- i. any tax, assessment or other governmental charge that would not have been imposed but for (A) the existence of any present or former connection (other than a connection arising solely from the ownership of those 2.550% 2026 Notes or the receipt of payments in respect of those 2.550% 2026 Notes) between that beneficial owner, or between a fiduciary, settlor, beneficiary of, member or shareholder of, or possessor of a power over, that beneficial owner, if that beneficial owner is an estate, trust, partnership or corporation, and the United States, including that beneficial owner, or that fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in trade or business or present in the United States or (B) the presentation of a Note for payment on a date more than 30 days after the later of the date on which that payment becomes due and payable and the date on which payment is duly provided for;
- ii. any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;
- iii. any tax, assessment or other governmental charge imposed by reason of that beneficial owner’s past or present status as a passive foreign investment company, a controlled foreign corporation or a personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;
- iv. any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or premium, if any, or interest on such holder’s 2.550% 2026 Notes;
- v. any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of and premium, if any, or interest on any Note if that payment can be made without withholding by any other paying agent;
- vi. any tax, assessment or other governmental charge which would not have been imposed but for the failure of a beneficial owner or any holder of 2.550% 2026 Notes to comply with our request to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of the beneficial owner or any holder of the 2.550% 2026 Notes, if such compliance is required by statute or by regulation of the U.S. Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge, including, without limitation, any withholding required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “*Code*”);
- vii. any tax, assessment or other governmental charge imposed on interest received by (A) a 10% shareholder (as defined in Section 871(h)(3)(B) of the Code and the regulations that may be promulgated thereunder) of our Company or (B) a controlled foreign corporation that is related to us within the meaning of Section 864(d)(4) of the Code;

- viii. any withholding or deduction that is imposed on a payment to an individual and is required to be made pursuant to that European Union Directive relating to the taxation of savings adopted on June 3, 2003 by the European Union's Economic and Financial Affairs Council, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- ix. any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii).

In addition, we will not pay any additional amounts to any beneficial owner or holder of 2.550% 2026 Notes who is a fiduciary or partnership to the extent that a beneficiary or settlor with respect to that fiduciary or a member of that partnership or a beneficial owner thereof would not have been entitled to the payment of those additional amounts had that beneficiary, settlor, member or beneficial owner been the beneficial owner of those 2.550% 2026 Notes.

As used in the preceding section, "**Non-U.S. Person**" means any corporation, partnership, individual or fiduciary that is, as to the United States, a foreign corporation, a non-resident alien individual who has not made a valid election to be treated as a United States resident, a non-resident fiduciary of a foreign estate or trust or a foreign partnership, one or more of the members of which is, as to the United States, a foreign corporation, a non-resident alien individual or a non-resident fiduciary of a foreign estate or trust.

#### **Redemption for Tax Reasons**

If, as a result of any change or amendment to the laws, treaties, regulations or rulings of the United States or any political subdivision or taxing authority thereof, any proposed change in such laws, treaties, regulations or rulings, or any change in the official application, enforcement or interpretation of those laws, treaties, regulations or rulings, we become, or based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described above under the heading "Payments of Additional Amounts" with respect to the 2.550% 2026 Notes, then we may redeem the 2.550% 2026 Notes, in whole, but not in part, at our option, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to 100% of the principal amount of the 2.550% 2026 Notes, plus accrued but unpaid interest, if any, on the 2.550% 2026 Notes to the date fixed for redemption.

#### **Optional Redemption**

We may redeem the 2.550% 2026 Notes, in whole or in part, at our option, at any time. If the 2.550% 2026 Notes are redeemed before January 8, 2026, then the 2.550% 2026 Notes will be redeemed at a redemption price equal to the greater of:

- 100% of the principal amount of the 2.550% 2026 Notes to be redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on an annual basis (Actual/Actual (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 15 basis points, plus, in each case, accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date fixed for redemption.

Any 2.550% 2026 Notes redeemed on or after January 8, 2026 will be redeemed at a redemption price equal to 100% of the principal amount of the 2.550% 2026 Notes then outstanding to be redeemed, plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date fixed for redemption.

Installments of interest on 2.550% 2026 Notes being redeemed that are due and payable on interest payment dates falling on or prior to a redemption date shall be payable on the interest payment date to the holders as of the close of business on the relevant regular record date according to the 2.550% 2026 Notes and the 2005 Indenture.

"**Comparable Government Bond**" means, in relation to any Comparable Government Bond Rate calculation for the 2.550% 2026 Notes, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the 2.550% 2026 Notes, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"**Comparable Government Bond Rate**" means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the 2.550% 2026 Notes being

redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us. Such independent bank will calculate such gross redemption yield on the 2.550% 2026 Notes to be redeemed and the Comparable Government Bond in accordance with generally accepted market practices at the time of such calculations.

***Discharge, Legal Defeasance and Covenant Defeasance***

We may, at our option, elect to have all of the obligations discharged with respect to the outstanding 2.550% 2026 Notes, except for:

- the rights of holders of the 2.550% 2026 Notes to receive payments of principal, premium, if any, interest and additional amounts, if any, from the trust referred to below when those payments are due;
- our obligations respecting the 2.550% 2026 Notes concerning issuing temporary debt securities, registration of transfers of debt securities, mutilated, destroyed, lost or stolen debt securities, the maintenance of an office or agency for payment and money for payments with respect to the 2.550% 2026 Notes being held in trust;
- the rights, powers, trusts, duties and immunities of the trustee and our obligations in connection therewith; and
- the provisions of the 2005 Indenture relating to such a discharge of obligations.

We refer to a discharge of this type as “*legal defeasance*.”

In addition, other than our covenant to pay the amounts due and owing with respect to the 2.550% 2026 Notes, we may elect to have our obligations as the issuer of the 2.550% 2026 Notes released with respect to covenants relating to the 2.550% 2026 Notes. Thereafter, any failure to comply with those obligations will not constitute a default or event of default with respect to the 2.550% 2026 Notes. If such a release of our covenants occurs, our failure to perform or our breach of the covenants or warranties defeased will no longer constitute an event of default with respect to the 2.550% 2026 Notes. We refer to a discharge of this type as “*covenant defeasance*.”

To exercise either of the defeasance rights described above as to the outstanding 2.550% 2026 Notes, certain conditions must be met, including:

- we must irrevocably deposit with the trustee, in trust for the benefit of the holders of the outstanding 2.550% 2026 Notes, moneys in the currency in which the 2.550% 2026 Notes are denominated, securities issued by a government, governmental agency or central bank of the country in whose currency the 2.550% 2026 Notes are denominated or a combination of cash and such securities, in amounts sufficient to pay the principal of and premium, if any, and interest on all of the then outstanding 2.550% 2026 Notes to be affected by the defeasance at their stated maturity;
- no default or event of default exists on the date of such deposit, subject to certain exceptions;
- the trustee must receive an opinion of counsel confirming that the holders of the outstanding 2.550% 2026 Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that legal defeasance or covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if that defeasance had not occurred, which opinion, only in the case of the legal defeasance of the 2.550% 2026 Notes, will be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law to that effect occurring after the date of the 2005 Indenture; and
- the trustee must receive an opinion of counsel to the effect that, after the 91<sup>st</sup> day following the deposit, the trust funds will not be part of any “estate” formed by the bankruptcy of the party depositing those funds with the trustee or subject to the “automatic stay” under the United States Bankruptcy Code or, in the case of covenant defeasance, will be subject to a first priority lien in favor of the trustee for the benefit of the holders of the outstanding 2.550% 2026 Notes.

We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option.



### ***Book-Entry and Settlement***

The 2.550% 2026 Notes were issued in book-entry form and are represented by global notes deposited with, or on behalf of, a common depository on behalf of Clearstream Banking, société anonyme (“*Clearstream*”) and Euroclear Bank SA/NV, as the operator of the Euroclear System (“*Euroclear*”), and are registered in the name of the common depository or its nominee. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be made only through, records maintained by Euroclear and Clearstream. Except as described below, certificated notes will not be issued in exchange for beneficial interests in the global notes.

### ***Certificated Notes***

Subject to certain conditions, the 2.550% 2026 Notes represented by the global notes are exchangeable for certificated debt securities with the same terms in authorized denominations only if:

- The Depository Trust Company, Euroclear or Clearstream, as the case may be, is unwilling or unable to continue as depository or ceases to be a clearing agency registered under applicable law, and a successor is not appointed by us within 90 days; or
- we decide to discontinue the book-entry system; or
- an event of default has occurred and is continuing with respect to the 2.550% 2026 Notes.

Any Note that is exchangeable as above is exchangeable for certificated notes issuable in authorized denominations and registered in such names as the common depository shall direct. Subject to the foregoing, a global note is not exchangeable, except for a global note of the same aggregate denomination to be registered in the name of the common depository or its nominee.

### **The 2026 Notes and 2028 Notes**

The 2026 Notes and 2028 Notes were issued under and pursuant to the 2005 Indenture. The 2026 Notes and the 2028 Notes are each a separate series of notes under the 2005 Indenture. The 2026 Notes and 2028 Notes were issued in registered book-entry form without interest coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The 2026 Notes and 2028 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our other existing and future senior unsecured debt.

The 2026 Notes were issued in an aggregate principal amount of \$1,250,000,000, and the 2028 Notes were issued in an aggregate principal amount of \$1,250,000,000.

### ***Interest Rates on the 2026 Notes and 2028 Notes***

The 2026 Notes bear interest from September 17, 2021 at a rate equal to 1.050%, and the 2028 Notes bear interest from September 22, 2021 at a rate equal to 1.500%. Interest on the notes is paid semi-annually, in the case of 2026 Notes, on March 17 and September 17 of each year, beginning on March 17, 2022, and in the case of the 2028 Notes, on March 22 and September 22 of each year, beginning on March 22, 2022.

Interest on each 2026 Note or 2028 Note, as applicable, is payable to the person in whose name such note is registered at the close of business, in the case of the 2026 Notes, on the March 2 and September 2 immediately preceding the applicable interest payment date, and in the case of the 2028 Notes, on the March 7 and September 7 immediately preceding the applicable interest payment date. Interest on the 2026 Notes and 2028 Notes is computed on the basis of a 360-day year of twelve 30-day months.

### ***Other Terms of the 2026 and 2028 Notes***

If any interest payment date for 2026 Notes or 2028 Notes would otherwise be a day that is not a business day, then the interest payment date for such notes of that series is postponed to the following date that is a business day.

Interest will not accrue as a result of any such postponed payment. The term “*business day*” means any day which is not a day on which banking institutions in The City of New York, or the relevant place of payment are authorized or required by law, regulation or executive order to close.

None of the 2026 Notes or 2028 Notes are subject to a sinking fund or are convertible into or exchangeable for any other securities.

The 2026 Notes or 2028 Notes are subject to defeasance.

***Optional Redemption***

We may redeem the 2026 Notes at any time prior to August 17, 2026 (one month prior to the maturity date of such notes) and the 2028 Notes at any time prior to July 22, 2028 (two months prior to the maturity date of such notes), in each case, at our option and, as to each series of notes, as a whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of such notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date; and
- the sum of the present values of the Remaining Scheduled Payments (as defined below), plus any accrued and unpaid interest to, but excluding, the redemption date.

We refer to the date on which we may first redeem the notes of each series pursuant to the redemption rights described in this paragraph as the “***Par Call Date***” for the notes of such series. In determining the present value of the Remaining Scheduled Payments, we will discount such payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the Applicable Treasury Rate plus, in the case of the 2026 Notes, 5 basis points, and, in the case of the 2028 Notes, 10 basis points.

The term “***Applicable Treasury Rate***” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue. In determining this rate, we will assume a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The term “***Comparable Treasury Issue***” means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the notes of a series to be redeemed (assuming the notes of such series matured on the Par Call Date (as defined below) for the notes of such series) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing a new issue of corporate debt securities of comparable maturity to the remaining term of the notes of such series.

The term “***Independent Investment Banker***” means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

The term “***Comparable Treasury Price***” means, with respect to any redemption date, the arithmetic average, as determined by the Independent Investment Banker, of the Reference Treasury Dealer Quotations for such redemption date.

The term “***Reference Treasury Dealer Quotations***” means, with respect to each Reference Treasury Dealer and any redemption date, the arithmetic average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer by 5:00 p.m., New York City time, on the third business day preceding such redemption date.

The term “***Reference Treasury Dealer***” means each of Citigroup Global Markets Inc., Mizuho Securities USA LLC and Wells Fargo Securities, LLC or one of their respective affiliates or successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer (a “***Primary Treasury Dealer***”), we will substitute another Primary Treasury Dealer for such entity.

The term “***Remaining Scheduled Payments***” means, with respect to any 2026 Note or 2028 Note, the remaining scheduled payments of the principal thereof to be redeemed and interest thereon that would be due after the related redemption date but for such redemption (assuming the notes of such series matured on the Par Call Date for the notes of such series); provided, however, that, if such redemption date is not an interest payment date with respect to such note, then the amount of the next scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

Pursuant to the redemption procedures with respect to any such note, a notice of redemption will be given to each holder of the 2026 Notes or 2028 Notes to be redeemed not less than 10 days nor more than 60 days prior to the date set for the redemption.

The calculation of the redemption price for any notes to be redeemed and the accrued interest payable upon a redemption of such notes will be made by the Company or on behalf of the Company by a person the Company designates. Such calculation will not be the duty or obligation of BNYM unless otherwise expressly agreed.

#### ***Notices***

Notices to holders of the 2026 Notes or 2028 Notes will be sent to such holders. Any notice shall be deemed to have been given on the date of mailing. So long as the 2026 Notes or 2028 Notes are represented by one or more global securities deposited with DTC or its nominee, notices to holders of such notes may be given by delivery of those notices to DTC, and such notices shall be deemed to be given on the date of delivery to DTC. BNYM will transmit notices to each registered holder's last known address as it appears in the security register that BNYM maintains. BNYM will only transmit these notices to the registered holder of the 2026 Notes or 2028 Notes. Holders of 2026 Notes or 2028 Notes will not receive notices regarding the 2026 Notes or 2028 Notes directly from us unless we reissue the 2026 Notes or 2028 Notes in fully certificated form.

#### ***Other Matters***

We may acquire the 2026 Notes or 2028 Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the 2005 Indenture.

#### ***Same-Day Settlement and Payment***

We will make all payments of principal and interest on the 2026 Notes or 2028 Notes to DTC in immediately available funds. The 2026 Notes and 2028 Notes will trade in the same-day funds settlement system in the United States until maturity. Purchases of 2026 Notes or 2028 Notes in secondary market trading must be in immediately available funds. Secondary market trading in the 2026 Notes or 2028 Notes between participants in Clearstream and Euroclear will occur in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to eurobonds in immediately available funds.

#### **The 2030 Notes**

The 2030 Notes were issued under and pursuant to the 1991 Indenture. The 2030 Notes were issued in registered book-entry form, without coupons, only in denominations of (Pounds) 1,000, (Pounds) 10,000 and (Pounds) 100,000 and integral multiples of (Pounds) 1,000 in excess of those denominations. The 2030 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our existing and future senior, unsecured and unsubordinated debt.

The 2030 Notes will mature on December 19, 2030 and were issued in a total principal amount of (Pounds) 500 million. Unless previously redeemed or purchased and cancelled, we will repay the 2030 Notes at 100% of their principal amount together with accrued and unpaid interest thereon at maturity. We will pay principal of, interest on and any other amounts payable under the 2030 Notes in pounds sterling or, if the United Kingdom adopts the euro, in euro.

We may, without the consent of the holders of the 2030 Notes, create and issue additional notes ranking equally with the 2030 Notes and otherwise similar in all respects to the 2030 Notes so that these additional notes will be consolidated and form a single series with the 2030 Notes. No additional 2030 Notes may be issued if an event of default under the 1991 Indenture has occurred.

The 2030 Notes are not subject to a sinking fund. The 2030 Notes are not convertible or exchangeable.

The 2030 Notes bear interest from December 19, 2000, at the annual interest rate of 5.750%. Interest is payable semi-annually in arrears on June 19 and December 19 of each year, beginning on June 19, 2001, to the person in whose name a 2030 Note is registered at the close of business on the preceding June 10 or December 10, as the case may be.

If interest is required to be calculated for any period other than from one scheduled interest payment date to the next interest payment date, it will be calculated on the basis of a 360-day year of twelve 30-day months.

If any interest payment date for the 2030 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term “business day” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in New York City or London.

If, prior to the maturity of the 2030 Notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union, the 2030 Notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the 2030 Notes. The circumstances and consequences described in this paragraph will not entitle us, the trustee under the 1991 Indenture or any holder of the 2030 Notes to redeem early, rescind, or receive notice relating to the 2030 Notes, repudiate the terms of the 2030 Notes or the 1991 Indenture, or raise any defense, request any compensation or make any claim related to the 2030 Notes or the 1991 Indenture, nor will these circumstances and consequences affect any of our other obligations under the 2030 Notes or the 1991 Indenture.

While the 2030 Notes are represented by a global note deposited with the common depository for Clearstream, and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear and such notices shall be deemed to be given on the date of delivery to Clearstream and Euroclear. The trustee will mail notices by first-class mail, postage prepaid, to each registered holder’s last known address as it appears in the security register that the trustee maintains. The trustee will only mail these notices to the registered holder of the 2030 Notes. Holders of 2030 Notes will not receive notices regarding the 2030 Notes directly from us unless we reissue the 2030 Notes in fully certificated form.

The trustee will also publish notices regarding the 2030 Notes in a daily newspaper of general circulation in The City of New York and in London. In addition, if the notes are listed on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange require notice by publication, the trustee will publish notices regarding the 2030 Notes in a daily newspaper of general circulation in Luxembourg. We expect that publication will be made in The City of New York in *The Wall Street Journal*, in London in the *Financial Times*, and in Luxembourg in the *Luxemburger Wort*. If publication in Luxembourg is not practical, the trustee will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, the trustee may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

#### ***Optional Redemption***

The 2030 Notes will be redeemable as a whole or in part, at our option, at any time after December 19, 2003, at a redemption price equal to the greater of (i) 100% of the principal amount of such 2030 Notes and (ii) as determined by the Calculation Agent, the price at which the yield on the outstanding principal amount of the 2030 Notes on the Reference Date is equal to the yield on the Benchmark Gilt as of that date as determined by reference to the middle-market price on the Benchmark Gilt at 3:00 p.m., London time, on that date, in either case, plus accrued and unpaid interest on the 2030 Notes up to, but excluding, the date specified as the redemption date.

“**Reference Date**” means the date that is the first dealing day in London prior to the publication of the notice of redemption referred to below.

“**Benchmark Gilt**” means the 4.25% Treasury Stock due June 2032 or such other U.K. government stock as the Calculation Agent, with the advice of three brokers and/or U.K. gilt-edged market makers or three other persons operating in the U.K. gilt-edged market that may be chosen by the Calculation Agent, may determine from time to time to be the most appropriate benchmark U.K. government stock for the notes.

“**Calculation Agent**” means the trustee or any successor entity.

We will give notice of any redemption between 30 and 60 days preceding the redemption date to each holder of the 2030 Notes to be redeemed as described above.

In the case of any partial redemption, selection of the 2030 Notes for redemption will be made by the trustee under the 1991 Indenture in compliance with the rules and requirements of the principal securities exchange, if any, on which the 2030 Notes are listed or, if the 2030 Notes are not so listed or that exchange prescribes no method of selection, on a pro rata basis, by lot or by any other method as the trustee in its sole discretion deems to be fair and appropriate, although no 2030 Note of (Pounds) 1,000 in original principal amount or less shall be redeemed in part. If any 2030 Note is to be redeemed in part only, the notice of redemption relating to the 2030 Note will state the portion of the principal amount thereof to be redeemed. A new 2030 Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to the trustee, or its nominee, or, in the case of 2030 Notes in definitive form, issued in the name of the holder thereof, in each case upon cancellation of the original 2030 Note.

Unless we default in payment of the redemption price of the 2030 Notes, on and after the redemption date, interest will cease to accrue on the notes or the portions of the 2030 Notes called for redemption.

***Payment of Additional Amounts***

We will pay to the holder of any 2030 Note who is a United States Alien, as defined below, additional amounts as may be necessary so that every net payment of the principal of, interest on and any other amounts payable under that 2030 Note, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon that holder by the United States or any taxing authority thereof or therein, will not be less than the amount provided in that 2030 Note to be then due and payable. We will not be required, however, to make any payment of additional amounts for or on account of:

- a. any tax, assessment or other governmental charge that would not have been imposed but for (1) the existence of any present or former connection between that holder, or between a fiduciary, settlor, beneficiary of, member or shareholder of, or possessor of a power over, that holder, if that holder is an estate, trust, partnership or corporation, and the United States including, without limitation, that holder, or that fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in trade or business in, or present in, the United States or (2) the presentation of a note for payment on a date more than 30 days after the later of the date on which that payment becomes due and payable and the date on which payment is duly provided for;
- b. any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, assessment or other governmental charge;
- c. any tax, assessment or other governmental charge imposed by reason of that holder's past or present status as a passive foreign investment company, a controlled foreign corporation, a personal holding company or foreign personal holding company with respect to the United States, or as a corporation which accumulates earnings to avoid United States federal income tax;
- d. any tax, assessment or other governmental charge which is payable otherwise than by withholding from payment of the principal of, interest on or any other amounts payable under that note;
- e. any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of the principal of, interest on or any other amounts payable under any note if that payment can be made without withholding by any other paying agent;
- f. any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of the holder or beneficial owner of that note, if such compliance is required by statute or by regulation of the U.S. Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- g. any tax, assessment or other governmental charge imposed on interest received by (1) a 10% shareholder (as defined in Section 871(h)(3)(B) of the U.S. Internal Revenue Code of 1986 and the regulations that may be promulgated thereunder) of our company or (2) a controlled foreign corporation with respect to our company within the meaning of the U.S. Internal Revenue Code; or

h. any combination of items (a), (b), (c), (d), (e), (f) and (g);

nor will we pay any additional amounts to any holder who is a fiduciary or partnership other than the sole beneficial owner of that note to the extent that a beneficiary or settlor with respect to that fiduciary, or a member of that partnership or a beneficial owner thereof would not have been entitled to the payment of those additional amounts had that beneficiary, settlor, member or beneficial owner been the holder of that 2030 Note.

“**United States Alien**” means any corporation, partnership, individual or fiduciary that is, as to the United States, a foreign corporation, a non-resident alien individual who has not made a valid election to be treated as a United States resident, a non-resident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, as to the United States, a foreign corporation, a non-resident alien individual or a non-resident fiduciary of a foreign estate or trust.

#### ***Redemption Upon Tax Event***

The 2030 Notes may be redeemed at our option in whole, but not in part, on not more than 60 days’ and not less than 30 days’ notice, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest on the notes, if we determine that as a result of any change in or amendment to the laws, treaties, regulations or rulings of the United States or any political subdivision or taxing authority thereof, or any proposed change in such laws, treaties, regulations or rulings, or any change in the official application, enforcement or interpretation of those laws, treaties, regulations or rulings, including a holding by a court of competent jurisdiction in the United States, or any other action, other than an action predicated on law generally known on or before December 5, 2000 except for proposals before the Congress before that date, taken by any taxing authority or a court of competent jurisdiction in the United States, or the official proposal of any action, whether or not the action or proposal was taken or made with respect to our company, (A) we have or will become obligated to pay additional amounts on any 2030 Note or (B) there is a substantial possibility that we will be required to pay those additional amounts. Prior to the publication of any notice of redemption, we will deliver to the trustee (1) an officers’ certificate stating that we are entitled to effect a redemption and setting forth a statement of facts showing that the conditions precedent to the right of our company to so redeem have occurred and (2) an opinion of counsel to that effect based on that statement of facts. If we redeem the 2030 Notes upon a tax event, we will publish a notice of that redemption in Luxembourg in the *Luxemburger Wort* at the time notice is given to the holders of the 2030 Notes as described above.

#### ***Prescription***

Under New York’s statute of limitations, any legal action to enforce our payment obligations evidenced by the 2030 Notes must be commenced within six years after payment is due. Thereafter our payment obligations will generally become unenforceable.

#### ***Replacement of 2030 Notes***

If any mutilated 2030 Note is surrendered to the trustee, we will execute and the trustee will authenticate and deliver in exchange for such mutilated 2030 Note a new note of the same series and principal amount. If the trustee and we receive evidence to our satisfaction of the destruction, loss or theft of any 2030 Note and any security or indemnity required by them, then we shall execute and the trustee shall authenticate and deliver, in lieu of such destroyed, lost or stolen 2030 Note, a new note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2030 Note.

#### **The 2031 Notes**

The 2031 Notes were issued under and pursuant to the 2005 Indenture. The 2031 Notes were issued in registered book-entry form without interest coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The 2031 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our other existing and future senior unsecured debt.

The 2031 Notes will mature on September 22, 2031. Unless previously purchased and cancelled or, to the extent permitted by the notes, redeemed prior to maturity, we will repay the 2031 Notes at 100% of their principal amount, together with accrued and unpaid interest thereon, at their maturity.

The 2031 Notes were issued in an aggregate principal amount of \$2,000,000,000. We may, without the consent of the holders of the 2031 Notes, create and issue additional notes ranking equally with and otherwise similar in all respects to the 2031 Notes (except for the public offering price, initial interest accrual date, initial interest payment date, and the issue date) so that those additional notes will be consolidated and form a single series with the other outstanding 2031 Notes; provided, however, that any additional notes issued that are not fungible with the outstanding 2031 Notes for U.S. federal income tax purposes will be issued under one or more separate CUSIP and ISIN numbers. No additional notes may be issued if an event of default under the indenture has occurred and is continuing.

#### ***Interest Rates on the 2031 Notes***

The 2031 Notes bear interest from September 22, 2021 at the annual interest rate 1.800%. Interest on the 2031 Notes is paid semi-annually on March 22 and September 22 of each year, beginning on March 22, 2022.

Interest on each 2031 Note is payable to the person in whose name the 2031 Note is registered at the close of business on the March 7 and September 7 immediately preceding the applicable interest payment date. Interest on the 2031 Notes is computed on the basis of a 360-day year of twelve 30-day months.

#### ***Other Terms of the 2031 Notes***

If any interest payment date for the 2031 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any such postponed payment. The term “***business day***” means any day which is not a day on which banking institutions in The City of New York, or the relevant place of payment are authorized or required by law, regulation or executive order to close.

The 2031 Notes are not subject to a sinking fund and are not convertible into or exchangeable for any other securities.

The 2031 Notes are subject to defeasance.

#### ***Optional Redemption***

We may redeem the 2031 Notes at any time prior to June 22, 2031 (three months prior to the maturity date of the 2031 Notes), at our option and, as a whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the 2031 Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date; and
- the sum of the present values of the Remaining Scheduled Payments (as defined below), plus any accrued and unpaid interest to, but excluding, the redemption date.

We refer to the date on which we may first redeem the 2031 Notes pursuant to the redemption rights described in this paragraph as the “***Par Call Date***” for the 2031 Notes. In determining the present value of the Remaining Scheduled Payments, we will discount such payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the Applicable Treasury Rate plus 10 basis points.

The term “***Applicable Treasury Rate***” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue. In determining this rate, we will assume a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The term “***Comparable Treasury Issue***” means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the 2031 Notes to be redeemed (assuming the 2031 Notes matured on the Par Call Date for the 2031 Notes) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing a new issue of corporate debt securities of comparable maturity to the remaining term of the 2031 Notes.

The term “**Independent Investment Banker**” means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

The term “**Comparable Treasury Price**” means, with respect to any redemption date, the arithmetic average, as determined by the Independent Investment Banker, of the Reference Treasury Dealer Quotations for such redemption date.

The term “**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the arithmetic average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer by 5:00 p.m., New York City time, on the third business day preceding such redemption date.

The term “**Reference Treasury Dealer**” means each of BofA Securities, Inc., Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC or one of their respective affiliates or successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer (a “**Primary Treasury Dealer**”), we will substitute another Primary Treasury Dealer for such entity.

The term “**Remaining Scheduled Payments**” means, with respect to the 2031 Notes, the remaining scheduled payments of the principal thereof to be redeemed and interest thereon that would be due after the related redemption date but for such redemption (assuming the 2031 Notes matured on the Par Call Date); *provided, however*, that, if such redemption date is not an interest payment date with respect to the 2031 Notes, then the amount of the next scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

A notice of redemption will be given to each holder of the 2031 Notes to be redeemed not less than 10 days nor more than 60 days prior to the date set for the redemption.

The calculation of the redemption price for any 2031 Notes to be redeemed and the accrued interest payable upon a redemption of such 2031 Notes will be made by the Company or on behalf of the Company by a person the Company designates. Such calculation will not be the duty or obligation of BNYM unless otherwise expressly agreed.

#### **Notices**

Notices to holders of the 2031 Notes will be sent to such holders. Any notice shall be deemed to have been given on the date of mailing. So long as the 2031 Notes are represented by one or more global securities deposited with DTC or its nominee, notices to holders of the 2031 Notes may be given by delivery of those notices to DTC, and such notices shall be deemed to be given on the date of delivery to DTC. BNYM will transmit notices to each registered holder’s last known address as it appears in the security register that BNYM maintains. BNYM will only transmit these notices to the registered holder of the 2031 Notes. Holders of 2031 Notes will not receive notices regarding the 2031 Notes directly from us unless we reissue the 2031 Notes in fully certificated form.

#### **Other Matters**

We may acquire the 2031 Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the 2005 Indenture.

#### **Same-Day Settlement and Payment**

We will make all payments of principal and interest on the 2031 Notes to DTC in immediately available funds. The 2031 Notes will trade in the same-day funds settlement system in the United States until maturity. Purchases of 2031 Notes in secondary market trading must be in immediately available funds. Secondary market trading in the 2031 Notes between participants in Clearstream and Euroclear will occur in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to eurobonds in immediately available funds.



## The 2029 Notes

The 2029 Notes were issued under and pursuant to 2005 Indenture. The 2029 Notes were issued in registered book-entry form without interest coupons in denominations of €50,000 and integral multiples of €1,000 in excess thereof. The 2029 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our existing and future senior unsecured debt.

The 2029 Notes mature on September 21, 2029. Unless previously redeemed or purchased and cancelled, we will repay the 2029 Notes at 100% of their principal amount, together with accrued and unpaid interest thereon at their maturity. We will pay principal of and interest on the 2029 Notes in euro.

The 2029 Notes were issued in an aggregate principal amount of €1,000,000,000. We may, without the consent of the holders of the 2029 Notes, create and issue additional notes ranking equally with and otherwise similar in all respects to the 2029 Notes (except for the offering price and the issue date) so that those additional notes will be consolidated and form a single series with the 2029 Notes. No additional 2029 Notes may be issued if an event of default under the 2005 Indenture has occurred and is continuing.

The 2029 Notes bear interest from September 21, 2009 at the annual interest rate of 4.875%. Interest on each 2029 Note is payable annually in arrears on September 21 of each year, beginning on September 21, 2010, to the person in whose name the 2029 Note is registered at the close of business on the immediately preceding September 15. Interest is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the 2029 Notes (or September 21, 2009 if no interest has been paid on the 2029 Notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as Actual/Actual (ICMA) as defined in the rulebook of the International Capital Market Association.

We will pay to beneficial owners of the 2029 Notes who are non-U.S. persons additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein. Any additional amounts will be paid in euro.

The 2029 Notes are not subject to a sinking fund and are not convertible or exchangeable. The 2029 Notes are generally not be redeemable prior to maturity.

The 2029 Notes are subject to defeasance.

If any interest payment date for the 2029 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term “*business day*” means any day, other than a Saturday or Sunday, that (i) is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in The City of New York or London and (ii) is a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

Notices to holders of the 2029 Notes will be mailed to such holders. Any notice shall be deemed to have been given on the date of mailing and publication or, if published more than once, on the date of first publication. So long as the 2029 Notes are represented by a global security deposited with BNYM, as the common depositary (the “*Common Depositary*”) for Clearstream and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date of delivery to Clearstream and Euroclear. BNYM will mail notices by first-class mail, postage prepaid, to each registered holder’s last known address as it appears in the security register that BNYM maintains. BNYM will only mail these notices to the registered holder of the 2029 Notes. Holders of the 2029 Notes will not receive notices regarding the 2029 Notes directly from us unless we reissue the 2029 Notes in fully certificated form.

BNYM will publish any notices regarding the 2029 Notes in a daily newspaper of general circulation in The City of New York and in London. If the 2029 Notes are admitted to the Official List and to trading on its regulated market, the trustee will publish notices regarding the notes in a daily newspaper of general circulation in Dublin, Ireland for so long as such publication is required pursuant to the Prospectus Directive or the rules of the applicable stock exchange. We expect that publication will be made in The City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical,

---

BNYM will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, BNYM may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

***Redemption upon Tax Event***

We may redeem the 2029 Notes if certain tax-related events occur. If we redeem the 2029 Notes as a result of a tax event and the 2029 Notes are admitted to the Official List and to trading on its regulated market, we will publish a notice of the redemption in Dublin, Ireland. The redemption price paid for the 2029 Notes upon any such redemption will be paid in euro.

***Prescription***

Under New York law, any legal action to enforce our payment obligations evidenced by the 2029 Notes must be commenced within six years after payment is due. Thereafter, our payment obligations will generally become unenforceable.

***Replacement of the 2029 Notes***

If any mutilated 2029 Note is surrendered to BNYM, we will execute and the trustee will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2029 Note. If BNYM and we receive evidence to our satisfaction of the destruction, loss or theft of any 2029 Note and any security or indemnity required by it and us, then we shall execute, and BNYM shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2029 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2029 Note.

**The 2034 Notes**

The 2034 Notes were issued under and pursuant to the 2005 Indenture. The 2034 Notes were issued in registered book-entry form without interest coupons in denominations of £50,000 and integral multiples of £1,000 in excess thereof. The 2034 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our existing and future senior unsecured debt.

The 2034 Notes will mature on March 27, 2034. Unless previously redeemed or purchased and cancelled, we will repay the 2034 Notes at 100% of their principal amount, together with accrued and unpaid interest thereon at maturity. We will pay principal of and interest on the 2034 Notes in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

The 2034 Notes were issued in an aggregate principal amount of £1,000,000,000. We may, without the consent of the holders of the 2034 Notes, create and issue additional notes ranking equally with and otherwise similar in all respects to the 2034 Notes (except for the public offering price and the issue date) so that those additional notes will be consolidated and form a single series with the 2034 Notes. No additional 2034 Notes may be issued if an event of default under the 2005 Indenture has occurred and is continuing.

The 2034 Notes bear interest from March 27, 2009 at the annual interest rate of 5.625%. Interest on each 2034 Note is payable semi-annually in arrears on March 27 and September 27 of each year, beginning on September 27, 2009, to the person in whose name the 2034 Note is registered at the close of business on the immediately preceding March 15 or September 15, as the case may be. Interest on the 2034 Notes is computed on the basis of a 360-day year consisting of twelve 30-day months.

We will pay to beneficial owners of notes who are non-U.S. persons additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein. Any additional amounts will be paid in pounds sterling or, if the United Kingdom adopts the euro, in euro.

The 2034 Notes are redeemable at our option, as described below. The 2034 Notes are not subject to a sinking fund and are not convertible or exchangeable.

The 2024 Notes are subject to defeasance.

If any interest payment date for the 2034 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term “*business day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in The City of New York or London.

If, prior to the maturity of the 2034 Notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty Establishing the European Communities, as amended from time to time, the 2034 Notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the 2034 Notes. The circumstances and consequences described in this paragraph will not entitle us, BNYM under the 2005 Indenture or any holder of the 2034 Notes to redeem early, rescind or receive notice relating to the 2034 Notes, repudiate the terms of the 2034 Notes or the 2005 Indenture, or raise any defense, request any compensation or make any claim with respect to the 2034 Notes or the 2005 Indenture, nor will these circumstances and consequences affect any of our other obligations under the 2034 Notes or the 2005 Indenture.

Notices to holders of the 2034 Notes will be mailed to such holders. Any notice shall be deemed to have been given on the date of mailing and publication or, if published more than once, on the date of first publication. So long as the 2034 Notes are represented by a global security deposited with the Common Depository for Clearstream and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date of delivery to Clearstream and Euroclear. BNYM will mail notices by first-class mail, postage prepaid, to each registered holder’s last known address as it appears in the security register that BNYM maintains. BNYM will only mail these notices to the registered holder of the 2034 Notes. Holders of 2034 Notes will not receive notices regarding the 2034 Notes directly from us unless we reissue the 2034 Notes in fully certificated form.

BNYM will publish any notices regarding the 2034 Notes in a daily newspaper of general circulation in The City of New York and in London. If the 2034 Notes are admitted to the Official List and to trading on its regulated market, BNYM will publish notices regarding the 2034 Notes in a daily newspaper of general circulation in Dublin, Ireland for so long as such publication is required pursuant to the Prospectus Directive or the rules of the applicable stock exchange. We expect that publication will be made in The City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical, BNYM will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, BNYM may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

#### ***Redemption upon Tax Event***

We may redeem the 2034 Notes if certain tax-related events occur. If we redeem the 2034 Notes as a result of a tax event and the 2034 Notes are admitted to the Official List and to trading on its regulated market, we will publish a notice of the redemption in Dublin, Ireland. The redemption price paid for the 2034 Notes upon any such redemption will be paid in pounds sterling or, if the United Kingdom adopts the euro, in euro.

#### ***Prescription***

Under New York law, any legal action to enforce our payment obligations evidenced by the 2034 Notes must be commenced within six years after payment is due. Thereafter, our payment obligations will generally become unenforceable.

#### ***Replacement of the 2034 Notes***

If any mutilated 2034 Note is surrendered to BNYM, we will execute and the trustee will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2034 Note. If BNYM and we receive evidence to our satisfaction of the destruction, loss or theft of any 2034 Note and any security or indemnity required by it and us, then we shall execute, and BNYM shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2034 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2034 Note.

## The 2035 Notes

The 2035 Notes were issued under and pursuant to the 2002 Indenture. The 2035 Notes were issued in registered book-entry form without interest coupons in denominations of £1,000 and integral multiples of £1,000 in excess thereof. The 2035 Notes constitute our senior, unsecured and unsubordinated debt obligations and rank equally among themselves and with all of our existing and future senior, unsecured and unsubordinated debt.

The 2035 Notes will mature on September 28, 2035. Unless previously redeemed or purchased and cancelled, we will repay the 2035 Notes at 100% of their principal amount together with accrued and unpaid interest thereon at maturity. We will pay principal of, interest on and any other amounts payable under the 2035 Notes in pounds sterling or, if the United Kingdom adopts the euro, in euro.

The 2035 Notes were issued in a total principal amount of £1,000,000,000. We may, without the consent of the holders of the 2035 Notes, create and issue additional notes ranking equally with the 2035 Notes and otherwise similar in all respects to the 2035 Notes so that those additional notes will be consolidated and form a single series with the 2035 Notes. No additional 2035 Notes may be issued if an event of default under the 2002 Indenture has occurred.

The 2035 Notes are redeemable at our option, as described below. The 2035 Notes are not subject to a sinking fund. The 2035 Notes are subject to defeasance. The 2035 Notes are not convertible or exchangeable.

The 2035 Notes bear interest from September 29, 2004 at the annual interest rate of 5.250%. Interest is payable semi-annually in arrears on September 28 and March 28 of each year, beginning on March 28, 2005, to the person in whose name the 2035 Note is registered at the close of business on the preceding September 15 or March 15, as the case may be. Interest on the 2035 Notes is computed on the basis of a 360-day year of twelve 30-day months.

The 2035 Notes do not have the covenant restricting the grant of liens and cross-default event of default provisions.

If any interest payment date for the 2035 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term “*business day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in The City of New York or London.

If, prior to the maturity of the 2035 Notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty establishing the European Communities, as amended from time to time, the 2035 Notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the 2035 Notes. The circumstances and consequences described in this paragraph will not entitle us, the trustee under the 2002 Indenture or any holder of the 2035 Notes to redeem early, rescind, or receive notice relating to the 2035 Notes, repudiate the terms of the 2035 Notes or the 2002 Indenture, or raise any defense, request any compensation or make any claim with respect to the 2035 Notes or the 2002 Indenture, nor will these circumstances and consequences affect any of our other obligations under the 2035 Notes or the 2002 Indenture.

While the 2035 Notes are represented by a global note deposited with the trustee, as common depositary for Clearstream and Euroclear with respect to the 2035 Notes, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date of delivery to Clearstream and Euroclear. The trustee will mail notices by first-class mail, postage prepaid, to each registered holder’s last known address as it appears in the security register that the trustee maintains. The trustee will only mail these notices to the registered holder of the 2035 Notes. Holders of 2035 Notes will not receive notices regarding the 2035 Notes directly from us unless we reissue the 2035 Notes in fully certificated form.

The trustee will also publish notices regarding the 2035 Notes in a daily newspaper of general circulation in the City of New York and in London. We expect that publication will be made in the City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical, the trustee will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, the

trustee may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

***Optional Redemption***

The 2035 Notes are redeemable as a whole or in part, at our option, at any time at a redemption price equal to the greater of (1) 100% of the principal amount of such 2035 Notes and (2) as determined by the Calculation Agent, the price at which the yield on the outstanding principal amount of the 2035 Notes on the Reference Date is equal to the yield on the Benchmark Gilt as of that date as determined by reference to the middle-market price on the Benchmark Gilt at 3:00 p.m., London time, on that date, in either case, plus accrued and unpaid interest on the 2035 Notes up to, but excluding, the date specified as the redemption date.

“**Reference Date**” means the date that is the first dealing day in London prior to the publication of the notice of redemption referred to below.

“**Benchmark Gilt**” means the 4.25% Treasury Stock due March 7, 2036 or such other U.K. government stock as the Calculation Agent, with the advice of three brokers and/or U.K. gilt-edged market makers or three other persons operating in the U.K. gilt-edged market that may be chosen by the Calculation Agent, may determine from time to time to be the most appropriate benchmark U.K. government stock for the notes.

“**Calculation Agent**” means J.P. Morgan Trust Company, National Association or any successor entity.

We will give notice of any redemption between 30 and 60 days preceding the redemption date to each holder of the 2035 Notes to be redeemed as described above.

In the case of any partial redemption, selection of the 2035 Notes for redemption will be made by the trustee under the 2002 Indenture in compliance with the rules and requirements of the principal securities exchange, if any, on which the 2035 Notes are listed or, if the 2035 Notes are not so listed or that exchange prescribes no method of selection, on a pro rata basis, by lot or by any other method as the trustee in its sole discretion deems to be fair and appropriate, although no 2035 Note of £1,000 in original principal amount or less shall be redeemed in part. If any 2035 Note is to be redeemed in part only, the notice of redemption relating to the 2035 Note will state the portion of the principal amount thereof to be redeemed. A new 2035 Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to the trustee, or its nominee, or, in the case of 2035 Notes in definitive form, issued in the name of the holder thereof, in each case upon cancellation of the original 2035 Note.

Unless we default in payment of the redemption price of the 2035 Notes, on and after the redemption date, interest will cease to accrue on the 2035 Notes or the portions of the 2035 Notes called for redemption.

***Redemption upon Tax Event***

The 2035 Notes may be redeemed at our option in whole, but not in part, on not more than 60 days’ and not less than 30 days’ notice, at a redemption price equal to 100% of their principal amount, if we determine that as a result of any change or amendment to the laws, treaties, regulations or rulings of the United States or any political subdivision or taxing authority thereof, or any proposed change in such laws, treaties, regulations or rulings, or any change in the official application, enforcement or interpretation of those laws, treaties, regulations or rulings, including a holding by a court of competent jurisdiction in the United States, or any other action, other than an action predicated on law generally known on or before September 22, 2004 except for proposals before the Congress before that date, taken by any taxing authority or a court of competent jurisdiction in the United States, or the official proposal of any action, whether or not such action or proposal was taken or made with respect to us, (A) we have or will become obligated to pay additional amounts on any 2035 Note or (B) there is a substantial possibility that we will be required to pay those additional amounts. Prior to the publication of any notice of such a redemption, we will deliver to the trustee (1) an officers’ certificate stating that we are entitled to effect such a redemption and setting forth a statement of facts showing that the conditions precedent to the right of our company to so redeem have occurred and (2) an opinion of counsel to that effect based on that statement of facts.

### ***Payment of Additional Amounts***

We will pay to beneficial owners of 2035 Notes who are non-U.S. persons additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein.

### ***Prescription***

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the 2035 Notes must be commenced within six years after payment is due. Thereafter our payment obligations will generally become unenforceable.

### ***Replacement of 2035 Notes***

If any mutilated 2035 Note is surrendered to the trustee, we will execute and the trustee will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2035 Note. If the trustee and we receive evidence to our satisfaction of the destruction, loss or theft of any 2035 Note and any security or indemnity required by it and us, then we shall execute, and the trustee shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2035 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2035 Note.

### **The 2039 Notes**

The 2039 Notes were issued under and pursuant to the 2005 Indenture. The 2039 Notes were issued in registered book-entry form without interest coupons in denominations of £50,000 and integral multiples of £1,000 in excess thereof. The 2039 Notes constitute our senior unsecured debt obligations and rank equally among themselves and with all of our existing and future senior unsecured debt.

The 2039 Notes will mature on January 19, 2039. Unless previously redeemed or purchased and cancelled, we will repay the 2039 Notes at 100% of their principal amount, together with accrued and unpaid interest thereon at maturity. We will pay principal of and interest on the notes in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

The 2039 Notes were issued in a total principal amount of £1,000,000,000. We may, without the consent of the holders of the 2039 Notes, create and issue additional notes ranking equally with and otherwise similar in all respects to the 2039 Notes (except for the public offering price and the issue date) so that those additional notes will be consolidated and form a single series with the 2039 Notes. No additional 2039 Notes may be issued if an event of default under the 2005 Indenture has occurred and is continuing.

The 2039 Notes bear interest from December 19, 2006 at the annual interest rate of 4.875%. Interest on each 2039 Note is payable semi-annually in arrears on January 19 and July 19 of each year, beginning on July 19, 2007, to the person in whose name the 2039 Note is registered at the close of business on the immediately preceding January 15 or July 15, as the case may be. Interest on the 2039 Notes is computed on the basis of a 360-day year consisting of twelve 30-day months.

We will pay to beneficial owners of 2039 Notes who are non-U.S. persons additional amounts in the event of deduction or withholding of taxes, assessments or other governmental charges imposed by the United States or any taxing authority thereof or therein.

The 2039 Notes are redeemable at our option, as described below. The 2039 Notes are not subject to a sinking fund. The 2039 Notes are subject to defeasance. The 2039 Notes are not convertible or exchangeable.

The 2039 Notes do not have a covenant restricting the grant of liens and cross-default event of default provisions.

If any interest payment date for the 2039 Notes would otherwise be a day that is not a business day, then the interest payment date will be postponed to the following date that is a business day. Interest will not accrue as a result of any delayed payment. The term "***business day***" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in The City of New York or London.

If, prior to the maturity of the 2039 Notes, the United Kingdom adopts the euro as its lawful currency in accordance with the Treaty Establishing the European Communities, as amended from time to time, the 2039 Notes will be re-denominated into euro, and the regulations of the European Commission relating to the euro shall apply to the 2039 Notes. The circumstances and consequences described in this paragraph will not entitle us, BNYM under the 2005 Indenture or any holder of the 2039 Notes to redeem early, rescind or receive notice relating to the 2039 Notes, repudiate the terms of the 2039 Notes or the 2005 Indenture, or raise any defense, request any compensation or make any claim with respect to the 2039 Notes or the 2005 Indenture, nor will these circumstances and consequences affect any of our other obligations under the 2039 Notes or the 2005 Indenture.

Notices to holders of the 2039 Notes will be mailed to such holders. Any notice shall be deemed to have been given on the date of mailing and publication or, if published more than once, on the date of first publication. So long as the 2039 Notes are represented by a global security deposited with the Common Depositary for Clearstream and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date of delivery to Clearstream and Euroclear. BNYM will mail notices by first-class mail, postage prepaid, to each registered holder's last known address as it appears in the security register that BNYM maintains. BNYM will only mail these notices to the registered holder of the 2039 Notes. Holders of 2039 Notes will not receive notices regarding the 2039 Notes directly from us unless we reissue the 2039 Notes in fully certificated form.

BNYM will publish any notices regarding the 2039 Notes in a daily newspaper of general circulation in The City of New York and in London. We expect that publication will be made in The City of New York in *The Wall Street Journal*, in London in the *Financial Times* and in Dublin, Ireland in the *Irish Times*. If publication in Dublin, Ireland is not practical, BNYM will publish these notices in an English language newspaper of general circulation elsewhere in Europe. Published notices will be deemed to have been given on the date they are published or, if published more than once, on the date of first publication. If publication as described above becomes impossible, BNYM may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

#### ***Optional Redemption***

The 2039 Notes are redeemable as a whole or in part, at our option, at any time at a redemption price equal to the greater of (1) 100% of the principal amount of such 2039 Notes and (2) as determined by the Calculation Agent, the price at which the yield on the outstanding principal amount of such 2039 Notes on the Reference Date is equal to the yield on the Benchmark Gilt as of that date as determined by reference to the middle-market price on the Benchmark Gilt at 3:00 p.m., London time, on that date, in either case, plus accrued and unpaid interest on such 2039 Notes up to, but excluding, the date specified as the redemption date.

“**Reference Date**” means the date that is the first dealing day in London prior to the publication of the notice of redemption referred to below.

“**Benchmark Gilt**” means the 4.75% Treasury Stock due December 7, 2038, or such other U.K. government stock as the Calculation Agent, with the advice of three brokers and/or U.K. gilt-edged market makers or three other persons operating in the U.K. gilt-edged market that may be chosen by the Calculation Agent, may determine from time to time to be the most appropriate benchmark U.K. government stock for the notes.

“**Calculation Agent**” means The Bank of New York, or any successor entity.

We will give notice of any redemption between 30 and 60 days preceding the redemption date to each holder of the 2039 Notes to be redeemed as described above.

The redemption price paid for the 2039 Notes upon any such redemption will be paid in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

In the case of any partial redemption, selection of the 2039 Notes for redemption will be made by BNYM under the 2005 Indenture in compliance with the rules and requirements of the principal securities exchange, if any, on which the 2039 Notes are listed at the time of redemption or, if the 2039 Notes are not so listed or that exchange prescribes no method of selection, on a pro rata basis, by lot or by any other method as BNYM in its sole discretion deems to be fair and appropriate, although no 2039 Note of £50,000 in original principal amount or less shall be redeemed in part. If any 2039 Note is to be redeemed in part only, the notice of redemption relating to the 2039 Note will state

the position of the principal amount thereof to be redeemed. A new 2039 Note in principal amount equal to the unredeemed portion thereof will be issued and delivered to BNYM, or its nominee, or, in the case of 2039 Notes in definitive form, issued in the name of the holder thereof, in each case upon cancellation of the original 2039 Note.

Unless we default in payment of the redemption price of the 2039 Notes, on and after the redemption date, interest will cease to accrue on the 2039 Notes or the portions of the 2039 Notes called for redemption.

We may redeem the 2039 Notes if certain tax-related events occur. If we redeem the 2039 Notes as a result of a tax event, we will publish a notice of the redemption in Dublin, Ireland. The redemption price paid for the 2039 Notes upon any such redemption will be paid in pounds sterling or, solely if the United Kingdom adopts the euro, in euro.

***Prescription***

Under New York law, any legal action to enforce our payment obligations evidenced by the 2039 Notes must be commenced within six years after payment is due. Thereafter, our payment obligations will generally become unenforceable.

***Replacement of the 2039 Notes***

If any mutilated 2039 Note is surrendered to BNYM, we will execute and BNYM will authenticate and deliver a new note of the same series and principal amount in exchange for such mutilated 2039 Note. If BNYM and we receive evidence to our satisfaction of the destruction, loss or theft of any 2039 Note and any security or indemnity required by it and us, then we shall execute, and BNYM shall authenticate and deliver, in lieu of such destroyed, lost or stolen note, a new 2039 Note of the same series and principal amount. All expenses associated with issuing the new note shall be borne by the owner of the mutilated, destroyed, lost or stolen 2039 Note.



**WALMART DEFERRED COMPENSATION MATCHING PLAN**

**Amended and Restated Effective November 8, 2023**

---

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>ARTICLE I. GENERAL</b>	1
1.1 Purpose.	1
1.2 Effective Date.	1
1.3 Nature of Plan.	1
<b>ARTICLE II. DEFINITIONS</b>	1
2.1 Definitions.	1
<b>ARTICLE III. DEFERRAL CREDITS AND MATCHING CONTRIBUTION CREDITS AND ACCOUNT ALLOCATIONS</b>	7
3.1 Deferred Compensation.	7
3.2 Deferred MIP Bonuses.	9
3.3 Deferred Special Bonuses.	10
3.4 Employer Matching Contribution Credits.	11
3.5 Account Allocation Elections	12
3.6 Irrevocability of Deferral Elections and Account Allocation Elections.	13
3.7 Automatic Suspension of Deferral Elections.	15
<b>ARTICLE IV. ACCOUNTS AND TIMING OF CREDITS TO ACCOUNTS</b>	15
4.1 Nature of Accounts.	15
4.2 Deferral Credits and Employer Matching Contribution Credits.	16
4.3 Valuation of Accounts.	16
4.4 Credited Earnings.	16
<b>ARTICLE V. PAYMENT OF PLAN BENEFITS</b>	17
5.1 Scheduled In-Service Benefits.	17
5.2 Separation Benefits.	17
5.3 Death Benefits.	18
5.4 Form of Distribution.	20
5.5 Distributions for Unforeseeable Emergencies.	22
5.6 Distributions for Payment of Taxes.	23
5.7 Reductions Arising from a Participant's Gross Misconduct.	23
<b>ARTICLE VI. ADMINISTRATION</b>	24
6.1 General.	24
6.2 Allocation and Delegation of Duties.	25
<b>ARTICLE VII. CLAIMS PROCEDURE</b>	25
7.1 General.	25
7.2 Appeals Procedure.	26
7.3 Disability Claims.	26
<b>ARTICLE VIII. MISCELLANEOUS PROVISIONS</b>	26
8.1 Amendment, Suspension or Termination of Plan.	26
8.2 Non-Alienability.	27
8.3 Recovery of Overpayments.	27
8.4 No Employment Rights.	27
8.5 No Right to Bonus.	27

---

<b>8.6</b>	Withholding and Employment Taxes.	27
<b>8.7</b>	Income and Excise Taxes.	27
<b>8.8</b>	Successors and Assigns.	28
<b>8.9</b>	Governing Law.	28

# 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 November 8, 2023.

### 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, the Plan Administrator, 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 on behalf of a Participant under the Plan to reflect such Participant’s Class Accounts.
  - (b) **Class Account** means a bookkeeping subaccount maintained under a Participant’s Account to reflect such Participant’s Deferral Credits and Employer Matching Contribution Credits, and earnings credited in accordance with Section 4.4.
-

- (1) Each Class Account shall be a Post-2020 Class Account or a Pre-2021 Class Account. A Post-2020 Class Account shall be maintained under a Participant's Account to reflect Deferral Credits and Employer Matching Contribution Credits earned for each Plan Year commencing on or after February 1, 2021. A Pre-2021 Class Account shall be maintained under a Participant's Account to reflect Deferral Credits and Employer Matching Contribution Credits attributable to all Plan Years commencing prior to February 1, 2021.
  - (2) Each Post-2020 Class Account shall consist of a Deferral Account and a Matching Account. Such Deferral Account may be allocated among one or more Scheduled In-Service Accounts and one or more Retirement Accounts, as elected or deemed elected by the Participant in accordance with Section 3.5. Such Matching Account may be allocated to one Retirement Account, as elected or deemed elected by the Participant in accordance with Section 3.5.
  - (3) Each Pre-2021 Class Account shall consist of a Deferral Account and a Matching Account. Such Deferral Account may be allocated among one or more Scheduled 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. Such Matching Account may be allocated among one or more Retirement Accounts as elected or deemed elected by the Participant in accordance with Section 3.5.
- (c) **Code** means the Internal Revenue Code of 1986, as amended from time to time.
  - (d) **Committee** means the Compensation and Management Development Committee of the Board of Directors of Walmart.
  - (e) **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.
  - (f) **Deferral Account** means a bookkeeping subaccount maintained under a Participant's Class Account to reflect his or her Deferral Credits.
  - (g) **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.
  - (h) **Deferred Compensation** means the Compensation deferred by a Participant in accordance with Section 3.1.

- (i) **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.
- (j) **Deferred Special Bonus** means the amount deferred by a Participant in accordance with Section 3.3 from a Special Bonus payable to the Participant.
- (k) **Disabled** means the Participant has incurred a Separation from Service because the Participant, as determined by the Plan Administrator or his or her 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 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 Plan Administrator. 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. For purposes of this Plan, effective February 1, 2019 an individual shall not become an Eligible Officer prior to the first day of the month immediately following the month in which the individual would otherwise satisfy the requirements of being an Eligible Officer.
- (m) **Eligible Participant** means with respect to a Plan Year an individual who either (1) is an Eligible Officer, or (2) is an employee of an Employer and who as of the October 31 immediately preceding the Plan Year is in an eligible position determined by the Plan Administrator and is a member of a select group of management or highly compensated employees under the provisions of ERISA. For purposes of this Plan, effective February 1, 2019, an individual shall not become an Eligible Participant prior to the first day of the month immediately following the month in which the individual would otherwise satisfy the requirements of being an Eligible Participant.
- (n) **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.
- (o) **Employer Matching Contribution Credits** means the amount credited to a Participant's Matching Account pursuant to Section 3.4.
- (p) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

- (q) **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.
- (r) **401(k) Plan** means the Walmart 401(k) Plan and the Walmart Puerto Rico 401(k) Plan, as amended from time to time.
- (s) **Gross Misconduct** means conduct engaged in by the Participant which has been deemed by the Plan Administrator or his or her 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.
- (t) **Interest Rate** means 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.
- (u) **Investment Options** means the investment options, determined from time to time by the Plan Administrator, used to credit earnings, gains and losses on Account balances.
- (v) **Matching Account** means a bookkeeping subaccount maintained under a Participant's Class Account to reflect his or her Employer Matching Contribution Credits.



- (w) **MIP** means the Walmart Inc. Management Incentive Plan, as amended from time to time, without regard to any non-U.S. subplans.
- (x) **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.
- (y) **Plan** means the Walmart Deferred Compensation Matching Plan, as set forth herein, and as amended from time to time.
- (z) **Plan Administrator** means the Senior Vice President, Global Total Rewards of Walmart or any successor position.
- (aa) **Plan Year** means the twelve (12)-month period commencing on February 1 and ending on January 31.
- (bb) **Post-2020 Class Account** means a Class Account maintained under a Participant's Account to reflect Deferral Credits and Employer Matching Contribution Credits earned for each Plan Year commencing on or after February 1, 2021.
- (cc) **Post-Investments Portion** means the portion of a Participant's Account, if any, attributable to Deferral Credits and Employer Matching Contribution Credits earned in Plan Years commencing on or after February 1, 2023.
- (dd) **Pre-2021 Class Account** means a Class Account maintained under a Participant's Account to reflect Deferral Credits and Employer Matching Contribution Credits attributable to all Plan Years commencing prior to February 1, 2021.
- (ee) **Pre-Investments Portion** means the portion of a Participant's Account, if any, attributable to Deferral Credits and Employer Matching Contribution Credits earned in Plan Years commencing prior to February 1, 2023.
- (ff) **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.
- (gg) **Retirement Account** means a bookkeeping subaccount maintained under a Participant's Deferral Account or Matching Account to which Deferral Credits and Employer Matching Contribution Credits (as applicable), and earnings

credited in accordance with Section 4.4, may be allocated pursuant to the election or deemed election of the Participant in accordance with Section 3.5.

- (hh) **Scheduled In-Service Account** means a bookkeeping subaccount maintained under a Participant's Deferral Account to which Deferral Credits and earnings credited in accordance with Section 4.4 may be allocated pursuant to the election of the Participant in accordance with Section 3.5.
- (ii) **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.
- (jj) **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.
- (kk) **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.
- (ll) **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 Plan Administrator, or by an officer to whom the Plan Administrator 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.

- (mm) **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.
- (nn) **Valuation Date** means the last business day of each month of the Plan Year.
- (oo) **Walmart** means Walmart Inc., a Delaware corporation.
- (pp) **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 and an employee of an Employer. 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 that: (i) for Plan Years commencing on and after February 1, 2022, an Eligible Officer may elect to

defer no more than eighty percent (80%) of the Eligible Officer's Compensation for a Plan Year; and (ii) 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, and on forms (which may be electronic) approved by, the Plan Administrator.

(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 the Plan Administrator and has become irrevocable. For the avoidance of doubt, an Eligible Officer's election form shall become irrevocable at the end of the thirty (30) day period following the first date he or she becomes an Eligible Officer. 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 under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account under such Deferral 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, and on forms (which may be electronic) approved by, the Plan Administrator.
- (b) MIP bonus deferral elections must be filed:
  - (1) No later than the December 31 (or such other date as determined by the Plan Administrator or his or her delegate) preceding the first day of the performance period for which the deferral election is to be effective.
  - (2) If authorized by the Plan Administrator or his or her 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 the Plan Administrator.

- (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 under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account under such Deferral 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, and on forms (which may be electronic) approved by, the Plan Administrator. 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 the Plan Administrator. A deferral election is not permitted with respect to a Special Bonus unless the Special Bonus is a type described in, 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 under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account or to a Scheduled In-Service Account under such Deferral 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 has not incurred a Separation from Service during that 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 under his or her Class Account for such Plan Year and shall be allocated to a Retirement Account under such Matching Account in accordance with Section 3.5. The amount of the Employer Matching Contribution Credit, if any, made to such 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 such 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 Accounts, 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 Accounts under the preceding sentence of this Section 3.4(b), the Participant will become vested in the Participant's Matching Accounts 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 Accounts shall be distributed pursuant to Article V only if the Participant has become vested in the Participant's Matching Accounts 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 to a Deferral Account 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 either to a Retirement Account or to a Scheduled In-Service Account under such Deferral Account. 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 one Retirement Account under the Matching Account of his or her Class Account for the Plan Year to which such Employer Matching Contribution Credits relate.
- (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:
- (1) If the amount subject to such deferral election is for services attributable to a Plan Year commencing prior to February 1, 2021, such amount 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 under the Deferral Account or Matching Account (as applicable) of his Pre-2021 Class Account if there is only one, or equally to the Eligible Participant's Retirement Accounts under such Deferral Account or Matching Account if the Eligible Participant has more than one Retirement Account thereunder, but if the Eligible Participant has no Retirement Account thereunder then the amount subject to such deferral election shall be allocated to a Retirement Account deemed to be elected by the Participant under such Deferral Account or Matching Account with a lump sum form of payment, and such Retirement Account shall be one of the Participant's permitted Retirement Accounts under the Plan.
  - (2) If the amount subject to such deferral election is for services attributable to a Plan Year commencing on or after February 1, 2021, such amount 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 such deferral election shall be allocated to a Retirement Account deemed to be elected by the Participant under the Deferral Account or Matching Account (as applicable) of his Class Account for such Plan Year with a lump sum form of payment.

### **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.**

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 Plan Administrator or his or her 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 Plan Administrator or his or her delegate, shall be cancelled as soon as administratively practicable following such determination by the Plan Administrator or his or her 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 for a Plan Year will be credited to each Participant's Class Account for such Plan Year as follows:

- (a) Deferred Compensation will be credited to the Deferral Account of such Class 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 Deferral Account of such Class Account as soon as practicable after the date the bonus could have otherwise been paid in cash.
- (c) Employer Matching Contribution Credits earned in Plan Years commencing prior to February 1, 2023 will be credited to the Matching Account of such Class Account as of the last day of the Plan Year. Employer Matching Contribution Credits earned in Plan Years commencing on or after February 1, 2023 will be credited to the Matching Account of such Class Account as soon as practicable following the last day of the Plan Year.

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

#### **4.3 Valuation of Accounts.**

Each Participant's Account will be valued monthly as of each Valuation Date.

#### **4.4 Credited Earnings.**

- (a) Every Valuation Date during a Plan Year, the Pre-Investments Portion of a Participant's Account will be credited with either of the following, as elected by the Participant in accordance with this Section 4.4(a):
  - (1) Interest at the Interest Rate, which will be for the entire month and calculated based on the value of such Pre-Investments Portion as of the immediately preceding Valuation Date, resulting in the monthly compounding of interest on each Valuation Date; or
  - (2) Earnings, gains and losses based on the results that would have been achieved had such Pre-Investments Portion been invested as soon as practicable after such election into the Investment Options selected by the Participant.

The Plan Administrator, in his or her sole discretion, shall establish one or more windows of time during which a Participant may irrevocably elect for all or a portion of his or her Pre-Investments Portion to be credited with earnings, gains and losses in accordance with Section 4.4(a)(2). If a Participant does not make such an election in accordance with the procedures established by the Plan Administrator in his or her sole discretion, the Participant's entire Pre-Investments Portion shall be credited with interest in accordance with Section 4.4(a)(1). Once earnings are elected under Section 4.4(a)(2) with respect to any portion of a Participant's Pre-Investments Portion, such Participant shall be prohibited from subsequently electing to receive interest with respect to such portion in accordance with Section 4.4(a)(1).

- (b) Every Valuation Date during a Plan Year, the Post-Investments Portion of a Participant's Account, if any, will be credited with earnings, gains and losses based on the results that would have been achieved had amounts credited to his or her Account been invested as soon as practicable after crediting into the Investment Options selected by the Participant.
- (c) The Plan Administrator shall specify procedures to allow Participants to make elections as to the deemed investment of amounts in Investment Options in accordance with Sections 4.4(a)(2) and 4.4(b). Nothing in this Section 4.4 or otherwise in the Plan, however, will require Walmart to actually invest any amounts in such Investment Options or otherwise.

**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) If any portion of a Participant's Retirement Account is being credited with interest at the Interest Rate in accordance with Section 4.4(a)(1) as of the applicable Valuation Date, such portion will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of such portion 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 Interest Rate in effect for the Plan Year in which the Participant's Separation from Service occurs.
  - (3) If any portion of a Participant's Retirement Account is being credited with earnings, gains and losses in accordance with Sections 4.4(a)(2) or 4.4(b) as of the applicable Valuation Date, such portion of such Retirement Account will be paid in substantially equal annual installments equal to the quotient of (A) the total remaining balance in the applicable portion of the Retirement Account as of the Valuation Date immediately prior to the date on which such installment payment is scheduled to be paid, divided by (B) the number of installment payments remaining in the applicable period of annual installments.

### **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) If a portion of a Participant's Account is being credited with interest at the Interest Rate in accordance with Section 4.4(a)(1) as of the applicable Valuation Date, such portion will be paid in equal annual installments in an amount which would fully amortize a loan equal to the lump sum value of such portion as of the last day of the month preceding the date of distribution (using as the distribution date the date of the first installment) over the installment period, with interest calculated at the Interest Rate in effect for the Plan Year in which the Participant's death occurs.
  - (3) If a portion of a Participant's Account is being credited with earnings, gains and losses in accordance with Section 4.4(a)(2) or 4.4(b) as of the applicable Valuation Date, such portion will be paid in substantially equal annual installments equal to the quotient of (A) the total remaining balance of such portion as of the Valuation Date immediately prior to the date on which such installment payment is scheduled to be paid, divided by (B) the number of installment payments remaining in the applicable period of annual installments.
- (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 Plan Administrator in the form prescribed by the Plan Administrator, 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 Plan Administrator 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 Plan Administrator, if any; (2) the Participant's living children known to the Plan Administrator in equal shares; (3) the Participant's living parents known to the Plan Administrator in equal shares; (4) the Participant's surviving siblings known to the Plan Administrator 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 Plan Administrator, if any; (2) the beneficiary's living children known to the Plan Administrator in equal shares; (3) the beneficiary's surviving parents known to the Plan Administrator in equal shares; (4) the beneficiary's surviving siblings known to the Plan Administrator 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;



Notwithstanding the foregoing:

- (A) With respect to an installment election applicable to a Retirement Account under a Participant's Pre-2021 Class Account, such election will be given effect only if, as of the date on which any lump sum payment would be valued, the value of such Retirement Account, or, in the event of death, the Participant's Account, is at least fifty thousand dollars (\$50,000). If such Retirement Account, or in the event of death, the Participant's Account, is valued at less than fifty thousand dollars (\$50,000) as of the date on which any lump sum payment would be valued, such Retirement Account shall be defaulted to a lump sum payment.
  - (B) With respect to an installment election applicable to a Retirement Account under a Participant's Post-2020 Class Account, such election will be given effect only if, as of the date on which any lump sum payment would be valued, the combined value of all of the Participant's Retirement Accounts subject to an installment election under his or her Post-2020 Class Accounts, or, in the event of death, the Participant's Account, is at least fifty thousand dollars (\$50,000). If the total of all such Retirement Accounts, or in the event of death, the Participant's Account, is valued at less than fifty thousand dollars (\$50,000) as of the date on which any lump sum payment would be valued, such Retirement Account shall be defaulted to a lump sum payment.
  - (C) For purposes of clarification, to the extent a Retirement Account, or in the event of death, an Account, is defaulted to a lump sum payment pursuant to paragraph (A) or (B) above, such lump sum payment shall be paid at the same time the first installment with respect to such Retirement Account or Account would have been paid but for the application of paragraph (A) or (B) above.
- (b) Subsequent Elections. In accordance with the procedures and rules established by the Plan Administrator, 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, and filed with, the Plan Administrator; 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 (20<sup>th</sup>) 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 Plan Administrator. 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, and on forms (which may be electronic) prescribed by, the Plan Administrator.

## **5.5 Distributions for Unforeseeable Emergencies.**

- (a) In the event of an Unforeseeable Emergency, the Plan Administrator or his or her 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 Plan Administrator 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, 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, 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 the Plan Administrator reasonably anticipates that its deduction with respect to any distribution under this Section 5.5 that occurs prior to January 1, 2021 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.**

The Plan Administrator 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 Plan Administrator 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 Accounts shall be recalculated for each Plan Year to reflect the amount which would otherwise have been credited if the applicable Interest Rate (or if a portion of such Deferral Accounts is being credited with earnings, gains and losses, the positive earnings rate (if any) for such Plan Year) were fifty percent (50%) of the Interest Rate in effect (or positive earnings rate, as applicable) 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 Interest Rate (or positive earnings rate, as applicable) were fifty percent (50%) of the Interest Rate in effect (or positive earnings rate, as applicable) with respect to such installment payments. For the avoidance of doubt, if a portion of a Participant's Deferral Accounts is being credited with earnings, gains and losses and such portion experiences a net

loss for a Plan Year, such net loss shall not be adjusted as a result of the Participant's engaging in Gross Misconduct under this Section 5.7. Under no circumstances will a Participant forfeit any portion of the Participant's Deferred Compensation, Deferred MIP Bonus and Deferred Special Bonus as a result of the Participant's engaging in Gross Misconduct under this Section 5.7. 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 Plan Administrator 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 Plan Administrator is responsible for the administration of the Plan and is granted the following rights and duties:

- (a) The Plan Administrator 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 Plan Administrator 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 Plan Administrator may appoint a person or persons to act on behalf of, or to assist, the Plan Administrator in the administration of the Plan, establishment of forms (including electronic forms) desirable for Plan operation, and such other matters as the Plan Administrator deems necessary or appropriate;
- (d) The decision of the Plan Administrator 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 Plan Administrator's individual rights or benefits under this Plan, the Plan Administrator's duties under this Section 6.1 shall be

performed by the Committee and the Plan Administrator shall not participate in any Committee proceeding pertaining to, or vote on, such matter.

## **6.2 Allocation and Delegation of Duties.**

The Plan Administrator 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 Plan Administrator may deem advisable (and may authorize such person to delegate such responsibilities to such other person or persons as the Plan Administrator 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 Plan Administrator. The Plan Administrator shall not be liable for any acts or omissions of any such delegate. The delegate shall periodically report to the Plan Administrator 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 Plan Administrator or his or her 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 Plan Administrator or his or her delegate within a reasonable period of time, not to exceed sixty (60) days, after receipt of the claim by the Plan Administrator or his or her 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 Plan Administrator 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 Plan Administrator 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).

### **7.3 Disability Claims.**

Claims for disability benefits shall be determined under DOL Regulation section 2560.503-1 which is hereby incorporated by reference.

## **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 Plan Administrator 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.



# Walmart Inc.

## 2016 Associate Stock Purchase Plan

(As amended effective February 1, 2024)

### Table of Contents

<b><u>I. DEFINITIONS</u></b>	<b>B-3</b>
1.1 <a href="#">Account</a>	B-3
1.2 <a href="#">Account Administrator</a>	B-3
1.3 <a href="#">Account Closure</a>	B-3
1.4 <a href="#">Affiliate</a>	B-3
1.5 <a href="#">Associate</a>	B-3
1.6 <a href="#">Award Program</a>	B-3
1.7 <a href="#">Board</a>	B-3
1.8 <a href="#">Committee</a>	B-3
1.9 <a href="#">Company</a>	B-3
1.10 <a href="#">Contribution</a>	B-3
1.11 <a href="#">Employer</a>	B-3
1.12 <a href="#">Participant</a>	B-3
1.13 <a href="#">Participating Employer</a>	B-3
1.14 <a href="#">Payroll Deduction</a>	B-3
1.15 <a href="#">Plan</a>	B-3
1.16 <a href="#">Plan Year</a>	B-3
1.17 <a href="#">Section 16 Officers</a>	B-3
1.18 <a href="#">Stock</a>	B-3
<b><u>II. ELIGIBILITY</u></b>	<b>B-3</b>
2.1 <a href="#">In General</a>	B-3
2.2 <a href="#">Leaves of Absence</a>	B-4
<b><u>III. PLAN CONTRIBUTIONS</u></b>	<b>B-4</b>
3.1 <a href="#">Shares Available for Contributions</a>	B-4
3.2 <a href="#">Plan Contributions</a>	B-4
3.3 <a href="#">Maximum Limits on Contributions</a>	B-4
3.4 <a href="#">Payroll Deductions</a>	B-4
3.5 <a href="#">Matching Contributions</a>	B-4
3.6 <a href="#">Award Contributions</a>	B-4
3.7 <a href="#">Voluntary Contributions</a>	B-5
3.8 <a href="#">Remittance of Contributions</a>	B-5

---

**IV. ACCOUNT PURCHASES, MAINTENANCE & SALES** **B-5**

<a href="#">4.1 Account Establishment</a>	B-5
<a href="#">4.2 Share Purchases</a>	B-5
<a href="#">4.3 Share Purchases for Non-U.S. Participants</a>	B-5
<a href="#">4.4 Allocation to Accounts</a>	B-6
<a href="#">4.5 Share Ownership</a>	B-6
<a href="#">4.6 Account Statements</a>	B-6
<a href="#">4.7 Risk of Loss</a>	B-6
<a href="#">4.8 Commission &amp; Maintenance Charges</a>	B-6
<a href="#">4.9 Account Sales</a>	B-7

---

**V. ACCOUNT CLOSURE & TERMINATION OF EMPLOYMENT** **B-7**

<a href="#">5.1 Account Closure</a>	B-7
<a href="#">5.2 By Termination of Employment Other Than Due to Death of Participant</a>	B-7
<a href="#">5.3 By Transferring Employment from the Company or a Participating Employer to an Affiliate</a>	B-7
<a href="#">5.4 Termination Due to Death of Participant</a>	B-8

---

**VI. AWARD PROGRAM** **B-8**

<a href="#">6.1 Scope of the Award Program</a>	B-8
<a href="#">6.2 Outstanding Performance Component</a>	B-8
<a href="#">6.3 Former Great Job Component</a>	B-8

---

**VII. ADMINISTRATION** **B-8**

<a href="#">7.1 Committee</a>	B-8
<a href="#">7.2 Powers of the Committee</a>	B-8

---

**VIII. AMENDMENT & TERMINATION** **B-9**

<a href="#">8.1 Right to Amend or Terminate</a>	B-9
<a href="#">8.2 Limitation on Right to Amend or Terminate</a>	B-9

---

**IX. MISCELLANEOUS PROVISIONS** **B-9**

<a href="#">9.1 Successors</a>	B-9
<a href="#">9.2 Severability</a>	B-9
<a href="#">9.3 Requirements of Law</a>	B-9
<a href="#">9.4 Securities Law Compliance</a>	B-9
<a href="#">9.5 No Rights as a Stockholder</a>	B-10
<a href="#">9.6 Nature of Payments</a>	B-10

---

<a href="#"><u>9.7 Non-Exclusivity of the Plan</u></a>	B-10
<a href="#"><u>9.8 Military Service</u></a>	B-10
<a href="#"><u>9.9 Construction</u></a>	B-10
<a href="#"><u>9.10 Headings</u></a>	B-10
<a href="#"><u>9.11 Stockholder Approval</u></a>	B-10
<a href="#"><u>9.12 Taxes</u></a>	B-10
<a href="#"><u>9.13 Company-Associate Relationships</u></a>	B-10
<a href="#"><u>9.14 Governing Law</u></a>	B-10

---

**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 Compensation and Management Development 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 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 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, Total Rewards, 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 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 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 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 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.
- (b) If the Committee determines that the nonforfeatability 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 nonforfeatability 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 nonforfeatability 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.

**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.

**9.15 Adjustments upon Changes in Capitalization or Merger.** Subject to any required action by the Company’s stockholders, the number and type of shares of Stock available for Contributions under the Plan shall be proportionately adjusted to reflect an extraordinary dividend or other distribution, stock split, reverse stock split, merger, reorganization, subdivision, consolidation or reduction of capital, recapitalization, consolidation, split-up, spin-off, combination or reclassification of the Stock, or any other increase or decrease in the number of outstanding Stock effected without receipt of consideration by the Company, issuance or warrants or other rights to purchase Stock or other securities of the Company or other similar corporate transaction or event that affects the Stock such that an adjustment is determined by the Board or 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 Board or the Committee, whose determination shall be final, binding, and conclusive as to every person interested under the Plan.

**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., were parties to Post-Termination Agreements and Covenants Not to Compete in such form as of January 31, 2024.

<b>Executive Officer Who is a Party to such a Post-Termination Agreement and Covenant Not to Compete</b>	<b>Date of Agreement</b>	<b>Value of Restricted Stock Award Granted in Connection with Agreement</b>
Daniel J. Bartlett	May 16, 2013	Not Applicable
Rachel L. Brand	February 21, 2018	Not Applicable
David Chojnowski	November 16, 2016	Not Applicable
John R. Furner	May 7, 2011	Not Applicable
C. Douglas McMillon	January 19, 2010	\$2,000,000
Christopher Nicholas	March 10, 2018	Not Applicable
Kathryn McLay	December 24, 2015	Not Applicable
Donna Morris	December 17, 2019	Not Applicable
John David Rainey	May 23, 2022	Not Applicable

### 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.

<b>Subsidiary</b>	<b>Organized or Incorporated</b>	<b>Percent of Equity Securities Owned</b>	<b>Name Under Which Doing Business Other Than Subsidiary's</b>
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
Wal-Mart de Mexico, S.A.B. de C.V.	Mexico	71%	Walmex
Wal-Mart Canada Corp.	Canada	100%	Walmart
Flipkart Private Limited	Singapore	85%	Flipkart
Walmart Chile S.A. <sup>(1)</sup>	Chile	100%	Walmart Chile
Massmart Holdings Ltd.	South Africa	100%	Massmart
Qomolangma Holdings Ltd.	Luxembourg	100%	NA

<sup>(1)</sup> 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) Shareholder Investment Plan of Wal-Mart Stores, Inc.  | Form S-3 File No. 333-02089      |
| (2) Wal-Mart Stores, Inc. Director Compensation Plan  | Form S-8 File No. 333-24259      |
| (3) Wal-Mart Stores, Inc. 401(k) Retirement Savings Plan  | Form S-8 File No. 333-29847      |
| (4) Wal-Mart Puerto Rico, Inc., 401(k) Retirement Savings Plan                                    | Form S-8 File No. 333-44659      |
| (5) Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996                                   | Form S-8 File No. 333-62965      |
| (6) Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, which amended and restated the 2010 plan  | Form S-8 File No. 333-60329      |
| (7) Wal-Mart Profit Sharing and 401(k) Plan   | Form S-8 File No. 333-109421     |
| (8) Wal-Mart Stores, Inc. Associate Stock Purchase Plan of 1996                                   | Form S-8 File No. 333-109417     |
| (9) Wal-Mart Puerto Rico Profit Sharing and 401(k) Plan   | Form S-8 File No. 333-109414     |
| (10) Wal-Mart Stores, Inc. Stock Incentive Plan of 2015, which amended and restated the 2010 plan | Form S-8 File No. 333-128204     |
| (11) Walmart Deferred Compensation Matching Plan  | Form S-8 File No. 333-178717     |
| (12) Wal-Mart Stores, Inc. Common Stock   | Form S-3 ASR File No. 333-178385 |
| (13) Walmart 401(k) Plan  | Form S-8 File No. 333-187577     |
| (14) Wal-Mart Stores, Inc. Associate Stock Purchase Plan  | Form S-8 File No. 333-214060     |
| (15) Walmart Inc. 2016 Associate Stock Purchase Plan  | Form S-8 File No. 333-228631     |
| (16) Walmart Inc. Stock Incentive Plan of 2015  | Form S-8 File No. 333-228635     |
| (17) Walmart 401(k) Plan  | Form S-8 File No. 333-233682     |
| (18) Walmart Inc. Stock Incentive Plan of 2015  | Form S-8 File No. 333-275879     |
| (19) Debt Securities of Walmart Inc.  | Form S-3 ASR File No. 333-275878 |

of our reports dated March 15, 2024, 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, 2024.

/s/ Ernst & Young LLP

Rogers, Arkansas  
March 15, 2024

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 evaluation; 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 15, 2024

/s/ C. Douglas McMillon

C. Douglas McMillon  
President and Chief Executive Officer

I, John David Rainey, 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 evaluation; 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 15, 2024

/s/ John David Rainey

John David Rainey  
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, 2024 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 15, 2024.

/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, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John David Rainey, 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 15, 2024.

*/s/ John David Rainey*

---

John David Rainey  
Executive Vice President and Chief Financial Officer

**WALMART INC.  
EXECUTIVE COMPENSATION RECOUPMENT POLICY**

1. **Purpose.** The purpose of this Policy is to describe the circumstances in which Executive Officers will be required to repay or return Erroneously Awarded Compensation to members of the Company. Each Executive Officer shall be required to sign and return to the Company the Acknowledgement Form attached hereto pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.
2. **Administration.** This Policy shall be administered by the Committee. Any determinations made by the Committee shall be final and binding on all affected individuals.
3. **Definitions.** For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.
  - a. **“Accounting Restatement”** shall mean an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial restatements that is material to the previously issued financial statements (a “Big R” restatement), or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected the current period or left uncorrected in the current period (a “little r” restatement).
  - b. **“Board”** shall mean the Board of Directors of the Company.
  - c. **“Clawback Eligible Incentive Compensation”** shall mean, in connection with an Accounting Restatement and with respect to each individual who served as an Executive Officer at any time during the applicable performance period for any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), all Incentive-based Compensation Received by such Executive Officer (i) on or after the Effective Date, (ii) after beginning service as an Executive Officer, (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the applicable Clawback Period.
  - d. **“Clawback Period”** shall mean, with respect to any Accounting Restatement, the three most recently completed fiscal years of the Company immediately preceding the Restatement Date. In the event the Company changes its fiscal year within or immediately following the above-described three fiscal year period, the Clawback Period will also include the resulting transition period if such transition period is less than nine months. For purposes of this Policy, any transition period of nine to twelve months will be deemed a completed fiscal year.

- e. “**Committee**” shall mean the Compensation and Management Development Committee of the Board or any successor committee of the Board that satisfies the requirements of Section 303A.05 of the NYSE Listed Company Manual.
- f. “**Company**” shall mean Walmart Inc. a Delaware corporation, together with its subsidiaries and affiliates.
- g. “**Effective Date**” shall mean October 2, 2023.
- h. “**Erroneously Awarded Compensation**” shall mean, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.
- i. “**Executive Officer**” shall mean each individual who is or was designated as an “officer” of the Company in accordance with 17 C.F.R. 240.16a-1(f). For purposes of this policy, Executive Officers shall include at a minimum the executive officers identified pursuant to 17 C.F.R. 229.401(b).
- j. “**Financial Reporting Measures**” shall mean: (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements; (ii) measures derived wholly or in part from such measures; (iii) the Company’s stock price; and (iv) the Company’s total shareholder return. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.
- k. “**Incentive-based Compensation**” shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- l. “**NYSE**” shall mean the New York Stock Exchange.
- m. “**Policy**” shall mean this Policy, as the same may be amended and/or restated from time to time.
- n. “**Received**” shall, with respect to any Incentive-based Compensation, mean actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if payment or grant of the Incentive-based Compensation occurs after the end of that period.
- o. “**Restatement Date**” shall mean the earlier to occur of (i) the date the Board, a committee of the Board, or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the issuer is required to prepare an Accounting Restatement, or (ii)

the date of court, regulator or other legally authorized body directs the issuer to prepare an Accounting Restatement.

- p. “*SEC*” shall mean the U.S. Securities and Exchange Commission.

#### 4. **Repayment of Erroneously Awarded Compensation.**

- a. In the event of an Accounting Restatement, the Committee shall reasonably promptly (and in all events within ninety (90) days after the Restatement Date) determine the amount of any Erroneously Awarded Compensation for each Executive Officer in connection with such Accounting Restatement and shall promptly thereafter provide each Executive Officer with a written notice containing the amount of Erroneously Awarded Compensation and a demand for repayment or return, as applicable. For Incentive-based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the NYSE).
- b. The Committee shall have broad discretion to determine the appropriate means of recovery of Erroneously Awarded Compensation based on all applicable facts and circumstances and taking into account the time value of money and the cost to shareholders of delaying recovery. To the extent that the Committee determines that any method of recovery (other than repayment by the Executive Officer in a lump sum in cash or property) is appropriate, the Company shall offer to enter into a repayment agreement (in a form reasonable acceptable to the Committee) with the Executive Officer. If the Executive Officer accepts such offer and signs the repayment agreement within thirty (30) days after such offer is extended, the Company shall countersign such repayment agreement. If the Executive Officer fails to sign the repayment agreement within thirty (30) days after such offer is extended, the Executive Officer will be required to repay the Erroneously Awarded Compensation in a lump sum in cash (or such property as the Committee agrees to accept with a value equal to such Erroneously Awarded Compensation) on or prior to the date that is one hundred twenty (120) days following the Restatement Date. For the avoidance of doubt, except as set forth in Section 4(d) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer’s obligations hereunder.
- c. To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due (as determined in accordance with Section 4(b) above), the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the



Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

- d. Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 4(b) above if the following conditions are met and the Committee determines that recovery would be impracticable:
  - i. The direct expenses paid to a third party to assist in enforcing the Policy against an Executive Officer would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation, documented such attempts and provided such documentation to the NYSE;
  - ii. Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation and a copy of the opinion is provided to the NYSE; or
  - iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.
5. **Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirement of the federal securities laws and regulations thereunder, including the disclosure required by applicable SEC filings.
6. **Indemnification Prohibition.** The Company shall not be permitted to indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).
7. **Interpretation.** The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy.
8. **Effective Date.** This Policy shall be effective as of the Effective Date.

9. **Amendment; Termination.** The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Committee may terminate this Policy at any time. Notwithstanding anything in this Section 9 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed.
10. **Other Recoupment Rights; No Additional Payments.** The Committee may require that any offer letter, employment agreement, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any compensatory plan, offer letter, employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.
11. **Successors.** This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

\* \* \*

**WALMART INC.  
EXECUTIVE COMPENSATION RECOUPMENT POLICY**

**ACKNOWLEDGEMENT FORM**

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Walmart Inc. Executive Compensation Recoupment Policy (the “*Policy*”). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this “*Acknowledgement Form*”) shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy.

---

---

---

Signature

Print Name

Date

## Opioids Litigation Case Citations and Currently Scheduled Trial Dates

### A. Case Citations For Pending State Court Cases as of March 4, 2024

Commonwealth of Massachusetts v. Walmart, Inc., Mass. Super. Ct., Suffolk Cty., 2/22/2024; State of Nebraska, ex rel. Michael T. Hilgers, Att’y Gen. v. CVS Pharm., Inc., et al., Neb. Dist. Ct., Lancaster Cty., 2/1/2024; State of Ohio, ex rel. Ohio Att’y Gen. Dave Yost v. CVS Health Corp., et al., Ohio Ct. Com. Pl., Franklin Cty., 1/17/2024; Commonwealth of Virginia, ex rel. Jason S. Miyares, Att’y Gen. v. CVS Pharm., Inc., et al., Va. Cir. Ct., City of Richmond, 1/4/2024; People of Illinois v. CVS Pharm., Inc., et al., Ill. Cir. Ct., Cook Cty., Ch. Div., 12/6/2023; State of Arizona ex rel. Kristin K. Mayes, Att’y Gen. v. Walmart, Inc., Ariz. Super. Ct., Maricopa Cty., 11/7/2023; State of North Carolina ex rel. Joshua H. Stein, Att’y Gen. v. CVS Pharm., Inc., et al. N.C. Super. Ct., Wake Cty., 10/31/2023; Att’y Gen. for State of Oregon v. Walmart Inc., Or. Cir. Ct., Multnomah Cty., 10/30/2023; Commonwealth of Pennsylvania ex rel. Allegheny Cty. Dist. Att’y Stephen A. Zappala, Jr. v. CVS Ind., LLC, et al., Pa. Ct. Com. Pl., Delaware Cty., 8/8/2022; Paynter ex rel. Minor Child(ren) Z.N.B. v. McKesson Corp., et al., W. Va. Cir. Ct., Kanawha Cty., 3/28/2022; Blankenship ex rel. Minor Child Z.D.B. v. McKesson Corp., et al., W. Va. Cir. Ct., Kanawha Cty., 1/14/2022; E. Me. Med. Ctr., et al. v. Teva Pharm. USA, Inc., et al., Me. Bus. & Consumer Ct., Cumberland Cty., 9/10/2021; Miss. Baptist Med. Ctr. Inc., et al. v. Amneal Pharm., LLC, et al., Miss. 1st Jud. Dist., Hinds Cty. Cir. Ct., 5/15/2020; Dallas Cty. Hosp. Dist. d/b/a Parkland Health & Hosp. Sys., et al., v. Amneal Pharm., LLC, et al., Tex. Dist. Ct., 152nd Jud. Dist., Harris Cty., 11/20/2019; Fla. Health Scis. Ctr., Inc., et al. v. Sackler, et al., Fla. Cir. Ct., 17th Jud. Cir., Broward Cty., 9/16/2019; City of Yonkers v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 5/29/2019; City of Albany v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 5/3/2019; City of Plattsburgh v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 5/3/2019; City of Troy v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 5/3/2019; City of Schenectady v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 5/3/2019; Cty. of Ulster v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 4/10/2019; Cty. of Washington v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 4/1/2019; Cty. of Montgomery v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 3/26/2019; Cty. of Herkimer v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 3/26/2019; Cty. of Lewis v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 2/26/2019; Cty. of St. Lawrence v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Suffolk Cty., 1/30/2019; City of New York v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 1/16/2019; Cty. of Fulton v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 1/8/2019; Cty. of Ontario v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Suffolk Cty., 1/8/2019; Cty. of Columbia v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 12/1/2018; Cty. of Monroe v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 12/1/2018; Cty. of Wyoming v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/28/2018; Cty. of Greene v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/28/2018; Cty. of Oswego v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/27/2018; Cty. of Schenectady v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/15/2018; Cty. of Broome v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/13/2018; Cty. of Erie v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/13/2018; Cty. of Orange v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/13/2018; Cty. of Dutchess v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/13/2018; Cty. of Seneca v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/13/2018; Cty. of Sullivan v. Purdue Pharma L.P., et al., N.Y. Sup. Ct., Westchester Cty., 11/13/2018.

### B. Currently Scheduled Trial Dates In Pending State Court Cases as of March 4, 2024

- 9/8/25 – Florida Health Sciences Center, Inc., et al. v. Richard Sackler, et al., Fla. Cir. Ct., 17th Jud. Dist., Broward Cty.

### C. Case Citations For Pending Non-MDL Federal Court Cases as of March 4, 2024

Chaney v. CVS Pharm., et al., Inc., U.S. Dist. Ct., E.D. Ky., 12/11/2023; San Miguel Hosp. Corp. d/b/a Alta Vista Reg’l Hosp. v. Johnson & Johnson, et al., U.S. Dist. Ct., D.N.M., 10/16/2023; Baby Doe, et al., ex rel. Their Guardian Ad Litem v. Endo Health Sols., Inc., et al., U.S. Dist. Ct., M.D. Tenn., 8/3/2022; City of Kingston v. Teva Pharm. USA, Inc., et al., U.S. Dist. Ct., S.D.N.Y., 2/27/2020; Cty. of Cortland v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 1/8/2019; City of Ithaca v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Rensselaer v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Saratoga v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Schoharie v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Westchester v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Genesee v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Niagara v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Hamilton v. Purdue Pharma L.P., et al., U.S. Dist. Ct.,

S.D.N.Y., 10/23/2018; Cty. of Franklin v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Schuyler v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Steuben v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Clinton v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018; Cty. of Tompkins v. Purdue Pharma L.P., et al., U.S. Dist. Ct., S.D.N.Y., 10/23/2018.

**D. International Cases as of March 4, 2024**

City of Grand Prairie v. Apotex, Calgary 2001-07073 (ABKB)

Lac La Ronge Indian Band v. Apotex, Prince Albert QBG-PA-00072-2021 (SKKB)